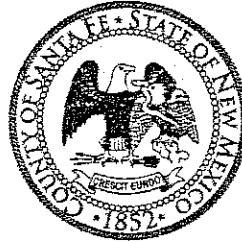


Henry P. Roybal  
*Commissioner, District 1*

Anna Hansen  
*Commissioner, District 2*

Robert A. Anaya  
*Commissioner, District 3*




Anna T. Hamilton  
*Commissioner, District 4*

Ed Moreno  
*Commissioner, District 5*

Katherine Miller  
*County Manager*

## MEMORANDUM

To: Santa Fe County Board of County Commissioners

From: Stephanie Schardin Clarke, Finance Division Director 

Via: Katherine Miller, County Manager

Date: September 11, 2018

Re: Resolution 2018 \_\_\_\_, A Notice of Sale Resolution for General Obligation Improvement Bonds, Series 2018 Including Form of Preliminary Official Statement

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### ISSUE

The Finance Division staff presents a Notice of Sale Resolution for the proposed General Obligation Improvement Bonds, Series 2018 (the Bonds). The Bonds will be issued for the purpose of funding projects approved by voters in the November 8, 2016 general election that were not previously funded with the County's Series 2017 General Obligation Refunding and Improvement Bonds.

### BACKGROUND

This resolution will enable the County to issue general obligation bonds based on the questions that were submitted and approved by the voters at the November 8, 2016 general election. The table below presents amounts approved by the voters, amounts previously issued by the County, and the remaining amount to be issued in these proposed Bonds.

The Bonds will be payable from general taxes (ad valorem). This will be the second and final portion of the \$35 million authorized by voters in November 2016.

The County anticipates a bond issuance with an aggregate principal amount of \$12,985,000. However, the actual amount of the issuance will fluctuate depending upon the bids received and any premium proposed with no expected impact to the estimated debt service mill rate.

Actuarial information, as of June 30, 2017 is shown below:

**State of New Mexico Public Employees Retirement Fund  
Summary Information as of June 30, 2017**

Membership <sup>(1)</sup>	103,130
Actuarial Information	
Actuarial Accrued Liability <sup>(2)</sup>	\$20,194,698,290
Actuarial Value of Assets	15,124,167,297
Unfunded Actuarial Accrued Liability	5,070,530,993

Source: PERA Annual Actuarial Valuation

<sup>(1)</sup> Includes active, inactive and retired members from all divisions.

<sup>(2)</sup> Includes accrued liability of both the retired and active members.

In Fiscal Year 2013, PERA reported an Unfunded Actuarial Accrued Liability ("UAAL") of \$4.6 billion, approximately \$1.6 billion less than the previous fiscal year. The decline in the UAAL was the result of comprehensive pension reform legislation proposed by the PERA Board and enacted by the State Legislature during the 2013 legislative session. Senate Bill 27 significantly amended the Public Employees' Retirement Act by creating a new tier of reduced benefits for new hires. The law reduces the cost of living adjustments for all current and future retirees; delays the application of cost of living adjustments for certain future retirees; suspends the cost of living adjustments for certain return-to-work retirees; provides for an increase in the statutory employee contribution rate of 1.5% (subject to certain requirements) for employees earning \$20,000 or more in annual salary; provides for an increase in the statutory employer contribution of 0.4% beginning in Fiscal year 2015; increases age and service requirements; lengthens the base average salary calculation amount from three to five years for future employees; increases the vesting period for employees from five to eight years for most members; lowers the annual service credit by 0.5% for most members; and makes several other clarifying and technical changes. Also as a result of the passage of pension reform legislation, PERA's 30 year projected funded ratio increased from 29% to 108.8%. PERA saw a further \$300 million decline in the UAAL, and increase in the 30-year projected funded ratio to 133% at the end of Fiscal Year 2014. The improvement in Fiscal Year 2014 was due largely to excess investment returns. PERA's Fiscal Year 2014 return was 17.03%, higher than the 7.75% return assumption.

In Fiscal Year 2017, PERA reported an audited Net Pension Liability ("NPL") of \$5.3 billion, using methods and assumptions required under GASB Statement No. 67, the reporting standard applicable to pension plans. PERA annually prepares a "Schedule of Employer Allocations and Pension Amounts" that provides employer participants the information they need to comply with GASB Statement No. 68, including each employer's proportionate share of the NPL. This Schedule is audited by PERA's independent auditors and is reviewed by the New Mexico State Auditor.

