

CITY OF SANTA FE

QUARTERLY FINANCIAL PERFORMANCE REPORT

As of June 30, 2023



CITY OF SANTA FE – QUARTERLY FINANCIAL REPORT
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I. REVENUE AND EXPENDITURES

This report is a summary of financial results for the City through the fourth quarter of the fiscal year. It provides summarized information on how the City's financial sources (revenues) and uses (expenditures) have performed to date by department and major categories. Significant financial developments and budget variances are identified. The report also includes a projection of revenues and expenditures to the end of the fiscal year based on year-to-date activity and historical trends. Finance Department staff continues to work with other City Departments to ensure that City resources will be used in the most efficient and cost-effective manner.

The overall City financial picture as of June 30, 2023 (presented in Exhibit 1) is more optimistic than expected when the FY23 budget was adopted in April 2022. The largest single source of revenue to the City is Gross Receipts Tax (GRT), which represents 36.2% of total operating City revenue. For the current fiscal year, GRT ended up approximately 12% over budget; year-end GRT revenue performance also reflects an 8% increase from the FY22 GRT number. Although monthly GRT receipts have had ups and downs throughout the year, overall the GRT trend of strong growth continued through the end of FY23. The Finance Department will continue to monitor these trends as future GRT distributions are received, and revise earnings estimates accordingly. As for the remainder of the revenue picture, other major items such as Property Tax, Lodgers' Tax, Other Taxes, Ambulance Fees, Wastewater Fees and Other Fees also performed well above budgeted estimates, though some categories such as Gasoline Tax, Licenses/Permits, Parking Fees and Fines/Forfeitures came in significantly below FY23 budgeted estimates. Overall, however, the revenue forecast is a positive one, with total overall revenues coming in at 1% over budget. On the expenditure side, we have seen the trend continue from past years, wherein major expense categories such as Contractual Services, Repairs & Maintenance, Supplies, Travel/Training and Capital Purchases/Land & Building ended the year well under budget. Overall expenses ended the fiscal year at 19% below budgeted levels.

The revenue and expenditure forecast for the General Fund (see Exhibit 3) is quite similar to the overall picture, with GRT ending the fiscal year at approximately 12% over budget, and 6.1% over the previous fiscal year. Some other revenue categories such as Other Taxes, Ambulance Fees, Planning & Land Use Fees and Recreation Fees performed significantly better than expected, while some others including Licenses & Permits, Fines & Forfeitures, and Miscellaneous Revenues performed below budgeted estimates (the large negative number for Miscellaneous Revenues is attributable to reimbursements and refunds from various other categories). Overall General Fund revenues came in at 6% over budget for the fiscal year. Meanwhile, expenditure trends in the General Fund are largely similar to those seen in the all funds forecast, with major categories such as Contractuals, Repairs & Maintenance, Supplies, Travel/Training, and Capital Purchases coming in well under budget. Overall, General Fund expenditures ended the fiscal year at 9% below budget for FY23.

Federal Update

The Federal Reserve's steps to slow inflation through the increase in interest rates to slow economic growth are affecting the US job market, which is now showing a slowing in new jobs and a decrease in unemployment rates (3.8% as of August 2023). Despite these concerns, the City of Santa Fe continues to maintain a strong financial position, due in part to CARES Act (Coronavirus Aid, Relief, and Economic Security Act) and ARPA (American Rescue Plan Act) funding. The City of Santa Fe received \$15,049,631 in federal funding from the American Rescue Plan Act. This funding must be either expended or obligated by December 30, 2023. As of June 30, 2023, the City has expended \$2,927,648.52 and has obligated another \$5,550,926.30, leaving \$9,498,704.70 in unencumbered funding. Several contracts are in process or pending approval by the Governing Body in early fiscal year 2024 for the remaining unencumbered funds. In addition to the City's current ARPA funds, the City received \$2,388,821.66 in other direct federal funding. Transit has applied for a \$5.2

million grant to support the purchase of new vans, replacement of its dated fare box system and southside transit center construction costs. The Airport is currently working on spending its own \$2.22 million ARPA grant and the \$1.3 million balance of its CARES Act grant. The outlook on other federal funding from grants continues to be stable, at near FY22 levels. In addition to these funds, the City also received \$958,185.50 from the National Opioids Settlement (Janssen) in fiscal year 2023.

State Update

The State of New Mexico continues to show a strong economic recovery and is projecting a 34.4% growth from the 2024 reoccurring fiscal year budget. The Legislative Finance Committee reported that two-thirds of the new money has come from oil and gas, primarily an unprecedented boom in the Permian Basin, and that growing oil production and oil prices has resulted in a \$3 billion surplus. State lawmakers are hoping that in addition to the \$1.18 billion set aside for Early Childhood Education and Care Trust Fund, part of the surplus will be allocated to needed capital projects throughout the State. During the legislative session, the Governor signed HB 2 authorizing a \$9.6 billion budget, representing a 14% increase over FY23. Of that \$9.6 billion, \$13.3 million in new capital outlay funds were approved for the City of Santa Fe's key capital projects. This is compared to \$4.2 million allocated in FY22, an increase of \$9 million (216%). At the close of Fiscal Year 2023 the City had received \$21,823,509.14 from State sources, including, Federal grant pass-throughs and capital outlay projects reimbursements, as well as NM Law Enforcement Retention Fund, New Mexico Fire Protection Fund, and Emergency Medical Services Fund allocations.

