

City of Santa Fe, New Mexico

memo

Date: January 31, 2014
To: Public Works Committee
Via: Isaac Pino, Public Works Department Director
From: Jon Bulthuis, Transportation Department Director *1/31 For*
RE: Bus Fleet Replacement: New Mexico Finance Authority's Public Project Revolving Fund

Item & Issue

The Transit Division is in need of funds for routine bus replacement in order to maintain existing levels of fixed-route transit service currently delivered to residents of, and visitors to, the City of Santa Fe. This need was discussed at a Transit Advisory Board meeting, in October 2013, and was subsequently covered in an Albuquerque Journal North article (Exhibit A).

At present, the Transit Division maintains and operates an active fleet of twenty-nine (29) buses. Of these, eighteen (18) buses are 12-13 years old and have exceeded their useful life in transit service. Five of these older units will be replaced with new buses that are on order and expected to be delivered this calendar year. Another six units will be retired – but not replaced – when the CNG tanks expire in July 2015. The Transit Division will absorb this loss by reducing the fleet spare ratio at that time. The remaining seven buses will need to be replaced by the end of the 2015 calendar year, as the CNG tanks will expire in February 2016.

Without a funding source for replacement buses, a significant portion of the Transit Division's fleet will simply "time-out," resulting in immediate service reductions to the City of Santa Fe (e.g., eliminations of bus routes).

Federal funding sources typically used in the past for fleet replacement (e.g., earmarks from our Congressional delegation; competitive grant opportunities) are no longer available in the current transportation legislation. With this in mind, City staff and the Transit Advisory Board began exploring other options for funding sources. One such option is to obtain local financing through the New Mexico Finance Authority (NMFA) Public Project Revolving Fund.

Unlike other financing prospects, which were determined to be not applicable to the Transit Division's immediate fleet replacement needs, the NMFA revolving fund offers reasonable terms that best fit our needs (Exhibit B). A loan would provide \$3.5 million for fleet replacement, at 2.85% interest per year, with average annual debt payments of approximately \$348,000 per year, for a period of twelve (12) years – the useful life of the replacement buses.

Staff proposes that repayment of the annual debt service be covered from a combination of two sources, as follows:

1. Cost savings of approximately \$100,000 per year from a restructuring of service delivery to Museum Hill (Exhibit C). Rather than providing this service with a full-size transit bus, as has been done traditionally, staff believes the service can be provided more efficiently and effectively with the smaller Santa Fe Pick-Up shuttle vans. Although the service level will be reduced, the important connection to Museum Hill will be maintained – versus the alternative of eliminating the service entirely. If staff is directed to pursue this course, the service modification would begin with the new fiscal year on July 1, 2014.
2. An “earmarked” allocation of funds generated by the ¼% GRT adopted by public referendum and imposed by the City of Santa Fe pursuant to Ordinance No. 23 in 1991 (Exhibit D). This tax was established and dedicated to fund operations of a public bus system, as detailed in Section 18-10.4 of the ordinance. GRT is up at this time and the Finance Director feels comfortable that an additional \$248,000 will be received from the ¼% GRT dedicated to public transit. Coupled with the cost savings from a controlled service reduction to Museum Hill, the additional GRT allocation will provide the required \$348,000 needed to repay the loan over the next 12 years.

With the Governing Body’s approval, the loan application will be considered by the NMFA Board of Directors at one of its upcoming meetings. The attached Resolution (Exhibit E) and Public Project Revolving Fund Equipment Application (Exhibit F) will be included in the agenda packet to be submitted to NMFA.

Action Requested

1. Direct staff to pursue restructuring of service delivery to Museum Hill, which results in a controlled service reduction to Route M and an annual operational savings of over \$100,000 per year – while maintaining public transit service to this key destination through the use of Santa Fe Pick-Up operations.
2. Approve an earmarked allocation of at least \$248,000 for the next 12 years to cover the annual debt service payment from revenue that accrues from the ¼% GRT imposed by Ordinance No. 23 (1991).
3. Approve the Resolution that is required by NMFA to accompany the application for funds through the Public Project Revolving Fund.
4. Approve the Public Project Revolving Fund Equipment Application to be submitted to NMFA.



