

APPENDIX M

Status of Feasibility Study Recommendations for Public Bank

January 17, 2018

Recommendation	Action Taken	Comments
Collateral Policy -lower to 50%	Santa Fe City Finance Division revised Investment Policy to incorporate NM Statute allowing collateral of 50% if a Bank is A rated by State Treasurers Office.	A Rating= 50% collateral B Rating= 75% “ “ C Rating= 102% “ “ D Rating= 120% “ “ 2018 ratings to be issued within January 2018
Liquidity - move out curve- have less liquid cash	Finance Division rewrote Investment Policy (from yield perspective to total return). Now using actual Investment strategies to manage liquid cash investment.	Hierarchy of new approach: 1. preservation of principle 2.Safety 3. Liquidity 4.Total Return Current level of liquidity is driven by investment strategy. The expectation is minimize interest rate risk in order to maximize Total Return.
Improved Cash -Better forecasting to avoid high liquidity position	Finance Division rewrote Investment Policy to a Total Return perspective. Utilizing the opportunity that allows a 65,000+ population in a class A rated county, to invest funds beyond Government issued paper (Treasury bonds, etc) such as Corporate and Asset Backed securities for higher earnings	Budget – Cash Flow forecast was never the issue regarding large balance in highly liquid investments. A professional in investment strategy was what was needed and subsequently implemented.
External Bond Funding -more effective issuance of bond money for immediate use in identified projects vs issue bond and with no identified project, or money not utilized immediately. Resulting in City paying on debt instrument and not yet utilized for city improvement.	Governing Body created a 5-year Capital Improvement Plan. Has identified \$250 million of needed Capital Improvement projects.	CIP Plan is reviewed and updated annually by the Governing body. Working towards reviewing unspent bond proceeds and apply the proceeds to applicable capital projects. Use of reimbursement resolutions to allow spending of fund balances to be later reimbursed with bond proceeds.
Market Conditions		State statute limits investments for A rated city/county Is there a lack of public understanding of the borrowing potential of the various vehicles* within the City's new

		Debt Policy (July 17, 2017) ? *see Section V “Special Situation Debt Issuance” of City of Santa Fe, NM Debt Management Policy
Small Business Lending	Revised Debt Policy	The new debt policy, where the the City acting as a conduit to facilitate private borrowing, includes PIDs (Public Improvement District) BIDs (Business Improvement District) SADs (Special Assessment Districts) TIDs, (TAX increment development district) IRBs (Industrial Revenue Bonds) All of these instruments can assist in various forms of providing debt capital to businesses, or organizations wishing to improve or develop real estate or infrastructure.
Real Estate Lending	Revised Debt Policy	The new debt policy, where the the City acting as a conduit to facilitate private borrowing, includes PIDs (Public Improvement District) BIDs (Business Improvement District) SADs (Special Assessment Districts) TIDs, (TAX increment development district) IRBs (Industrial Revenue Bonds) All of these instruments can assist in various forms of providing debt capital to businesses, or organizations wishing to improve or develop real estate or infrastructure.
Angel Capital (private investment for public improvement -return on capital not objective)		Verde Fund-The fund’s mission is threefold: reduce systemic poverty, achieve carbon neutrality, and empower Santa Fe’s workforce.
Impact Investing		Verde Fund The fund’s mission is threefold: reduce systemic poverty, achieve carbon neutrality, and empower Santa Fe’s workforce.

Small Consumer Loans		Consumer loans are not considered within the City's investment and/or debt management policies.
Other considerations		<p>Revised Debt policy included a full analysis of city debt management programs :</p> <ul style="list-style-type: none"> -debt capacity -constraints on debt capacity -special situation -community imposed debt <p>The tools effectively apply the right debt tool to the right debt situation.</p>
Public Education and Financial Literacy		<p>Build a network and resource guide (with Economic Development Department partnership) for individuals and businesses to better educate the public regarding:</p> <ul style="list-style-type: none"> -personal financial management resources within the city - how debt management programs within the city are utilized. -documents alternative lending resources available to individuals and businesses.