CITY OF SANTA FE - FINANCIAL PERFORMANCE REPORT: FOURTH QUARTER FY23

Exhibit 1

ALL FUNDS - OPERATING BUDGET SUMMARY & PROJECTIONS

DESCRIPTION	FISCAL YEAR 2021/2022 ACTUAL	FISCAL YEAR 2022/2023				
		APPROVED BUDGET	AMENDED BUDGET	YEAR TO DATE*	PROJECTED YEAR-END	PROJECTED VARIANCE
BEGINNING BALANCE	255,786,155	313,249,371	313,249,371	313,249,371	313,249,371	
<i>Revenues :</i>						
Gross Receipts Tax	146,420,020	137,729,188	140,522,768	158,080,046	158,080,046	12%
Property Tax	11,173,551	11,063,527	11,183,943	12,149,080	12,149,080	9%
Franchise Fees	4,190,119	5,705,841	5,705,841	4,432,156	5,668,157	-1%
Lodgers' Tax	17,074,505	12,863,702	12,863,702	19,955,527	19,955,527	55%
Gasoline Tax	1,542,860	1,674,660	1,674,660	1,574,705	1,574,705	-6%
Other Taxes	675,826	520,923	520,923	1,206,662	1,206,662	132%
Licenses & Permits	3,807,906	6,290,969	6,292,919	5,030,150	5,030,150	-20%
Ambulance Fees	4,366,880	5,800,000	5,800,000	6,547,155	6,547,155	13%
Insurance Premiums/Deductibles	25,374,189	27,094,210	27,094,210	24,138,702	27,542,821	2%
Parking Fees	531,283	5,015,774	5,015,774	428,061	428,061	-91%
Recreation Fees	813,187	2,755,577	2,755,577	2,567,871	2,567,871	-7%
Solid Waste Fees	22,048,888	23,764,413	27,115,964	26,537,901	26,537,901	-2%
Wastewater Fees	13,516,492	11,665,201	11,665,201	14,247,059	14,247,059	22%
Water Fees	35,540,415	34,045,448	34,112,472	35,405,073	35,405,073	4%
Other Fees/Services**	34,107,822	43,422,843	31,789,040	19,752,887	39,764,574	25%
Fines & Forfeitures	196,655	882,201	882,201	204,944	204,944	-77%
Miscellaneous Revenues***	1,957,111	6,234,386	6,270,373	2,101,246	2,101,246	-66%
Interest on Investments	(29,917)	838,168	779,689	-	779,689	0%
State Grants	3,360,628	4,696,535	9,708,154	4,621,403	4,621,403	-52%
Federal Grants	15,331,548	5,282,160	24,157,843	11,680,089	11,680,089	-52%
SF County/Other Grants	629,054	157,826	8,034,087	989,746	989,746	-88%
Transfers In	62,241,880	51,802,791	59,351,981	3,433,563	59,351,981	0%
Subtotal - Revenues	404,870,901	399,306,343	433,297,322	355,084,027	436,433,940	1%
TOTAL RESOURCES	660,657,056	712,555,714	746,546,693	668,333,397	749,683,311	
<i>Expenditures :</i>						
Salaries	77,405,632	90,536,757	96,449,312	91,233,594	91,233,594	-5%
Benefits	36,224,461	42,501,818	47,030,381	43,115,522	43,501,105	-8%
Contractual Services	26,222,975	40,749,580	66,639,030	35,229,793	35,229,793	-47%
Utilities	14,094,341	13,670,488	16,212,670	14,933,496	14,933,496	-8%
Repairs & Maintenance	7,328,443	9,197,503	15,393,702	10,521,206	10,521,206	-32%
Supplies	13,236,332	14,540,045	18,305,282	15,280,183	15,280,183	-17%
Insurance	28,014,726	36,860,776	36,851,823	26,797,174	29,815,710	-19%
Travel & Training	791,339	1,315,506	1,599,756	1,090,553	1,090,553	-32%
Other Operating	23,608,888	40,232,523	49,980,640	15,303,033	36,550,721	-27%
Capital Purchases	2,824,786	6,973,208	25,562,237	9,848,381	9,848,381	-61%
Land & Building	1,470,230	760,000	6,780,728	2,326,104	2,326,104	-66%
Debt Service-Principal	12,974,125	16,486,640	16,486,640	16,632,905	16,632,905	1%
Debt Service-Interest	6,750,772	8,143,678	8,143,678	8,157,539	8,157,539	0%
Transfers Out	96,460,634	55,845,021	67,922,782	3,620,589	67,922,782	0%
TOTAL EXPENDITURES	347,407,685	377,813,543	473,358,661	294,090,072	383,044,072	-19%
ENDING BALANCE	313,249,371	334,742,171	273,188,032	374,243,325	366,639,239	

*Includes year-to-date actuals plus encumbrances as of June 30, 2023; excludes CIP funds

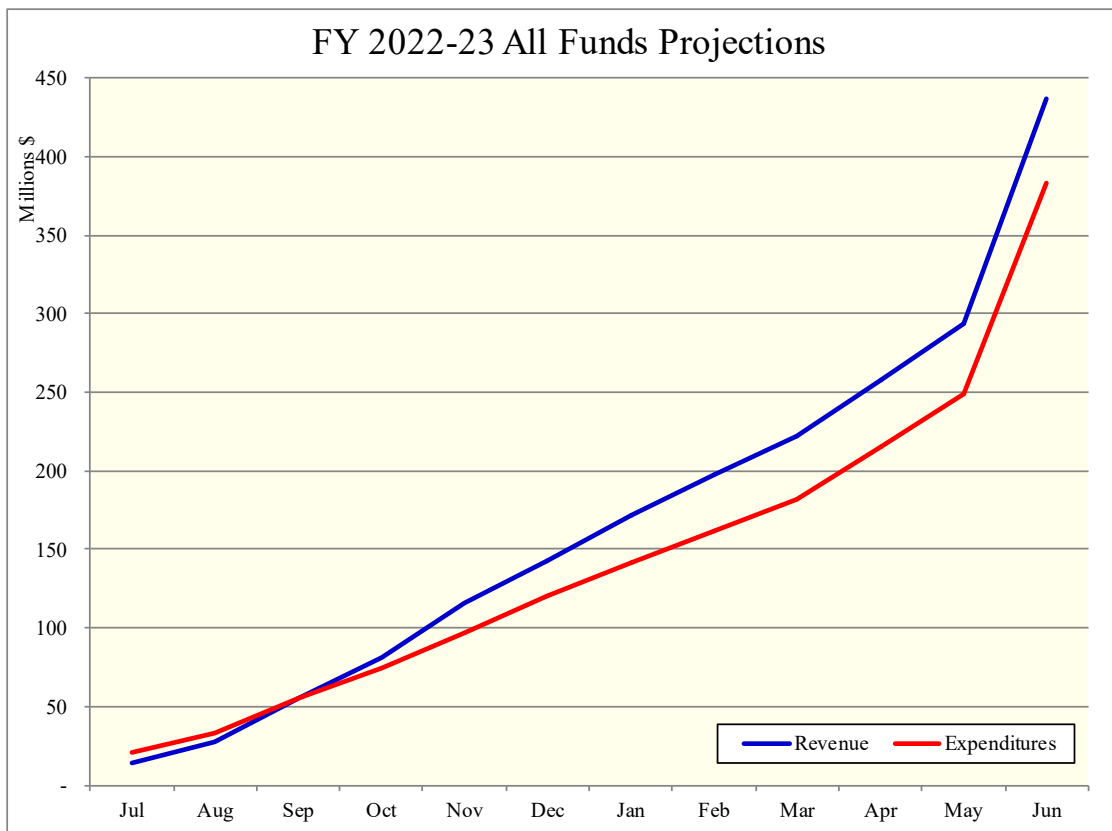
**Other Fees/Services include: Internal Service Charges; Airport Fees; Police/Court Fees; Transit Fees; Land Use Fees; and various other fees/services