JIM THOMPSON/JOURNAL

A Santa Fe Trails bus moves through downtown and past the New Mexico Museum of Art on Monday. City transit officials are worried about a reduced bus fleet in coming years because of dwindling federal funds.

Santa Fe Trails may 'hit the wall'

As funding dwindles, so could the number of buses

By KIERA HAY
Journal Staff Writer

Santa Feans may have places to go and people to see, but in a few years there could be fewer public transportation options to take them there.

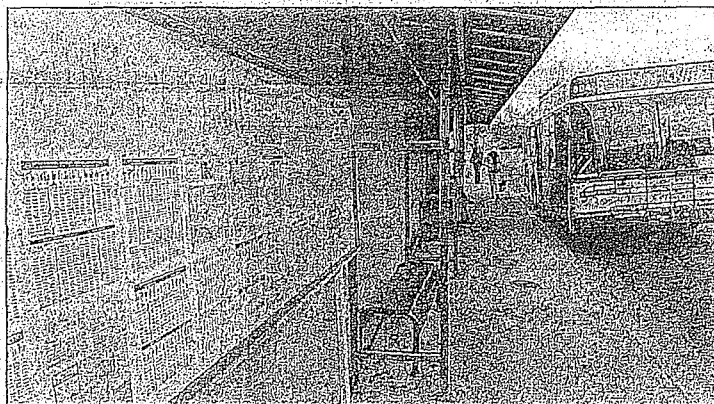
As federal funding dwindles, the city's Santa Fe Trails could be facing a bus shortage by 2016.

"If we don't have the equipment we need we'll have to look at what places in the system's service would be rolled back," city Transit Division director Jon Bulthuis said.

"Which would be a shame because we've seen so much strong growth in ridership. I'd really hate to see us go that way," he said. Last year the bus system had more than 1 million rider-trips for the first time.

Santa Fe Trails currently operates a fleet of 36 buses. Of those, 22 buses are on the road during the busiest times of the day. The remaining are parked as reserves.

Santa Fe Trails will



A Santa Fe Trails bus waits for riders at a transit center on Sheridan Street on Monday.

replace five buses at the end of 2014 with new models already on order — the last of the city's planned bus purchases. By the middle of 2015, six more buses will need to be replaced, and seven buses are scheduled to go in early 2016.

Altogether, the city's fleet is expected to shrink to 23 buses by February 2016.

That's when "we hit the wall, basically," said Ken Smithson, Santa Fe Trails' director of operations and maintenance.

"That wipes out our spare ratio. We have no spare buses and that's not a good situation to be in, and we will have to reduce service unless we can get new buses," Smithson said.

That means finding a way to bring more buses into the system — or cutting services to accommodate fewer buses.

A good bus system fleet should be at least 25 percent spare buses, Smithson said.

Of Santa Fe Trails' current fleet, 18 buses were

See SANTA FE on PAGE 4

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Santa Fe Trails may 'hit the wall' in 2016

from PAGE 1

purchased in 2000-2001. Another six were purchased in 2008, four were purchased in 2009, six in 2011 and two in 2012.

Federal money is still trickling into Santa Fe, but at a rate greatly reduced from what was previously considered the norm. Under the Federal Public Transportation Act authorized in 2012, Santa Fe gets a little less than \$200,000 a year for two years. In contrast, the city has received between \$800,000 and \$1 million annually from the federal government in the recent past.

Not only has funding been cut, but the funding formula was changed so that small urban centers like Santa Fe get less money, Bulthuis said.

Santa Fe Trails' most recent purchases have been heavy-duty buses with a price tag of \$450,000 each.

The city isn't completely without options. The life of the buses slated for retirement over the next few years could be extended, for instance, by replacing their compressed natural gas tanks, which would cost around \$40,000 each.

However, it's a real question as to whether it makes sense to pump significant money into buses that are near, or even past, their useful life, Bulthuis said. Older buses are more expensive to maintain and also put greater demands on maintenance staff.

Another idea is to look at purchasing lighter-duty buses that cost less money but also have a shorter lifespan.

Santa Fe could also use

bond money to buy more buses, although it's still uncertain whether the city will issue bonds for such purposes in the next couple of years.

"This is new territory because we've always been so successful in using those federal monies for capital replacement, so we're going to be at the table now with other capital needs the city has, which is a difficult situation because there aren't enough funds to go around with everybody," Bulthuis said.

