



**ACTION SHEET**  
**ITEM FROM FINANCE COMMITTEE MEETING OF 02/15/16**  
**FOR CITY COUNCIL MEETING OF 02/24/16**

**ISSUE:**

12. Request for Approval of a Resolution Directing Staff to Use the Water Enterprise Fund to Repay in Full the Balance of the 2006 Water Capital Outlay Bond in the Amount of Thirty-Three Million Six-Hundred Thousand Dollars. (Councilor Maestas) (Oscar Rodriguez)

**Committee Review:**

Public Utilities Committee (approved w/amendment) 02/03/16  
 City Council (scheduled) 02/24/16

Fiscal Impact – No - Resolution directs that staff take all necessary actions to decrease the remaining debt the City issued in 2006 help acquire the water company and make other capital investments. It further directs that the City use water enterprise fund reserves to pay off the remaining balance. Ample reserves are available for this and there would be no impact to utility's operations or capital program.

**FINANCE COMMITTEE ACTION:**

Approved as consent item.

**FUNDING SOURCE:**

**SPECIAL CONDITIONS OR AMENDMENTS**

**STAFF FOLLOW-UP:**

<b>VOTE</b>	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
COUNCILOR TRUJILLO	Excused		
COUNCILOR RIVERA	X		
COUNCILOR LINDELL	X		
COUNCILOR MAESTAS	X		
CHAIRPERSON DOMINGUEZ			

4-13-15

**ACTION SHEET**  
**PUBLIC UTILITES COMMITTEE MEETING OF 2/3/16**

**ISSUE NO. 14**

Request for approval of Resolution No. 2016-\_\_\_\_\_. A resolution directing staff to use the Water Enterprise Fund to repay in full the balance of the 2006 Water Capital Outlay Bond in the amount of \$33,690,000. (Oscar Rodriguez) (Councilor Maestas)

Public Utilities Committee – 2/3/2016  
 Finance Committee – 2/15/2016  
 City Council – 2/24/2016

**PUBLIC UTILITES COMMITTEE ACTION: Approved to forward to the 2/15/2016 Finance Committee.**

**SPECIAL CONDITIONS OR AMENDMENTS: Add Councilor Rivera and Councilor Ives as sponsors.**

**STAFF FOLLOW UP:**

VOTE:	FOR	AGAINST	ABSTAIN
COUNCILOR RIVERA, CHAIR	X		
COUNCILOR MAESTAS	X		
COUNCILOR BUSHEE	Excused		
COUNCILOR DIMAS	Excused		
COUNCILOR IVES	X		

# City of Santa Fe, New Mexico

## LEGISLATIVE SUMMARY

### Resolution No. 2015-\_\_\_\_ Water Bond Payoff

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**SPONSOR(S):** Councilors Maestas, Rivera and Ives

**SUMMARY:** The proposed resolution directs staff to use the water enterprise fund to repay in full the balance of the 2006 water capital outlay bond in the amount of thirty-three million six-hundred thousand dollars.

**PREPARED BY:** Rebecca Seligman, Legislative Liaison Assistant

**FISCAL IMPACT:** Yes

**DATE:** February 3, 2016

**ATTACHMENTS:** Amendment (Public Utilities Committee)  
Resolution  
FIR

**CITY OF SANTA FE, NEW MEXICO**  
**PROPOSED AMENDMENT(S) TO RESOLUTION NO. 2016-\_\_\_\_**  
**Water Bond Payoff**

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Mayor and Members of the City Council:

We propose the following amendment(s) to Resolution No. 2016-\_\_\_\_:

1. On page 1, line 13, after "SIX-HUNDRED", *insert* "NINETY"

Respectfully submitted,

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Public Utilities Committee

ADOPTED: \_\_\_\_\_

NOT ADOPTED: \_\_\_\_\_

DATE: \_\_\_\_\_

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Yolanda Y. Vigil, City Clerk