***Miscellaneous Revenues include: Sales Revenue; Reimbursements/Refunds; Advertising Income; Insurance Recoveries; Rental Income; and other miscellaneous revenues

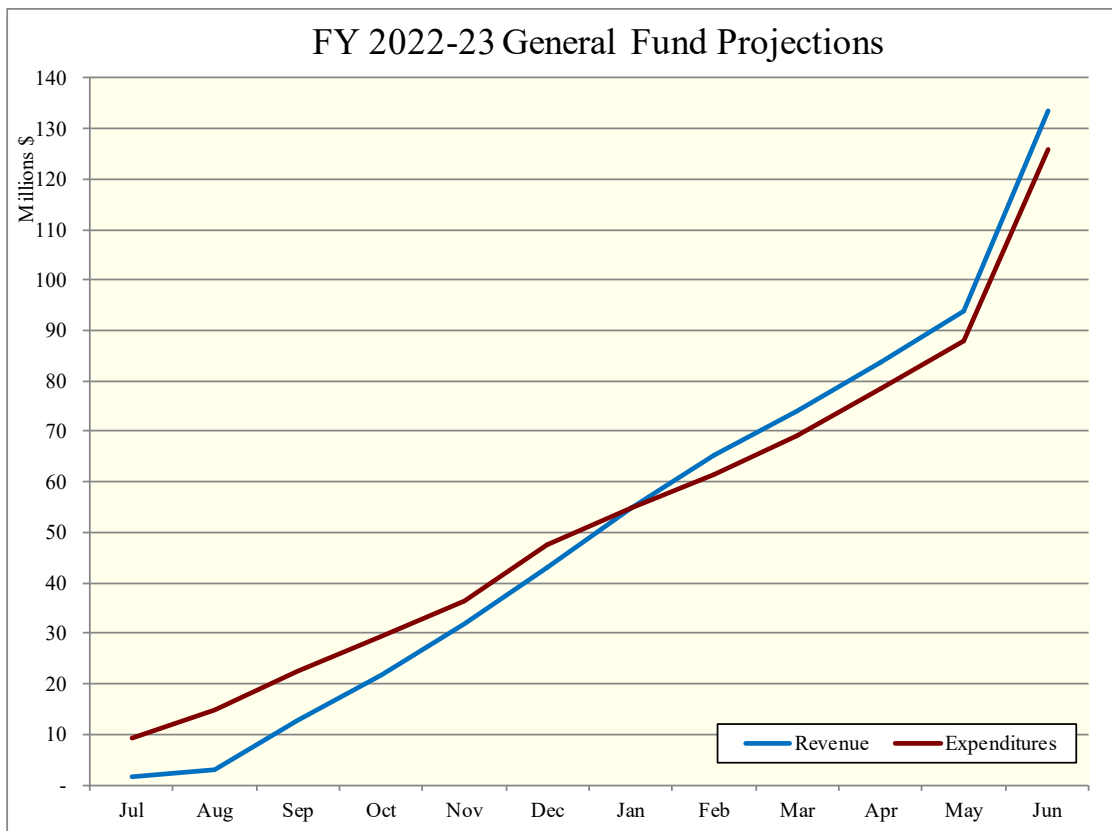
Exhibit 2

PROJECTIONS ANALYSIS

FY 2022-23 All Funds Projections



FY 2022-23 General Fund Projections



CITY OF SANTA FE - FINANCIAL PERFORMANCE REPORT: FOURTH QUARTER FY23

Exhibit 3

GENERAL FUND SUMMARY & PROJECTIONS

DESCRIPTION	FISCAL YEAR	FISCAL YEAR 2022/2023				
	2021/2022 ACTUAL	APPROVED BUDGET	AMENDED BUDGET	YEAR TO DATE*	PROJECTED YEAR-END	PROJECTED VARIANCE
BEGINNING BALANCE	45,814,881	55,751,453	55,751,453	55,751,453	55,751,453	
<i>Revenues :</i>						
Gross Receipts Tax	93,241,717	87,340,228	88,496,194	98,962,863	98,962,863	12%
Property Tax	8,642,543	9,092,019	9,188,189	9,516,085	9,516,085	4%
Franchise Fees	4,140,696	5,637,767	5,637,767	4,371,500	5,607,501	-1%
Other Taxes	675,826	520,923	520,923	1,206,662	1,206,662	132%
Licenses & Permits	3,803,681	6,218,353	6,220,303	5,022,840	5,022,840	-19%
Ambulance Fees	4,366,880	5,800,000	5,800,000	6,547,155	6,547,155	13%
Planning/Land Use Fees	4,514,542	380,357	380,357	1,373,552	1,373,552	261%
Recreation Fees	188,012	116,120	116,120	277,488	277,488	139%
Reimbursed Expenditures**	5,329,794	5,074,520	5,074,520	352,910	5,427,430	7%
Other Fees/Services	80,161	81,791	81,791	115,389	115,389	41%
Fines & Forfeitures	143,153	156,046	156,046	146,856	146,856	-6%
Miscellaneous Revenues	(2,679,773)	458,664	458,664	(3,936,305)	(3,936,305)	-958%
Interest on Investments	-	57,826	57,826	-	57,826	0%
State/Other Grants	51,885	-	83,749	-	-	-100%
Transfers In	4,053,300	3,102,180	3,104,936	-	3,104,936	0%
Subtotal - Revenues	126,552,416	124,036,794	125,377,385	123,956,994	133,430,277	6%
TOTAL RESOURCES	172,367,297	179,788,247	181,128,838	179,708,447	189,181,730	
<i>Expenditures :</i>						
Salaries	44,838,692	56,053,083	55,046,837	53,481,064	53,481,064	-3%
Benefits	20,580,939	24,477,523	25,840,436	25,073,272	25,297,533	-2%
Contractual Services	7,087,236	13,165,961	12,774,634	8,683,766	8,683,766	-32%
Utilities	3,778,199	3,558,479	3,722,476	3,369,482	3,369,482	-9%
Repairs & Maintenance	687,235	1,577,553	1,560,933	1,463,946	1,463,946	-6%
Supplies	4,102,292	3,976,413	4,036,353	3,675,110	3,675,110	-9%
Insurance	2,698,894	2,040,730	1,780,230	-	1,634,410	-8%
Travel & Training	232,392	565,968	536,088	357,977	357,977	-33%
Other Operating	7,491,695	12,891,321	15,831,859	3,192,540	13,462,180	-15%
Capital Purchases	799,957	549,592	4,905,035	2,696,550	2,696,550	-45%
Land & Building	-	-	-	-	-	0%
Transfers Out	24,318,313	5,180,171	11,627,855	358,413	11,627,855	0%
TOTAL EXPENDITURES	116,615,844	124,036,794	137,662,736	102,352,119	125,749,872	-9%
ENDING BALANCE	55,751,453	55,751,453	43,466,102	77,356,329	63,431,858	
<i>State-Mandated Minimum</i>						
<i>General Fund Balance***</i>	7,691,461	9,904,719	10,502,907		10,502,907	
<i>Equivalent # Days of Operation</i>	220	171	126		203	

