

**ACTION SHEET
CITY COUNCIL MEETING OF 07/14/10
ITEM FROM FINANCE COMMITTEE MEETING OF 07/06/10**

ISSUE:

27. REQUEST FOR APPROVAL OF A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF SANTA FE, NEW MEXICO DECLARING ITS OFFICIAL INTENT TO REIMBURSE ITSELF WITH THE PROCEEDS OF A FUTURE TAX-EXEMPT BORROWING FOR CAPITAL EXPENDITURES PAID TO ACQUIRE, CONSTRUCT AND IMPROVE PARK AND RECREATION PROJECTS; IDENTIFYING THE CAPITAL EXPENDITURES AND THE FUNDS TO BE USED FOR SUCH PAYMENT; AND PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH (KATHRYN RAVELING) (FINANCE COMMITTEE)

Committee Review

City Council (scheduled)

7/14/10

Fiscal Impact - No

FINANCE COMMITTEE ACTION: APPROVED AS DISCUSSION ITEM

SPECIAL CONDITIONS OR AMENDMENTS:

STAFF FOLLOW UP:

VOTE:	FOR	AGAINST	ABSTAIN
COUNCILOR WURZBURGER	X		
COUNCILOR BUSHEE	excused		
COUNCILOR ROMERO	X		
COUNCILOR DOMINGUEZ	excused		
CHAIRPERSON ORTIZ	X		

City of Santa Fe, New Mexico

memo

DATE: June 30, 2010

TO: Mayor and City Council

FROM: Kathryn Raveling *KJR*
Finance Director

SUBJECT: Reimbursement Resolution for the Parks Bonds

BACKGROUND AND SUMMARY:

Time is approaching as to issuing the last \$10,000,000 for the Park Improvement projects under the General Obligation bonds. Attached is a reimbursement resolution that covers the city for any costs that are incurred until the funds are available through the second bond issue. The financing was split to save interest costs during the period of time the funds were not expended. The current investment market earnings could not come close to meeting the net interest rate of the bonds of 4.2% so it was advisable to postpone the second series until most of the funds from the first series were spent.

The reimbursement resolution provides the reimbursement from the bond proceeds when issued for expenditures made during the time until the funds are available from the additional bonds issued. This allows projects to proceed seamlessly with no delay due to the second phase of bonding.

ACTION REQUESTED:

Approval is requested of the Reimbursement Resolution as per the attached resolution.

gobondsecondphase

CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. _____

A RESOLUTION OF THE GOVERNING BODY OF THE CITY OF SANTA FE, NEW MEXICO DECLARING ITS OFFICIAL INTENT TO REIMBURSE ITSELF WITH THE PROCEEDS OF A FUTURE TAX-EXEMPT BORROWING FOR CAPITAL EXPENDITURES PAID TO ACQUIRE, CONSTRUCT AND IMPROVE PARK AND RECREATION PROJECTS; IDENTIFYING THE CAPITAL EXPENDITURES AND THE FUNDS TO BE USED FOR SUCH PAYMENT; AND PROVIDING CERTAIN OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the City of Santa Fe (the "City"), in the State of New Mexico (the "State"), is a political subdivision duly organized and existing pursuant to the Constitution and laws of the State; and

WHEREAS, the City Council (the "Governing Body") is the governing body of the City; and

WHEREAS, the Governing Body has determined that it is in the best interest of the City to make certain capital expenditures in connection with the Project (as hereinafter defined); and

WHEREAS, the City currently intends and reasonably expects to participate in a tax-exempt borrowing to finance such capital expenditures within 18 months of the date of such capital expenditures or the placing in service of the Project, whichever is later (but in no event more than three years after the date of the original expenditure of such moneys), including an amount not to exceed \$10,000,000 for reimbursing the City for the portion of such capital expenditures made no earlier than 60 days prior to the date hereof or to be made after the date hereof but before such borrowing; and

WHEREAS, the Governing Body hereby desires to declare its official intent, pursuant to 26 C.F.R. §1.150-2, to reimburse the City for such capital expenditures with the proceeds of the City's future tax-exempt borrowing.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF SANTA FE, NEW MEXICO THAT:

Section 1. Declaration of Official Intent. The City presently intends and reasonably expects to finance a portion of the costs of acquiring, constructing and improving City park and recreation projects (the "Project") with moneys currently held in City's _____ fund.

Section 2. Dates of Capital Expenditures. All of the capital expenditures within the scope of this Resolution were made no earlier than 60 days prior to the date of this Resolution.

Section 3. Issuance of Bonds or Notes. The City presently intends and reasonably expects to participate in a tax-exempt borrowing within 18 months of the date of the expenditure of moneys on the Project or the date upon which the Project is placed in service or abandoned, whichever is later (but in no event more than three years after the date of the original expenditure of such moneys), and to allocate an amount not to exceed \$10,000,000 of the proceeds thereof to reimburse the City for its prior expenditures in connection with the Project.

Section 4. Confirmation of Prior Acts. All prior acts of the officials, agents and employees of the City that are in conformity with the purpose and intent of this Resolution, and in furtherance of the Project, shall be and the same hereby are in all respects ratified, approved and confirmed.

Section 5. Repeal of Inconsistent Resolutions. All other resolutions of the Governing Body or parts of resolutions, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

Section 6. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption.

ADOPTED AND APPROVED this _____ day of _____, 2010.

CITY OF SANTA FE, NEW MEXICO

By _____
Mayor

[SEAL]

ATTEST:

By _____
Clerk

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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)

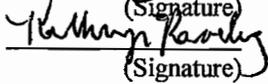
Short Title(s): Reimbursement Resolution

Sponsor(s): Finance Committee

Reviewing Department(s): Finance

Person Completing FIR: Kathryn Raveling Date: 06/30/2010 Phone: x 6530

Reviewed by City Attorney:  Date: 6/30/10

Reviewed by Finance Director:  Date: 6/30/2010

Section B. Summary

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

Allows the city to reimburse itself from bond proceeds when issued for costs incurred prior to the actual issue.

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)

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.)

The resolution provides that the city may continue with the bond projects underway with no interruptions and that any costs incurred until the actual funds are available from the second phase of the bond issue will be reimbursed from the bond issue.

There is no fiscal impact if the resolution is approved. The fiscal impact is potentially if the resolution is not approved.

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.

No conflicts known.

2. Consequences of Not Enacting This Bill/Resolution:

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

If not approved there may be a gap where funds were expended on park projects but the second phase of bond proceeds are not yet available. Some other source of city funds would have to cover those costs or the projects would have to stop until the second phase of bond proceeds are available.

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 known

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.

If other city funds other than the GO bond proceeds had to be used for the park projects, other projects important to the community may have to be postponed.