In the meantime, Bulthuis said he wants to make sure that the city's elected officials have a grasp of the seriousness of the situation, as does the local congressional delegation, which can be urged to work toward a more generous funding policy.

Even if an influx of money is found, the city may still find itself in a jam. Depending on the type of bus, it can take manufacturers up to 14-18 months to fill an order.

"If you get heavy-duty equipment it does have a long lead time. That's part of the equation, too, making sure we have orders in time," Bulthuis said.

Bulthuis said he's hopeful that Santa Fe's long-term prospects for federal money will brighten, although he believes the short term is going to be tough.

"It's not just Santa Fe suffering. All urban areas are suffering across the country. I do think in time there will be some return to a normalized funding stream but it won't happen quickly, I think," Bulthuis said.

SOURCES AND USES OF FUNDS

City of Santa Fe
Series 2013 Transportation Fleet Loan

Sources:	
<hr/>	
Bond Proceeds:	
Par Amount	3,526,449.00
<hr/>	
	3,526,449.00
<hr/>	
Uses:	
<hr/>	
Project Fund Deposits:	
Project Fund	3,500,000.00
<hr/>	
Delivery Date Expenses:	
NMFA Fee	26,448.37
<hr/>	
Other Uses of Funds:	
Additional Proceeds	0.63
<hr/>	
	3,526,449.00
<hr/>	

BOND SUMMARY STATISTICS

City of Santa Fe
Series 2013 Transportation Fleet Loan

Dated Date	04/18/2014
Delivery Date	04/18/2014
Last Maturity	06/01/2026
Arbitrage Yield	2.815305%
True Interest Cost (TIC)	2.815305%
Net Interest Cost (NIC)	2.849788%
All-In TIC	2.937797%
Average Coupon	2.849788%
Average Life (years)	6.886
Duration of Issue (years)	6.242
Par Amount	3,526,449.00
Bond Proceeds	3,526,449.00
Total Interest	692,055.91
Net Interest	692,055.91
Total Debt Service	4,218,504.91
Maximum Annual Debt Service	351,542.54
Average Annual Debt Service	348,077.42
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Bond Component	3,526,449.00	100.000	2.850%	6.886
	3,526,449.00			6.886

	TIC	All-In TIC	Arbitrage Yield
Par Value	3,526,449.00	3,526,449.00	3,526,449.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts		-26,448.37	
Target Value	3,526,449.00	3,500,000.63	3,526,449.00
Target Date	04/18/2014	04/18/2014	04/18/2014
Yield	2.815305%	2.937797%	2.815305%

DETAILED BOND DEBT SERVICE

City of Santa Fe
Series 2013 Transportation Fleet Loan

Bond Component (BOND)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2014			50,280.66	50,280.66	
06/01/2015	260.676	0.450%	40,585.29	301,261.29	351,541.95
12/01/2015			39,998.77	39,998.77	
06/01/2016	271.545	0.660%	39,998.77	311,543.77	351,542.54
12/01/2016			39,102.67	39,102.67	
06/01/2017	273.337	0.980%	39,102.67	312,439.67	351,542.34
12/01/2017			37,763.32	37,763.32	
06/01/2018	276.015	1.420%	37,763.32	313,778.32	351,541.64
12/01/2018			35,803.61	35,803.61	
06/01/2019	279.935	1.800%	35,803.61	315,738.61	351,542.23
12/01/2019			33,284.20	33,284.20	
06/01/2020	284.974	2.210%	33,284.20	318,258.20	351,542.40
12/01/2020			30,135.23	30,135.23	
06/01/2021	291.272	2.580%	30,135.23	321,407.23	351,542.47
12/01/2021			26,377.83	26,377.83	
06/01/2022	298.786	2.840%	26,377.83	325,163.83	351,541.65
12/01/2022			22,135.06	22,135.06	
06/01/2023	307.272	3.040%	22,135.06	329,407.06	351,542.13
12/01/2023			17,464.53	17,464.53	
06/01/2024	316.613	3.330%	17,464.53	334,077.53	351,542.06
12/01/2024			12,192.92	12,192.92	
06/01/2025	327.156	3.580%	12,192.92	339,348.92	351,541.85
12/01/2025			6,336.83	6,336.83	
06/01/2026	338.868	3.740%	6,336.83	345,204.83	351,541.66
	3,526,449		692,055.91	4,218,504.91	4,218,504.91

