



CITY OF SANTA FE EARNS AA+ AND AA RATINGS FOR 2021 BOND SERIES

Agencies Cite City's Budget Management During Pandemic, Solid Economic Base, Strong Debt Service Coverage

November 9, 2021 --The City of Santa Fe has been assigned an AA+ rating from Fitch Ratings and an AA rating from S&P Global Rating for its \$13.5 million subordinate lien gross receipts tax (GRT) refunding bonds, 2021 series.

In addition, to announcing its AA+ rating for the 2021 bonds, Fitch also affirmed AA+ ratings for the City's \$21.7 million general obligation bonds, \$56.7 million senior lien GRT revenue bonds and an earlier series of \$31.4 million subordinate lien GRT bonds. S&P Global also affirmed its AA long-term ratings for the City's Santa Fe gasoline tax/subordinate lien gross receipts tax improvement revenue bonds and the Santa Fe subordinate lien gross receipts tax refunding revenue bonds.

Characterizing the city's rating outlook at "stable," Fitch said, "The city's strong budget management was demonstrated by its efforts to maintain sustainability in anticipation of pandemic-induced revenue pressures via significant restructuring of its operations."

S&P Global stated, "Santa Fe's good management practices support stable financial reserves and balanced operations." S&P Global's rating reflects its view of "strong-to-very strong debt service coverage supported by a strong economy." It noted the City of Santa Fe's revenue "Collections in the latter half of fiscal 2021 reflected steady increases which are expected to continue into fiscal 2022."

In its credit opinion, S&P Global termed the City's economic fundamentals as "strong," noting "New economic development continues with restaurants, retail and commercial

establishments. Tourism and the movie industry are picking back up after a slowdown due to the pandemic."

Santa Fe Mayor Alan Webber says: "We are very pleased with these bond ratings. They signify our continuing commitment to sound financial management that keeps our outstanding debt at reasonable levels with lower interest rates. By refunding these bonds, we can save the City of Santa Fe an estimated \$1.5 million in interest over the next five years. And that's good news for our taxpayers!"

Mary McCoy, Finance Director of the City of Santa Fe, says: "We are pleased to receive these very positive bond ratings and recognition from both S&P and Fitch of the City's strong budget management and good fiscal management practices during the COVID-19 pandemic. These ratings are a testament to our city's strong financial health, and build on Mayor Webber's commitment to financial responsibility. The savings from the refinancing will allow us to continue investments in programs that improve Santa Fe's future."

The 2021 series bonds are scheduled to be sold via negotiation the week of Nov. 15, 2021, with proceeds used to refund outstanding debt and for interest cost savings. The AA+ and AA ratings signify the bonds are considered a safer and more stable investment and therefore carry a lower interest rate.