*Includes year-to-date actuals plus encumbrances as of June 30, 2023

**Reimbursed Expenditures are mostly comprised of internal charges to various City Divisions for services provided by GF Departments such as Finance, ITT, & HR

***State-mandated minimum balance defined as 1/12 (8.3%) of budgeted annual General Fund expenditures excluding transfers

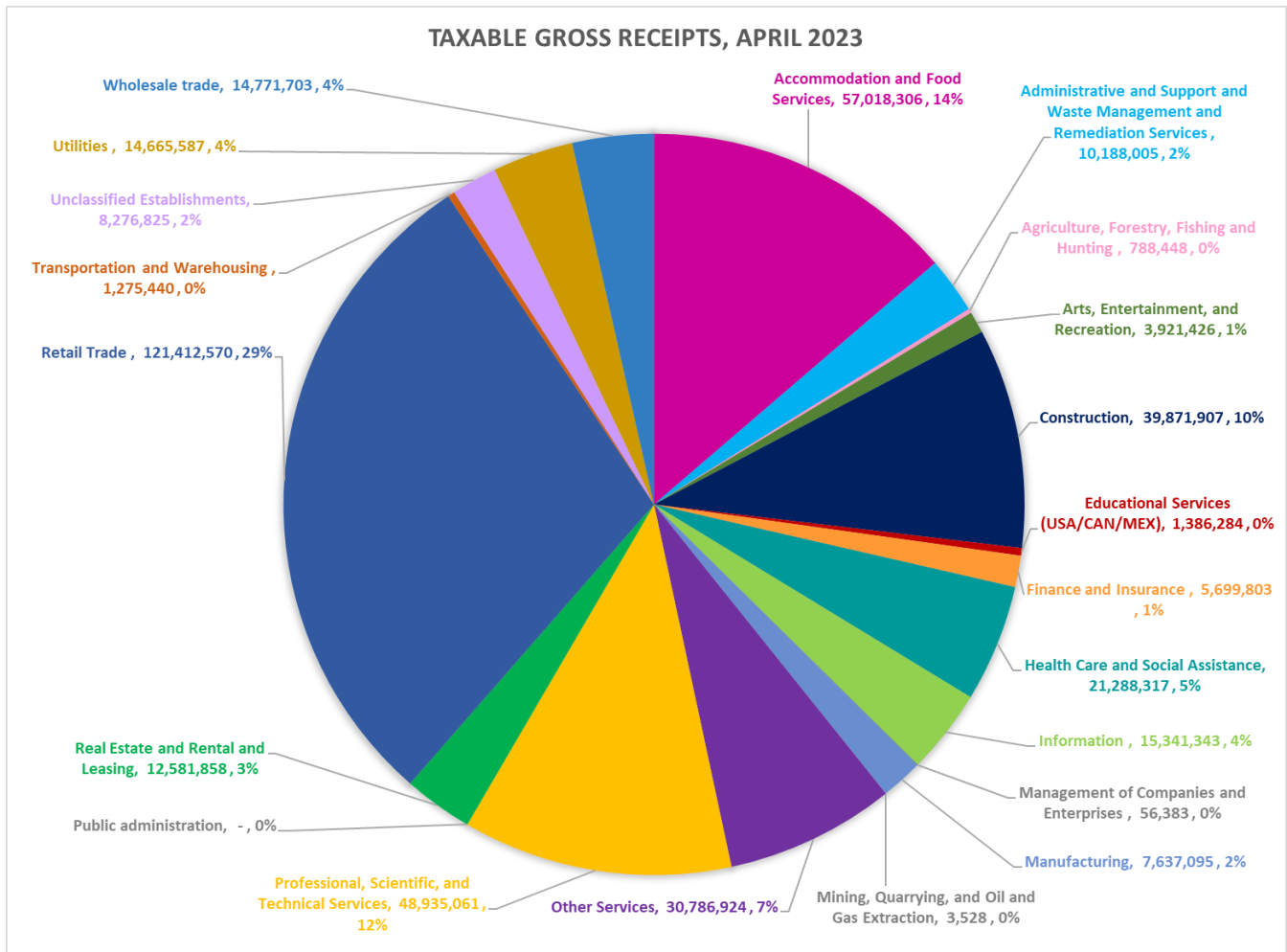
II. REVENUE UPDATE

Gross Receipts Tax

The following provides a brief summary of Gross Receipts Tax (GRT) for the City of Santa Fe. The New Mexico Taxation and Revenue Department (NMTRD) reports the monthly tax receipts collection activity data. As part of the City’s efforts to increase transparency and regular reporting on the City’s finances, City staff provides written memos about Santa Fe’s taxable gross receipts and the GRT revenue distributions on a monthly basis. Due to the two-month delay, the City received the GRT generated in April 2023 from NMTRD in June 2023.