1 **CITY OF SANTA FE, NEW MEXICO**

2 **RESOLUTION NO. 2016-\_\_**

3 **INTRODUCED BY:**

4  
5 Councilor Joseph M. Maestas

6 Councilor Chris Rivera

7 Councilor Peter N. Ives

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9  
10 **A RESOLUTION**

11 **DIRECTING STAFF TO USE THE WATER ENTERPRISE FUND TO REPAY IN FULL**  
12 **THE BALANCE OF THE 2006 WATER CAPITAL OUTLAY BOND IN THE AMOUNT**  
13 **OF THIRTY-THREE MILLION SIX-HUNDRED THOUSAND DOLLARS.**

14  
15 **WHEREAS**, the City of Santa Fe issued a Water Capital Outlay Bond in 2006 to finance  
16 the Water Utility's capital program and debt associated with the purchase of the water system  
17 from the Public Service Company of New Mexico; and

18 **WHEREAS**, the current balance of this debt is \$33,690,000; and

19 **WHEREAS**, this debt will be callable on June 1 of 2016; and

20 **WHEREAS**, early repayment of this debt will save the Water Division nearly \$7.9  
21 million in interest payments and allow the Water Division to be one step closer to being a truly  
22 self-sustaining enterprise fund that will not require dedicated gross receipts tax funding; and

23 **WHEREAS**, early repayment will allow the Water Division to use the approximately  
24 \$4.4 million in annual principal and interest payments towards operation, maintenance, debt  
25 service and capital improvements; and

1           **WHEREAS**, the water enterprise fund has sufficient reserves to pay the outstanding  
2 principle outright; and

3           **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE**  
4 **CITY OF SANTA FE** that staff is hereby directed to use the reserves in the Water Division  
5 enterprise fund to repay in full the balance of the 2006 Water Capital Outlay Bond in the amount  
6 \$33,690,000 by June 1 of 2016.

7           PASSED, APPROVED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

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\_\_\_\_\_  
JAVIER M. GONZALES, MAYOR

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11 ATTEST:

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\_\_\_\_\_  
YOLANDA Y. VIGIL, CITY CLERK

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15 APPROVED AS TO FORM:

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\_\_\_\_\_  
KELLEY A. BRENNAN, CITY ATTORNEY

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**City of Santa Fe  
Fiscal Impact Report (FIR)**

This Fiscal Impact Report (FIR) shall be completed for each proposed bill or resolution as to its direct impact upon the City's operating budget and is intended for use by any of the standing committees of and the Governing Body of the City of Santa Fe. Bills or resolutions with no fiscal impact still require a completed FIR. Bills or resolutions with a fiscal impact must be reviewed by the Finance Committee. Bills or resolutions without a fiscal impact generally do not require review by the Finance Committee unless the subject of the bill or resolution is financial in nature.

**Section A. General Information**

(Check) Bill: \_\_\_\_\_ Resolution:   X  

(A single FIR may be used for related bills and/or resolutions)

Short Title(s): **A RESOLUTION DIRECTING STAFF TO USE THE WATER ENTERPRISE FUND TO REPAY IN FULL THE BALANCE OF THE 2006 WATER CAPITAL OUTLAY BOND IN THE AMOUNT OF THIRTY-THREE MILLION SIX-HUNDRED THOUSAND DOLLARS.**

Sponsor(s): Councilor Maestas NINETY

Reviewing Department(s): Finance Department

Persons Completing FIR: Oscar Rodriguez Date: 1/12/16 Phone: x6530

Reviewed by City Attorney: *Kelly A. Brennan* Date: 1/19/16  
(Signature)

Reviewed by Finance Director: *[Signature]* Date: 1-14-2016  
(Signature)

**Section B. Summary**

Briefly explain the purpose and major provisions of the bill/resolution:

**This resolution directs staff to pay off in full the remaining balance of the 2006 water capital outlay bond in the current amount of: \$33,690,000**

**Section C. Fiscal Impact**

**Note:** Financial information on this FIR does not directly translate into a City of Santa Fe budget increase. For a budget increase, the following are required:

- a. The item must be on the agenda at the Finance Committee and City Council as a "Request for Approval of a City of Santa Fe Budget Increase" with a definitive funding source (could be same item and same time as bill/resolution)
- b. Detailed budget information must be attached as to fund, business units, and line item, amounts, and explanations (similar to annual requests for budget)
- c. Detailed personnel forms must be attached as to range, salary, and benefit allocation and signed by Human Resource Department for each new position(s) requested (prorated for period to be employed by fiscal year)\*

**1. Projected Expenditures:**

- a. Indicate Fiscal Year(s) affected – usually current fiscal year and following fiscal year (i.e., FY 03/04 and FY 04/05)
- b. Indicate: "A" if current budget and level of staffing will absorb the costs  
"N" if new, additional, or increased budget or staffing will be required
- c. Indicate: "R" – if recurring annual costs  
"NR" if one-time, non-recurring costs, such as start-up, contract or equipment costs
- d. Attach additional projection schedules if two years does not adequately project revenue and cost patterns
- e. Costs may be netted or shown as an offset if some cost savings are projected (explain in Section 3 Narrative)

Finance Director: *[Signature]*

X   Check here if no fiscal impact

Column #:	1	2	3	4	5	6	7	8
	Expenditure Classification	FY _____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs Recurring or "NR" Non-recurring	FY _____	"A" Costs Absorbed or "N" New Budget Required	"R" Costs - Recurring or "NR" Non-recurring	Fund Affected

Personnel*	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Fringe**	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Capital Outlay	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Land/ Building	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Professional Services	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
All Other Operating Costs	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____
Total:	\$ _____	_____	_____	\$ _____	_____	_____	_____	_____

\* Any indication that additional staffing would be required must be reviewed and approved in advance by the City Manager by attached memo before release of FIR to committees. \*\*For fringe benefits contact the Finance Dept.

**2. Revenue Sources:**

- a. To indicate new revenues and/or
- b. Required for costs for which new expenditure budget is proposed above in item 1.

Column #:	1	2	3	4	5	6
	Type of Revenue	FY _____	"R" Costs Recurring or "NR" Non-recurring	FY _____	"R" Costs - Recurring or "NR" Non-recurring	Fund Affected

_____	\$ _____	_____	\$ _____	_____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____	_____
_____	\$ _____	_____	\$ _____	_____	_____	_____
Total:	\$ _____	_____	\$ _____	_____	_____	_____

**3. Expenditure/Revenue Narrative:**

Explain revenue source(s). Include revenue calculations, grant(s) available, anticipated date of receipt of revenues/grants, etc. Explain expenditures, grant match(s), justify personnel increase(s), detail capital and operating uses, etc. (Attach supplemental page, if necessary.)

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**Section D. General Narrative**

**1. Conflicts:** Does this proposed bill/resolution duplicate/conflict with/companion to/relate to any City code, approved ordinance or resolution, other adopted policies or proposed legislation? Include details of city adopted laws/ordinance/resolutions and dates. Summarize the relationships, conflicts or overlaps.

None identified.

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**2. Consequences of Not Enacting This Bill/Resolution:**

Are there consequences of not enacting this bill/resolution? If so, describe.

The city would not use water enterprise funds to pay off the remaining balance. There are ample reserves available to pay the balance, and would save the city more than \$300,000 in costs/fees.

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**3. Technical Issues:**

Are there incorrect citations of law, drafting errors or other problems? Are there any amendments that should be considered? Are there any other alternatives which should be considered? If so, describe.

None identified.

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**4. Community Impact:**

Briefly describe the major positive or negative effects the Bill/Resolution might have on the community including, but not limited to, businesses, neighborhoods, families, children and youth, social service providers and other institutions such as schools, churches, etc.

This resolution would save taxpayers more than \$300,000 a year in associated costs with servicing the remaining debt on the 2006 water capital outlay bond. The city has ample reserves in the water enterprise fund due to rate increases over the last several years. Payment of the bond in full would be a financially beneficial use of these funds.

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