### **New Mexico Retiree Health Care Authority**

The County contributes to the State-sponsored New Mexico Retiree Health Care Fund, a cost-sharing multiple employer defined benefit postemployment healthcare plan administered by the Retiree Health Care Authority ("NMRHCA"). The NMRHCA administers the New Mexico Retiree Health Care Act, Sections 10-7C-1 through 10-7C-19 NMSA 1978, for the purpose of providing comprehensive group health insurance coverage for persons who have retired from certain public service in the State and eligible dependents. The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The Retiree Health Care Act establishes the required contributions of participating employers. For employees who were members of an enhanced retirement plan during fiscal year 2017, the statute required each participating

employer to contribute 2.50% of each participating employee's annual salary, and each participating employee to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during fiscal year 2017, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary, and each participating employee to contribute 1.0% of their salary. The County's contributions to the NMRHCA for the years ended June 30, 2017, 2016 and 2015 were \$829,210, \$816,514 and \$799,879, respectively, which equal the required contributions for each of those years.

### **County Insurance Coverage**

The County maintains insurance on its assets and operations as is customary and adequate, in its opinion, for similar entities insuring similar operations and assets. The County carries workers compensation, general liability, auto damage, errors and omissions coverage, emergency medical and law enforcement liability primarily with the New Mexico County Insurance Authority Workers' Compensation Pool and Multi-Line Pool, and accident coverage for volunteer fire fighters through a private carrier. In addition, the County maintains medical malpractice liability insurance for medical providers employed at the Adult Detention Facility and Youth Development Program, environmental pollution insurance for specified locations, and builders' risk insurance through private carriers. There can be no assurance, however, that the County will continue to maintain the present level of coverage or that the insurance maintained will be sufficient.

## **THE ECONOMY**

### **General**

Santa Fe County is located in the north-central part of New Mexico in the Rio Grande corridor. The area's economy is based primarily on government and related activities, retail trade, tourism, arts and entertainment, and recreation.

### **State Government**

The State Government is one of the largest employers in the County, employing approximately 8,968. Government offices, including the Office of the Governor and the State Legislature, occupy the State Capitol Building, known as the Roundhouse. The majority of major state offices and agencies, including the Office of the Treasurer, Office of the Attorney General, Office of the State Engineer, and the Departments of Finance and Administration, Health, Environment, Transportation, Energy, Minerals and Natural Resources, General Services, Corrections, Public Education and Higher Education, are located in the City of Santa Fe.

### **Education**

#### *Santa Fe Public Schools*

The Santa Fe Public School District is a political subdivision of the State organized for the purpose of operating and maintaining an education program for school-age children residing within its boundaries. Currently the District operates and maintains a variety of facilities in meeting its obligation to provide an educational program within its boundaries that cover 1,016 square miles with an estimated population of 125,000. The District is the 5th largest school district in the State with a 2017-2018 120-Day enrollment of 13,323 students. The District operates 31 school sites, including 21 elementary schools, 6 middle schools, 3 high schools, and 1 international magnet school. These schools include 5

community schools, 4 charter schools, 1 academy and 1 early childhood center. The District's educational program includes vocational, technical and occupational training.

#### *Santa Fe Community College*

Santa Fe Community College is a co-educational community college offering 2-year Associate of Arts, Associate of Science, and Associate of Applied Science degrees. The Community College occupies 366 acres within the County of Santa Fe, with a faculty of approximately 425 (full and part-time), serving approximately 5,921 students (credit enrollment).

#### *St. John's College*

St. John's College is a private, co-educational 4-year liberal arts college. The College's undergraduate program is an all-required course of study based on the classic works of western civilization. The College has an enrollment of approximately 475 students, with a faculty-student ratio of 1:8. The College offers a graduate degree program leading to a Master of Arts in Liberal Arts degree.

#### *New Mexico School for the Deaf*

The New Mexico School for the Deaf is a state institution serving New Mexico children with permanent hearing loss from birth through age 22. The School provides a rigorous academic program that focuses on language and literacy development and critical thinking skills. The School's curriculum conforms to New Mexico state standards and benchmarks. The School's 30-acre campus is located in the City of Santa Fe and provides housing for up to 96 residential students.

#### *Institute Of American Indian Arts*

The Institute of American Indian Arts ("IAIA") is a tribal college chartered by the U.S. Congress, offering Associate of Arts, Associate of Fine Arts, Bachelor of Arts and Bachelor of Fine Arts degrees to both native and non-native students. IAIA also offers numerous certificate programs, including Business and Entrepreneurship. IAIA operates the Museum of Contemporary Native Arts in Santa Fe, which maintains a collection of nearly 8,000 pieces of artwork. As a 1994 Tribal and Land Grant Institution, IAIA is also responsible for promoting New Mexico tribal programs in the area of food and agricultural science. The school enrolls approximately 700 students.