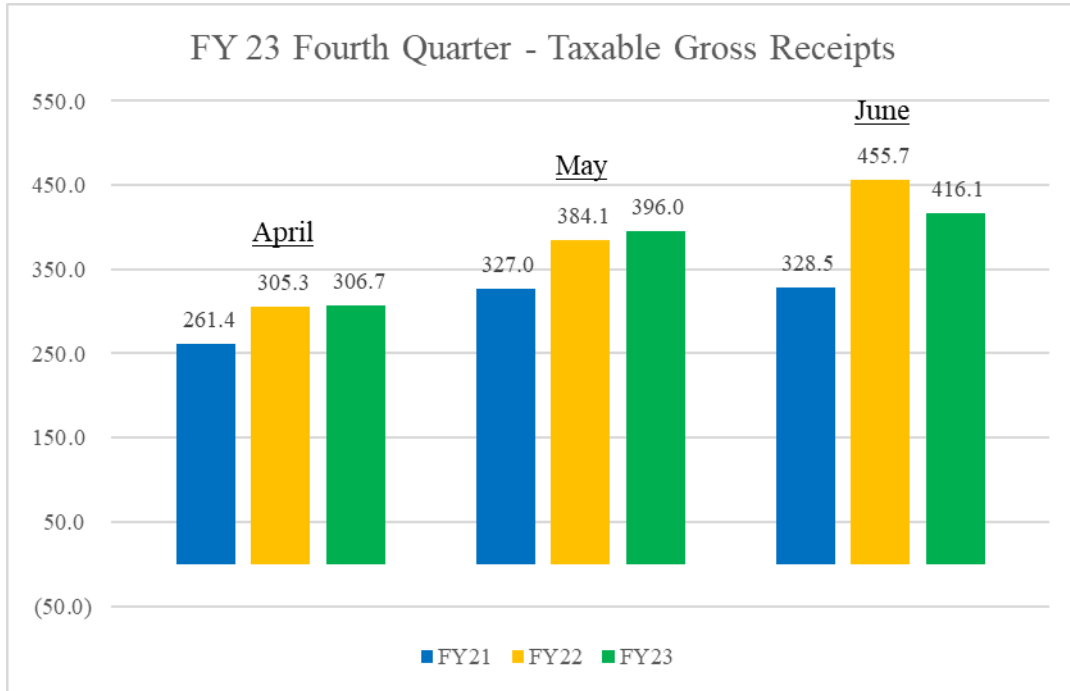
Taxable gross receipts for the third quarter totaled \$1.2 billion, up 8.2% or \$98.2 million from the \$1.1 billion seen in the fourth quarter of FY22 (April – June 2022). Taxable gross receipts also exceeded the pre-pandemic levels of \$856.7 million during the fourth quarter of FY20 (April – June 2021) by 28.6%, or \$343.3 million. FY23 fourth quarter gross receipts were particularly strong in the Accommodation and Food services category, which returned to its historic weight of 13.2% of total taxable gross receipts. Retail sales have also been particularly strong, coming in over \$341.5 million for the fourth quarter.

Exhibit 4



(Source: NM Taxation & Revenue Dept.)

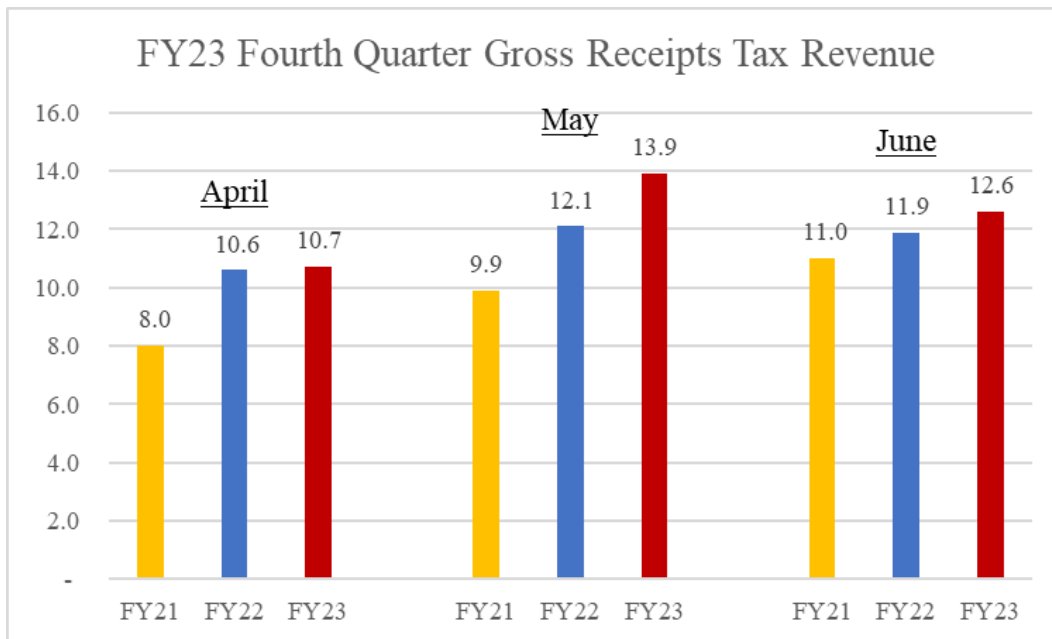
Exhibit 5



(Source: NM Taxation & Revenue Dept.)

The data below represents the economic activity in April, May and June 2023, for which the distribution is made to the City by NMTRD. Fourth quarter distributions to the City totaled \$37.2 million. The total fourth quarter distribution for FY23 was 6.9% greater than the fourth quarter FY22 distribution of \$34.6 million.

Exhibit 6



(Source: NM Taxation & Revenue Dept.)

Year-to-date, the City has received \$113.8 million, or 82.6%, of the total GRT budget of \$137.7 million. Two more months' GRT distributions will be received and recorded for the current fiscal year.