NMFA Loan – Service Reduction Alternatives

At present, Santa Fe Trails operates approximately 1500 service hours per week. In order to dedicate funds currently budgeted for operations to annual debt service payments associated with required fleet replacement financed through the New Mexico Finance Authority, a reduction in service will be necessary. Several service reduction options, along with cost saving estimates, are listed below:

Eliminate Route M (Museum Hill):

- Route M is the least productive route on the system funded by “*quality of life gross receipt tax revenues*”
- Connection to Museum Hill maintained through service provided by the Santa Fe Pick-Up shuttle system
- Achieves a savings of approximately 78 fixed-route service hours/week
- *Labor Cost Savings: \$100,200*
- *Fuel Cost Savings: \$31,900*

Eliminate Evening Service:

- Evening service hours are generally less productive than daytime service hours
- Ending operations between at 8:00 p.m. on weekdays would save approximately 85 fixed-route service hours/week
- Elimination of evening service hours also allows earlier facility closure thereby realizing additional cost savings in maintenance and para-transit operations
- *Labor Cost Savings: \$110,100*
- *Fuel Cost Savings: \$6,700*

Eliminate Sunday Service:

- Sunday is the least productive operational day (*ridership is significantly lower than any other day of the week*)
- Achieves a savings of approximately 62 fixed-route service hours/week
- Elimination of Sunday service would allow complete facility closure one day per week realizing additional cost savings in maintenance and para-transit operations
- *Labor Cost Savings: \$80,100*
- *Fuel Cost Savings: \$18,200*

CITY OF SANTA FE
ORDINANCE NO. 23, 1991

AN ORDINANCE
ADOPTING A MUNICIPAL GROSS RECEIPTS TAX.

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:

Section 10-10.1 Imposition of Tax. There is imposed on any person engaging in business in this municipality for the privilege of engaging in business in this municipality an excise tax equal to one quarter ($1/4$) of one percent (1%) of the gross receipts reported or required to be reported by the person pursuant to the New Mexico Gross Receipts and Compensating Tax Act as it now exists or as it may be amended. The tax imposed under this ordinance is pursuant to the Municipal Gross Receipts Tax Act as it now exists or as it may be amended and shall be known as the "municipal gross receipts tax." Imposition of this $1/4$ of 1% increment of Municipal Gross Receipts Tax raises the total Municipal Gross Receipts Tax within the City of Santa Fe to one and one quarter percent (1.25%).

Section 10-10.2 General Provisions. This ordinance hereby adopts by reference all definitions, exemptions and deductions contained in the Gross Receipts and Compensating

1 Tax Act as it now exists or as it may be amended.

2 Section 18-10.3 Specific Exemptions. No municipal
3 gross receipts tax shall be imposed on the gross receipts
4 arising from:

5 A. the transmission of messages by wire or other means
6 from one point within the municipality to another point
7 outside the municipality;

8 B. transporting persons or property for hire by
9 railroad, motor vehicle, air transportation or any other means
10 from one point within the municipality to another point
11 outside the municipality; or

12 C. a business located outside the boundaries of a
13 municipality on land owned by the municipality for which a
14 gross receipts tax distribution is made pursuant to Subsection
15 C of Section 7-1-6.4 MMSA 1978.

16 Section 18-10.4 Dedication. Revenue from the
17 municipal gross receipts tax will be used for the purpose(s)
18 listed below:

19 a) The proceeds of the gross receipts tax shall first
20 be used to finance the acquisition, operation, maintenance and
21 any other expenses necessary for or incidental to the
22 provision of a public bus system. After satisfying the
23 provision of a public bus system as set forth herein, the
24 remaining proceeds of the gross receipts tax shall be
25 allocated as set forth in subparts b) and c) herein. In the

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1 event that the public bus system is ever discontinued, the
2 proceeds allocated pursuant to this subpart shall be used for
3 general municipal operations and the discontinuance of the
4 public bus system shall not affect the allocations set out in
5 subparts b) and c) herein. The governing body shall not
6 discontinue the public bus system until the notice and hearing
7 requirements of §§1-2.3A, 2-2.3B, 2-2.3C, 2-2.4A, 2-2.4B, 2-
8 2.6 SFCC 1987 have been met.

