

1 CITY OF SANTA FE, NEW MEXICO

2 RESOLUTION NO. 2017-17

3 INTRODUCED BY:

4
5 Councilor Signe I. Lindell

6 Councilor Peter N. Ives

7 Councilor Renee D. Villarreal

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10 A RESOLUTION

11 DIRECTING THE CITY MANAGER TO ANALYZE THE CITY OF SANTA FE'S DEBT
12 PORTFOLIO ON A SEMI-ANNUAL BASIS, AND ADVISE THE GOVERNING BODY
13 ON ALL ISSUED MUNICIPAL DEBT FOR THE PURPOSE OF DEFEASING,
14 RESTRUCTURING, OR FUTURE ISSUANCE; AND DEFEASING AND PAYING OFF
15 THE 2008 GENERAL OBLIGATION BOND, THE 2004 RAILYARD PHASE I AND 2006
16 RAILYARD PHASE II NMFA LOANS.

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18 WHEREAS, the recommended transaction contained herein is the result of the FY 2017
19 analysis performed by the City of Santa Fe Finance Department; and

20 WHEREAS, it is to the benefit of the City to perform a similar analysis twice per year
21 and advise the Governing Body on all issued municipal debt for the purpose of defeasing,
22 restructuring, or future issuance; and

23 WHEREAS, changes to the investment policy and strong GRT revenues have created an
24 opportunity for the City to provide early pay-off of the 2008 General Obligation Bond, the 2004
25 Railyard Phase I and 2006 Railyard Phase II NMFA loans, approximately, at total of \$15 million

1 in debt, which will save approximately \$3.1 million in debt service costs over the next ten years,
2 resulting in \$1.7 million of the savings realized in the next three years; and

3 **WHEREAS**, the City of Santa Fe ended fiscal year 2016 with \$18.5 million in
4 unrestricted net position which may be used to meet the City's obligations to citizens and
5 creditors, and

6 **WHEREAS**, paying off the 2008 GO Bonds is anticipated to resolve outstanding issues
7 with the IRS regarding the investment and accounting of bond proceeds; and

8 **WHEREAS**, by paying off these debts, one mill of property tax dedicated to debt service
9 could be repurposed to operational expenses, resulting in \$1.7 million available annually, and

10 **WHEREAS**, rating agencies such as Standard and Poor's, Moody's and Fitch expect
11 issuers to redeem high cost debt and reissue lower cost debt or reduce its debt burden through the
12 use of excess available funds; and

13 **WHEREAS**, staff has identified \$6 million in one-time fund transfers that could be used
14 to pay-down these debts; and

15 **WHEREAS**, staff has identified \$9.2 million in Public Utility Department fund balances
16 that could be used to finance the remainder of the outstanding balances of the 2008 GO Bond and
17 NMFA loans; and

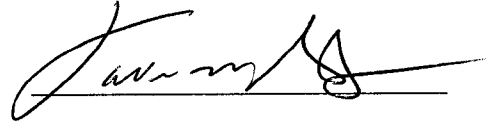
18 **WHEREAS**, staff has identified revenue sources to pay-off the internally financed loans
19 from the Utility Department fund balances by FY 2020; and

20 **WHEREAS**, it is in the best interest of the City to defease the 2008 GO Bond and pay-
21 off the 2004 Railyard Phase I and 2006 Railyard Phase II NMFA loans.

22 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**
23 **CITY OF SANTA FE** directing the City Manager to analyze the city of Santa Fe's debt portfolio
24 on a semi-annual basis, and advise the Governing Body on all issued municipal debt for the
25 purpose of defeasing, restructuring or future issuance.

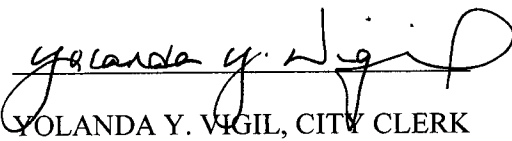
1 **BE IT FURTHER RESOLVED** that the City Manager is directed to complete the
2 defeasance of the 2008 General Obligation Bond, and pay off the 2004 Rail Yard Phase I and
3 2006 Railyard Phase II NMFA loans by the end of FY 2017 through the one time use of funds as
4 detailed and to complete a loan agreement with the city of Santa Fe Public Utilities Department.

5 PASSED, APPROVED AND ADOPTED this 22nd day of February, 2017.

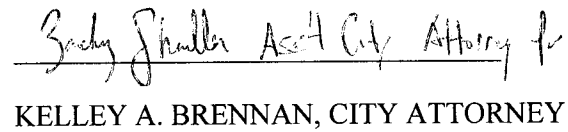
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8 JAVIER M. GONZALES, MAYOR

9 ATTEST:

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11 
12 YOLANDA Y. VIGIL, CITY CLERK

13 APPROVED AS TO FORM:

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15 
16 KELLEY A. BRENNAN, CITY ATTORNEY