Property Tax

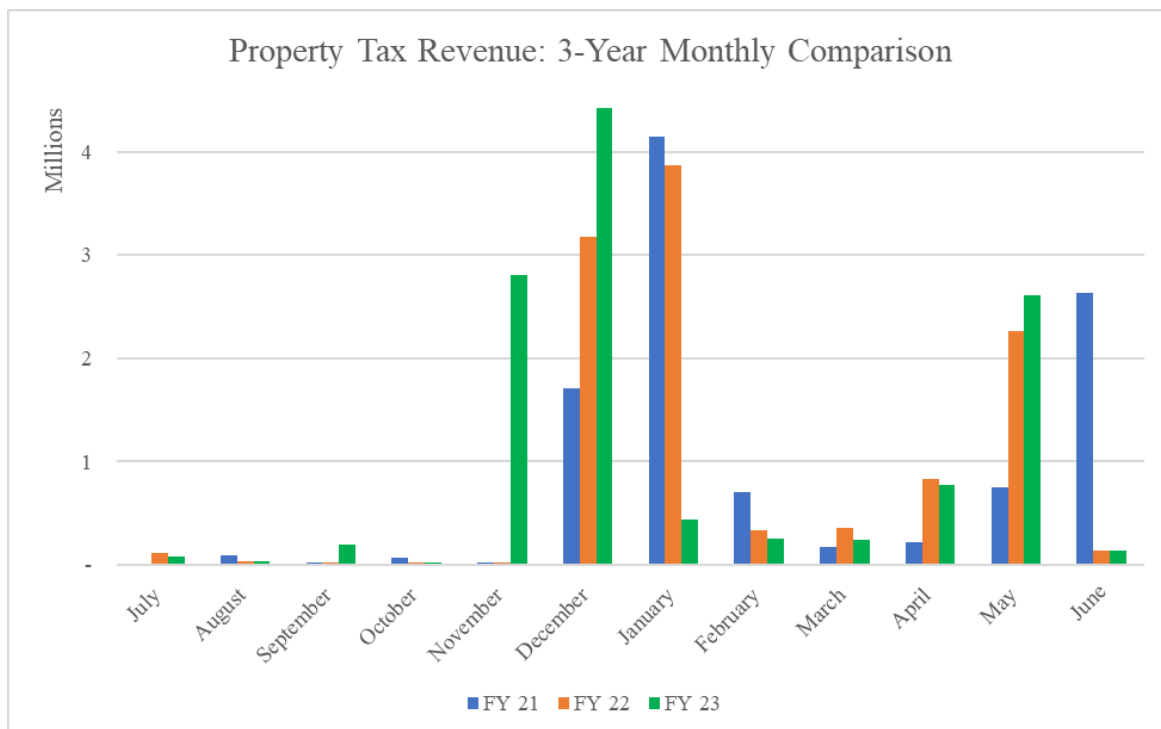
Property tax is assessed on all real property, tangible movable business property, mobile homes and agricultural properties located in the City of Santa Fe. Changes in property valuation may occur when ownership transitions to a new owner, improvements to the property occur, damage due to disaster or calamity occurs, or the property is reassessed.

As the table below illustrates, the principal disbursements of property tax receipts from the County to the City occur in December and January, and the secondary disbursements occur in May and June. During the pandemic, property tax collections decreased by 3%, or \$324 thousand. In FY23, year-to-date property tax revenue collections through the fourth quarter totaled \$12 million.

Exhibit 7

City of Santa Fe - Property Tax Revenue							
	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
July	172,569	158,252	212,697	161,529	-	109,539	81,642
August	63,996	79,868	81,281	110,346	89,304	39,363	31,889
September	42,455	44,247	42,774	34,766	28,086	25,985	197,531
October	30,150	28,885	17,268	17,654	67,877	18,479	21,876
November	15,353	19,190	29,698	17,828	18,451	18,938	2,799,470
December	3,302,302	3,320,524	3,954,097	1,740,341	1,708,123	3,174,973	4,423,192
January	3,510,709	3,686,706	2,614,809	3,459,982	4,139,156	3,865,911	444,082
February	175,880	367,028	216,805	1,661,070	700,858	329,934	249,955
March	140,224	170,670	143,742	137,126	171,915	354,632	241,627
April	260,779	257,874	227,314	272,546	218,482	826,890	768,455
May	1,058,610	1,122,336	1,101,607	1,686,092	746,199	2,267,058	2,610,481
June	2,370,471	2,240,642	2,193,829	1,544,454	2,630,929	141,849	141,849
Totals	11,143,498	11,496,223	10,835,922	10,843,734	10,519,380	11,173,551	12,012,049

Exhibit 8



Lodgers’ Tax

Lodgers’ tax collections are generated from hotels, motels and short-term rentals within the City of Santa Fe. Lodgers’ tax is remitted for revenue generated from lodging at taxable premises within the City limits. 5% of the lodgers’ tax is an imposed occupancy tax and 2% is a convention center fee, for a total of 7% of gross taxable rent paid to vendors. The lodgers’ tax, guided by State Statute and City ordinance, provides funding “...for the purpose of advertising, publicizing and promoting facilities and tourist attractions; for the acquisition, construction and maintenance of tourist attractions and recreational facilities; and for all other legally permissible purposes.”

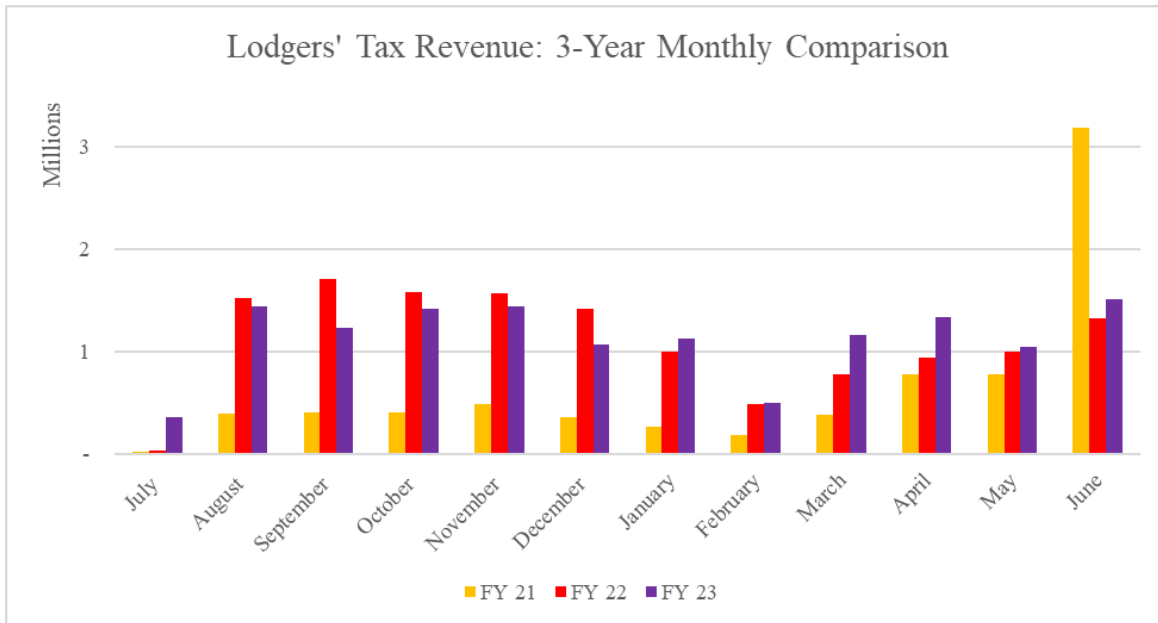
Between FY16 and FY19, lodgers’ tax saw a steady climb, averaging 8% growth. FY20 saw a decline of 14.2%, or \$1.7 million, with FY21 revenue declining an additional 27%, or \$2.9 million. The large collection in June 2021 was the result of many lodgers’ tax payers catching up with past due payments. Over the last few years the New Mexico Legislature has amended the State Lodgers Tax code and the City amended its code in April 2021. Primary changes to the State Statutes addressed two exemptions: the three-room rule and the exemption for non-permanent residence rentals greater than 30 days were both eliminated.