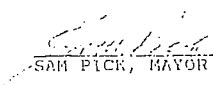
9 b) Up to two-thirds of the proceeds remaining following
10 the distributions provided for in subpart a) of the gross
11 receipts tax shall be used for general municipal operations.

12 c) Up to one-third of the proceeds remaining following
13 the distributions provided for in subpart a) of the gross
14 receipts tax shall be used exclusively for the following
15 quality of life purposes: recreation, open space, libraries
16 and parks. The allocation for quality of life purposes
17 pursuant to this subpart shall be made for a period of five
18 consecutive years from the effective date of this ordinance,
19 after which the use of these proceeds shall be evaluated by
20 the governing body. Such evaluation by the governing body
21 shall assess the need for continuing specified quality of life
22 projects and balance those needs against funding of general
23 municipal operations, the results of which shall be an
24 appropriation of the more essential program.

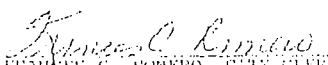
25 Section 18-10.5 Effective Date. The effective date

1 of the municipal gross receipts tax shall be January 1, 1992,
2 unless an election is held pursuant to Section 7-19-4 (C) (2)
3 NMSA 1978 on the question of disapproving the ordinance, in
4 which case the effective date shall be either July 1 or
5 January 1, whichever date occurs first after the expiration of
6 three months from the date when the results of the election
7 are certified to be in favor of the ordinance's adoption.

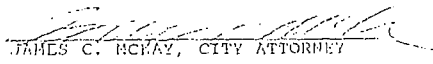
8 PASSED, APPROVED AND ADOPTED this 26th day of June, 1991.

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10 
11 SAM PICK, MAYOR

12 ATTEST:

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14 FRANCES C. ROMERO, CITY CLERK

15 APPROVED AS TO FORM:

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17 
18 JAMES C. MCMAY, CITY ATTORNEY
19 /s/

CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2014-__

INTRODUCED BY:

Councilor Chris Calvert

DRAFT

A RESOLUTION

**AUTHORIZING AND APPROVING SUBMISSION OF A COMPLETED
APPLICATION FOR FINANCIAL ASSISTANCE AND PROJECT APPROVAL TO
THE NEW MEXICO FINANCE AUTHORITY.**

WHEREAS, the City of Santa Fe ("Governmental Unit") is a qualified entity under the New Mexico Finance Authority Act, Sections 6-21-1 through 6-21-31, NMSA 1978 ("Act"), and the Santa Fe City Council ("Governing Body") is authorized to borrow funds and/or issue bonds for financing of public projects for benefit of the Governmental Unit; and

WHEREAS, the New Mexico Finance Authority ("Authority") has instituted a program for financing of projects from the public project revolving fund created under the Act and has developed an application procedure whereby the Governing Body may submit an application ("Application") for financial assistance from the Authority for public projects; and

1 WHEREAS, the Governing Body intends to undertake the procurement of seven (7)
2 heavy duty transit buses ("Project"), to replace equipment that has exceeded its useful life,
3 and for the benefit of the Governmental Unit and its citizens; and

4 WHEREAS, the application prescribed by the Authority has been completed and
5 submitted to the Governing Body and this resolution approving submission of the completed
6 Application to the Authority for its consideration and review is required as part of the
7 Application.

8 NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY:

9 Section 1. That all actions previously taken by the Governing Body and the
10 Governmental Unit and their respective officers and employees in connection with the
11 Application and the Project are hereby ratified, approved and confirmed.

12 Section 2. That the completed Application submitted to the Governing Body is
13 hereby approved and confirmed.

14 Section 3. That the officers and employees of the Governing Body are hereby
15 directed and requested to submit the completed Application to the Authority, and are further
16 authorized to take such other action as may be requested by the Authority in connection with
17 the Application and to proceed with arrangements for financing the Project.

