

**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

SPONSOR(S): Councilor Maestas

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

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,

Public Utilities Committee

ADOPTED: _____

NOT ADOPTED: _____

DATE: _____

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
7
8
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

**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.)

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.

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.

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.

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.
