



# City of Santa Fe, New Mexico

# memo

TO: FINANCE COMMITTEE

FROM: Helene R. Hausman, Cash Management & Investment Officer 

VIA: Oscar S. Rodriguez, Finance Director

DATE: June 1, 2015

RE: BAR to Add Annual Debt Service Expense to Water Fund 5358 for the NMFA Drinking Water Loan/Grant #4

## ITEM AND ISSUE

The City had not yet received a final debt service schedule for Water's NMFA Drinking Water Loan/Grant #4 at the time the FY 14-15 debt budget was prepared. The final debt schedule has now been received and the City needs to budget the debt service payments to the fund.

## BACKGROUND AND SUMMARY:

Council approved the NMFA Drinking Water Loan/Grant #4 on March 27, 2013, for the Buckman Diversion Project. This particular NMFA loan source required Water to submit payment requisitions to draw funds and did not provide a final debt service schedule for the loan until after Water and NMFA agreed to the final completion cost of the project. While the project was under construction and until the final project completion cost was agreed to, the City paid monthly capitalized interest and fees to NMFA. The final loan draw was received April 30, 2014 and the final debt schedule from NMFA was received in January 2015. For reference, the authorized NMFA loan and grant amount was \$5,050,000 and the agreed to completed project amount was \$4,890,583.20. The debt service schedule is based on this lower amount.

The attached BAR will adjust the current year budget for the monthly capitalized interest and fee payments we paid until project completion, as well as the June 1<sup>st</sup> debt service payment of fees, principal and interest.

## RECOMMENDED ACTION:

Please approve this BAR to budget the FY 14-15 annual debt service expense for the NMFA Drinking Water Loan #4 in Water's fund 5358.

Attachment: BAR