As the economy recovered after the pandemic in FY22, the City benefited from gains in lodgers’ tax revenue as well, although in FY23 those gains have declined. Year-to-date FY23 lodgers’ tax revenue collections through the end of the fiscal year increased by 2%, or \$273 thousand, from FY22 levels.

Exhibit 9

City of Santa Fe - Lodgers' Tax Revenue							
	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
July	941,920	1,078,010	1,048,015	1,240,740	23,931	37,619	362,428
August	1,227,105	1,272,253	1,400,668	1,468,833	391,580	1,522,137	1,443,418
September	1,368,372	1,040,098	1,189,742	1,589,619	407,336	1,712,716	1,234,193
October	1,140,638	1,163,774	1,675,466	1,302,014	403,827	1,582,737	1,413,713
November	1,168,681	1,433,342	1,224,889	1,336,926	492,280	1,569,771	1,437,987
December	666,376	681,448	584,388	814,187	363,491	1,424,155	1,073,405
January	750,601	592,630	1,185,232	1,071,043	271,213	998,285	1,123,839
February	237,906	199,416	592,367	615,993	191,006	487,352	502,750
March	726,119	1,105,901	692,646	461,249	378,936	778,192	1,167,986
April	867,925	998,849	980,496	273,786	784,365	942,867	1,341,204
May	718,793	822,564	858,851	160,471	778,087	999,558	1,044,240
June	995,027	1,085,668	827,742	187,915	3,191,660	1,329,612	1,513,023
Totals	10,809,464	11,473,953	12,260,502	10,522,776	7,677,712	13,384,999	13,658,186

Exhibit 10



III. ECONOMIC OUTLOOK

The US economy ventured through much of FY 2023 better than anticipated. In June 2022, inflation peaked at 9.1%, as the surging consumer demand that had previously wreaked havoc on supply chains spread to real estate and services. In response, the Federal Reserve increased the discount rate faster than any time in the last four decades. Inflation fell, but interest rates surged. The economy lies at a crucial turning point: will the Federal Reserve's policy of interest rate increases control inflation while allowing the economy a soft landing? Or bearishly, will the surging interest rates erode consumer spending and push the economy into an extended hard landing: economic malaise, a credit crunch, and lower growth expectations?

In the first half of 2023, the pendulum has swung between both potential outcomes. March 2023 marked a series of bank failures that notably included Silicon Valley Bank. These institutions, uniquely exposed to high interest rates and facing an exodus of large depositors, led the Federal Reserve to initiate a new Bank Term Funding Program, offering one-year loans to eligible financial institutions. This successfully kept a regional banking crisis from turning into a more systemic one. Even while navigating this crisis and the debt ceiling brinkmanship in May 2023 successfully, economic vulnerabilities are readily apparent. The April 2023 Senior Loan Officer Opinion Survey indicated that banks would become more cautious in booking new loans, suggesting a credit crunch in the next year (and a hard landing) is still possible.

Inflation, having peaked last June at 9.1%, has fallen to just 4.0%. The surge in real estate and prices has levelled off, with historically low inventories keeping prices around the country relatively high. An extended period of high interest rates may help 'slowly' deflate the property asset bubble in the economy; this would help achieve a soft landing. Consumer resilience has also proven strong: with two-thirds of US GDP tied to consumer spending, the U.S. economy achieved the lowest unemployment rate in five decades at 3.4% in early 2023. Consumer debt remains high in absolute terms, with many low- and middle-income consumers struggling to pay record-high payment levels on debts like automotive loans. If unemployment increases but remains relatively low, a soft landing is possible; high employment affords the consumers to maintain higher amounts of debt, even if this cannot be maintained indefinitely.

The odds of recession in the next year remain relatively high – around 50%. Interest rates may remain higher for longer than anticipated, forcing asset prices to drop and adding uncertainty to the debt service costs of many firms. Reilly White, the City's consultant economist, correctly anticipated last year that higher rates would result in low growth in real estate. This situation is likely to continue, with prices for real estate in Santa Fe likely to continue dropping in the next year even in the face of low inventories.

Exhibit 11

Leading Economic Indicators

The annual growth rate of the US LEI continued to decline signaling weak GDP growth ahead

