



City Bond Sales Reap \$1.3 Million Savings

Strong Ratings Attributed to Sound Fiscal Management, Strong Economic Fundamentals

November 22, 2021 --The City of Santa Fe recently received AA+/AA by Fitch Ratings and S&P Global for its Subordinate Lien GRT Revenue Refunding Bond, while having all the other bonds affirmed with the same ratings. The ratings agencies cited the Santa Fe's strong economic fundamentals and the City's sound budget management during the pandemic.

On Tuesday, November 16, the City successfully sold \$13.59 million of the 2021 Subordinate Lien GRT Revenue Refunding bonds on the open market. RBC Capital Markets and Baird led the City's bond sale as underwriters.

By refunding the 2010 B Railyard Infrastructure Development bond and the 2012 A CIP GRT revenue bond with the new 2021 Subordinate Lien GRT Revenue Refunding Bond, the City will save over \$1.3 million of interest expense in the next five years.

Mayor Alan Webber says: "The bond ratings we just received will continue to benefit the people of Santa Fe. When we are able to refund our bonds at lower interest rates, we save taxpayer's money and put those dollars toward meeting the needs of our community. It's good financial management and it's good for our city."

Finance Director Mary McCoy says: "We are pleased to receive excellent bond ratings and recognition of the City's strong fiscal management practices during the COVID-19 pandemic. The City's strong credit, a testament to our city's strong financial health,

enabled the City to successfully refinance outstanding debt and achieve over \$1.3 million in savings for the City. The savings from the refinancing will allow us to continue investments in programs that improve Santa Fe's future.

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."