18 Section 4. All acts and resolutions in conflict with this resolution are hereby
19 rescinded, annulled and repealed.

20 Section 5. This resolution shall take effect immediately upon its adoption.

21 **BE IT FURTHER RESOLVED THAT THE GOVERNING BODY OF THE CITY OF**
22 **SANTA FE** directs staff to make service revisions, effective with the start of FY2015, that result in
23 decreasing system operating costs by \$100,000.00 per year, for twelve years, beginning in FY2015.

1 Rather than paying Transit Division operating costs, this \$100,000 will be applied toward annual
2 debt service payments to the Authority, with the necessary balance being covered through revenues
3 collected from the ¼% GRT that was instituted in 1991.

4 PASSED, APPROVED, and ADOPTED this ____ day of _____, 2014.

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DAVID COSS, MAYOR

8 ATTEST:

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11 _____
YOLANDA Y. VIGIL, CITY CLERK

12 APPROVED AS TO FORM:

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KELLEY A. BRENNAN, INTERIM CITY ATTORNEY

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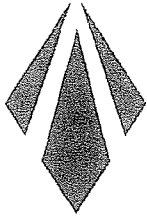
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25 *M/Melissa/Resolutions/Transit Capital Funding*



NEW MEXICO FINANCE AUTHORITY

NMFA Use Only:

App. #:	-PP
FA assigned:	
Legislative Authorization	

PUBLIC PROJECT REVOLVING FUND EQUIPMENT APPLICATION

I. GENERAL INFORMATION

A. APPLICANT /ENTITY

				Application Date:	1/31/2014
Applicant/Entity:	City of Santa Fe - Santa Fe Trails				
Address:	2931 Rufina St., Santa Fe, NM 87501				
County	Santa Fe	Census Tract:	12.02		
Federal Employer Identification Number (EIN) as issued by the IRS:				85-6000168	
Legislative District: 3	Senate:	Heinrich	House:	Lujan	
Phone: 505-955-2004	Fax: 505-955-2020	Email Address:	jrbulthuis@santafenm.gov		
Individual Completing Application:		Kenneth E. Smithson			
Address:	2931 Rufina St., Santa Fe, NM 87501				
Phone: 505-955-2223	Fax: 505-955-2020	Email Address:	kesmithson@santafenm.gov		

II. PROJECT SUMMARY

- A. **Project Description.** Complete the following information, using additional paper if necessary. Include any additional documents that may be useful in reviewing this project, i.e. architectural designs, feasibility studies, business plan, etc.

1. Description of Equipment:

Seven (7) replacement buses for Santa Fe Trails fleet. Buses are 35-ft, heavy duty, low

2. When do you need NMFA funds available? 1 year after buses are ordered.

B. Total Project Cost & Sources of Funds Detail.

Equipment Items	NMFA Funds Requested	Other Public Funds*	Private Funds	Total
Seven (7) replacement buses	\$ 3,500,000	\$ 0	\$ 0	\$ 3,500,000
	\$	\$	\$	\$
	\$	\$	\$	\$
	\$	\$	\$	\$
Total Cost: \$	\$	\$	\$	\$

III. FINANCING

A. Specify the revenue to be pledged as security for the NMFA loan (a revenue source must be pledged for this type of project).

- ☒ Municipal Local Option GRT – please specify: 1/4-cent Transit Gross Receipts Tax
- ☐ County Option GRT – please specify: _____
- ☐ Other Tax-Based Revenue: _____
- ☐ State-Shared GRT
- ☐ Law Enforcement Funds
- ☐ Fire Protection Funds
- ☐ Other Revenue: _____

B. Preferred financing term: 12 years.

C. Is any debt being repaid from the revenue source(s) referenced in A (1)? Yes ☐ No ☒

If yes, provide bond or loan documents and payment schedule for any existing debt service being paid from the same revenues that would be used to repay a NMFA loan.

IV. READINESS TO PROCEED ITEMS

A. The following items must accompany this application in order for this application to be considered complete:

- ☐ Equipment cost breakdown (if applicable)
- ☐ Three most recently completed fiscal year audit reports

- ☐ Current unaudited financials
- ☐ Current fiscal year budget
- ☐ Equipment Application
- ☐ Application Resolution
- ☐ Minutes of public hearing meeting approving submission of application
- ☐ Any additional information requested by NMFA

V. CERTIFICATION

I certify that:

We have the authority to request and incur the debt described in this application and, upon award, will enter into a contract for the repayment of any NMFA loans and/or bonds.