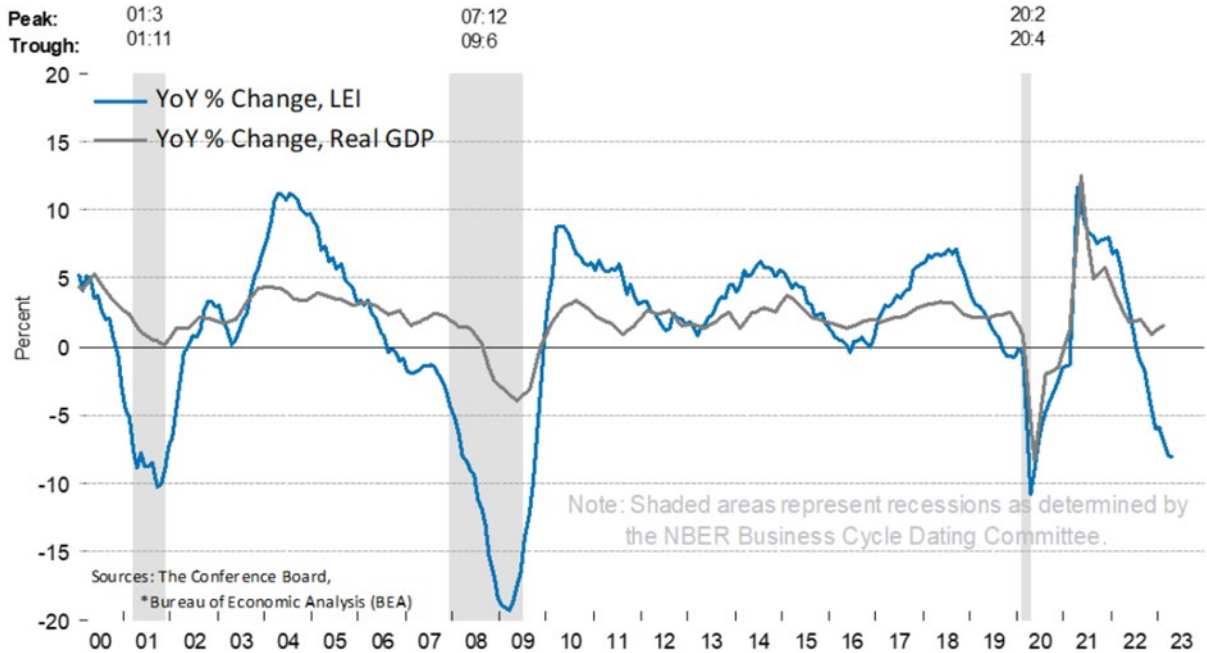
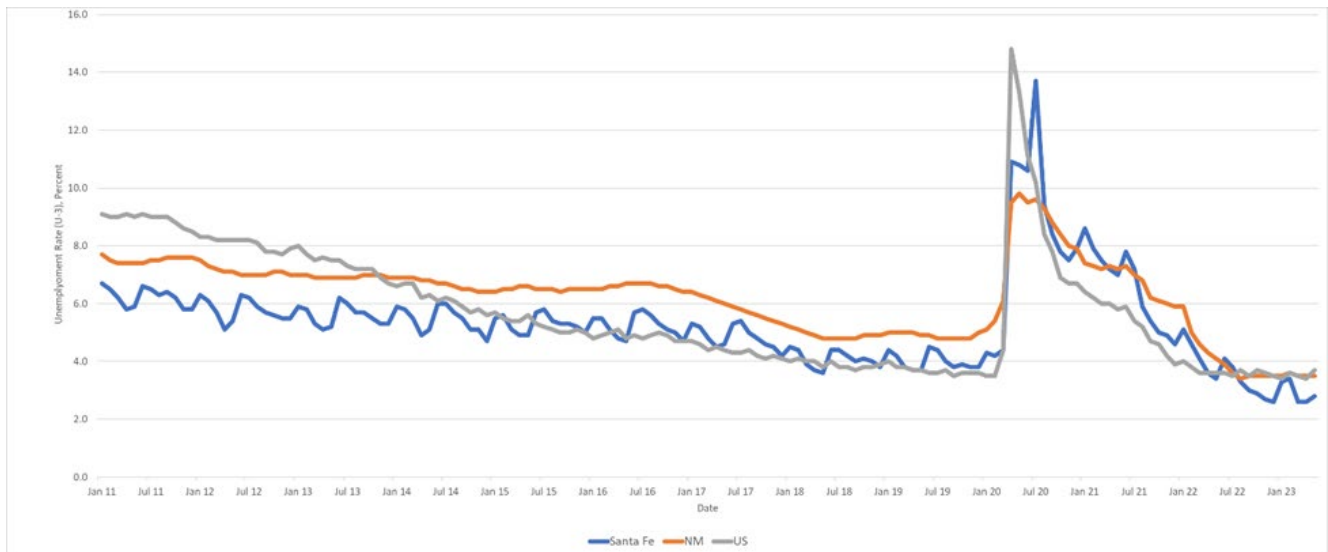


Exhibit 12

Unemployment in Santa Fe, New Mexico and the United States



Revenue Outlook

Bolstered by robust consumer spending (including from internet sales), Gross Receipts Tax (GRT) revenues are expected to approach \$155.3 million in FY 2023, significantly higher than \$143.0 million reported in FY 2022. Higher prices on goods and services, inflation, and consumer spending contributed to these GRT

numbers. GRT collections are expected to remain elevated, growing steadily through FY 2028 barring a significant economic downturn.

After a record-setting FY 2022, Lodger's Tax collections have been strong but have not met the FY 2022 surge in record-setting hotel occupancy. With pent-up demand for travel exiting a system, Lodger's Tax should generate \$12.0 million in revenues this year while showing substantial opportunity for continued growth through FY 2028.

Real Estate appreciation will continue to bolster Property Tax in the long-term. While FY 2023 revenues should fall around \$11.2 million, growth is expected to be steady and continuous over the next five years.

Collectively, revenue sources for Santa Fe will continue to remain positive. The worst-case scenario would be an extended economic downturn: GRT would likely decline, while the impact on Lodgers' and Property Taxes would remain fairly low. Tourism, shopping, and commerce will bolster GRT revenue, and Property Tax revenue will increase as land values continue to grow.

IV. INVESTMENT PORTFOLIO UPDATE

With the yield curve as low and flat as it is from overnight to one year, there is no reason to take any interest rate risk. Currently 17% of the portfolio is in Prime Money Market Funds, giving the City a small exposure to credit risk. Finance Department staff continue to monitor the investment markets, interest rates and economic activity and will ensure that City funds are prudently invested for safety, liquidity and yield.

Exhibit 13

City of Santa Fe							
Portfolio Holdings Report							
as of June 30, 2023							
<u>Type</u>	<u>Issuer</u>	<u>Par Value</u>	<u>Market Value</u>	<u>Book Value</u>	<u>Coupon</u>	<u>YTM</u>	<u>Maturity Date</u>
CD	Guadalupe CU	265,581	265,581	265,581	1.00%	1.00%	8/1/2023
	Total CDs	265,581	265,581	265,581		1.00%	
	Investment Trust						
	Principal Group						
	Allspring Government MM	170,778,762	170,778,762	170,778,762		4.13%	
	BlackRock Temp Fund MM	26,297,678	26,297,678	26,297,678		4.13%	
	JP Morgan Prime MM 3605	23,173,031	23,173,031	23,173,031		4.13%	
	US Treasury Note	54,580,469	52,734,000	54,580,469		1.40%	
Money Market	NM LGIP	40,912,264	40,912,264	40,912,264		3.93%	
		315,742,204	313,895,735	315,742,204			
	Restricted Cash						
Money Market	Wells Fargo Bank Restricted	101,460,597	101,460,597	101,460,597		0.03%	
	Total Portfolio	417,468,382	415,621,913	417,468,382			