We will comply with all applicable state and federal regulations and requirements.

To the best of my knowledge all information contained in this application is valid and accurate and the submission of this application has been authorized by the governing body of the undersigned jurisdiction.

Signature:

(highest elected official)

Title: Mayor

Jurisdiction:

City of Santa Fe

Print Name:

David Coss

Date:

Signature:

Date:

Finance Officer/Director: Marcos Tapia

City of Santa Fe, New Mexico

LEGISLATIVE SUMMARY

Resolution No. 2014-____
NMFA Transit Buses

SPONSOR(S): Councilor Calvert

SUMMARY: The proposed resolution authorizes and approves submission of a completed application for financial assistance and project approval to the New Mexico Finance Authority for the procurement of seven heavy duty transit buses.

PREPARED BY: Rebecca Seligman, Legislative Liaison Assistant

FISCAL IMPACT: Yes

DATE: February 4, 2014

ATTACHMENTS: Resolution

1 CITY OF SANTA FE, NEW MEXICO

2 RESOLUTION NO. 2014-__

3 INTRODUCED BY:

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5 Councilor Chris Calvert

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10 A RESOLUTION

11 AUTHORIZING AND APPROVING SUBMISSION OF A COMPLETED APPLICATION
12 FOR FINANCIAL ASSISTANCE AND PROJECT APPROVAL TO THE NEW MEXICO
13 FINANCE AUTHORITY FOR THE PROCUREMENT OF SEVEN HEAVY DUTY TRANSIT
14 BUSES.

15
16 WHEREAS, the City of Santa Fe ("Governmental Unit") is a qualified entity under the New
17 Mexico Finance Authority Act, Sections 6-21-1 through 6-21-31, NMSA 1978 ("Act"), and the Santa
18 Fe City Council ("Governing Body") is authorized to borrow funds and/or issue bonds for financing
19 of public projects for benefit of the Governmental Unit; and

20 WHEREAS, the New Mexico Finance Authority ("Authority") has instituted a program for
21 financing of projects from the public project revolving fund created under the Act and has developed
22 an application procedure whereby the Governing Body may submit an application ("Application")
23 for financial assistance from the Authority for public projects; and

24 WHEREAS, the Governing Body intends to undertake the procurement of seven (7) heavy
25 duty transit buses ("Project"), to replace equipment that has exceeded its useful life, and for the

1 benefit of the Governmental Unit and its citizens; and

2 **WHEREAS**, the application prescribed by the Authority has been completed and submitted
3 to the Governing Body and this resolution approving submission of the completed Application to the
4 Authority for its consideration and review is required as part of the Application.

5 **NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY:**

6 **Section 1.** That all actions previously taken by the Governing Body and the Governmental
7 Unit and their respective officers and employees in connection with the Application and the Project
8 are hereby ratified, approved and confirmed.

9 **Section 2.** That the completed Application submitted to the Governing Body is hereby
10 approved and confirmed.

11 **Section 3.** That the officers and employees of the Governing Body are hereby directed and
12 requested to submit the completed Application to the Authority, and are further authorized to take
13 such other action as may be requested by the Authority in connection with the Application and to
14 proceed with arrangements for financing the Project.

15 **Section 4.** All acts and resolutions in conflict with this resolution are hereby rescinded,
16 annulled and repealed.

17 **Section 5.** This resolution shall take effect immediately upon its adoption.

18 **BE IT FURTHER RESOLVED THAT THE GOVERNING BODY OF THE CITY OF**
19 **SANTA FE** directs staff to make service revisions, effective with the start of FY2015, that result in
20 decreasing system operating costs by \$100,000.00 per year, for twelve years, beginning in FY2015.
21 Rather than paying Transit Division operating costs, this \$100,000.00 will be applied toward annual
22 debt service payments to the Authority, with the necessary balance being covered through revenues
23 collected from the ¼% GRT that was instituted in 1991.

24 **PASSED, APPROVED, and ADOPTED** this ____ day of _____, 2014.
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DAVID COSS, MAYOR

ATTEST:

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:



KELLEY A. BRENNAN, INTERIM CITY ATTORNEY

M/Melissa/2014 Resolutions/NMFA Transit Buses