#### *Santa Fe Indian School*

The Santa Fe Indian School ("SFIS") is owned by the 19 pueblos of New Mexico and enrolls approximately 700 middle- and high school students, including day students and dorm students who live on campus. SFIS offers academic preparation for both college and career readiness, while maintaining Native American Cultural values.

### **Trade**

The County's major retail products include furniture, jewelry, publishing, technology transfer, clothing, and accessories. Approximately 13.87% of the County's workforce was employed in the retail trade sector as of the end of the fourth quarter of 2017.

## **Tourism**

The tourism industry plays a significant role in the County economy due, in part, to the historic City of Santa Fe and its proximity to national parks and monuments, state parks and recreation areas, and numerous museums and cultural facilities.

## **Indian Arts and Crafts**

Indian arts and crafts, both production and marketing, have always played a significant role in the County's economy where large amounts of turquoise and silver jewelry are crafted. Numerous shops and galleries in Santa Fe make the City a center in the Southwest for original Native American art and southwest arts and crafts.

## **Health**

The County is served by Christus St. Vincent Regional Medical Center, a 501(c)(3) organization. The Medical Center serves a 7-county region and is the largest hospital facility north of Albuquerque and south of Pueblo, Colorado. The Medical Center is the only Level III Trauma Center in northern New Mexico. The Center maintains 268 licensed beds, 380 staff physicians representing 34 medical specialties, and treats over 52,000 emergency/fast track patients annually and more than 5,500 outpatient surgery patients annually.

Presbyterian Healthcare Services is constructing a new 342,000 square foot medical center near the intersection of Cerrillos Road and Interstate 25, which will provide both inpatient and outpatient clinical services and emergency rooms. The project is expected to be completed in late 2018.

## **ECONOMIC AND DEMOGRAPHIC STATISTICS**

This section contains general information concerning the economic and demographic conditions in and surrounding the County. The information presented was obtained from the sources indicated, and the County makes no representation as to the accuracy or completeness of the data presented. All data in this subsection is presented on a calendar year basis.

## Population

The following chart sets forth historical population data for the City of Santa Fe, the Santa Fe Metropolitan Statistical Area ("MSA"), and the State.

Census Year	City of Santa Fe	Santa Fe MSA	State of New Mexico
1940	20,325	30,826	531,818
1950	27,998	38,153	681,187
1960	33,394	44,970	951,023
1970	41,167	53,756	1,017,055
1980	49,160	75,360	1,303,303
1990	57,605	98,928	1,515,069
2000	62,203	129,292	1,819,046
2010	67,947	144,170	2,065,826
2020*	n/a	164,006	2,351,724
2030*	n/a	178,124	2,613,332

Source: U.S. Department of Commerce, Bureau of the Census.

\* Projected.

## Age Distribution

The following table sets forth the age distribution profile for the County, the State and the United States.

### Percentage of Population

Age Group	Santa Fe MSA	New Mexico	United States
0 - 17	19.18%	23.91%	22.77%
18 - 24	7.80%	9.80%	9.75%
25 - 34	11.06%	13.28%	13.43%
35 - 44	11.58%	11.87%	12.62%
45 - 54	12.90%	11.91%	13.09%
55 and Older	37.48%	29.23%	28.34%

Source: The Nielsen Company, 2017.

## Employment

The following table provides a ten-year history of employment in the County, the State and the United States.

Year	Santa Fe County		State of New Mexico		United States
	Labor Force	Percent Unemployed	Labor Force	Percent Unemployed	Percent Unemployed
2018*	73,607	4.2%	936,788	5.0%	4.1%
2017	72,851	5.1%	929,567	6.2%	4.4%
2016	72,855	5.3%	928,732	6.7%	4.9%
2015	72,865	5.3%	927,999	6.5%	5.3%
2014	72,660	5.4%	927,142	6.7%	6.2%
2013	73,219	5.6%	923,899	6.9%	7.4%
2012	73,658	5.8%	927,795	7.1%	8.1%
2011	73,631	6.2%	930,356	7.5%	8.9%
2010	74,289	6.8%	936,088	8.1%	9.6%
2009	76,501	6.6%	940,352	7.5%	9.3%

Source: New Mexico Department of Workforce Solutions.

\* Average, January - June 2018.

## Major Employers

Some of the largest employers in the Santa Fe MSA are set forth below. No independent investigation into their affairs has been made and consequently there can be no representation as to the stability or financial condition of the companies listed hereafter, or the likelihood that such companies will maintain their status as major employers in the area.

Employer	Business Type	Number of Employees
State of New Mexico	Government	23,152
Los Alamos National Laboratory	Government	11,300
Santa Fe Public Schools	Education	2,151
Christus St. Vincent Hospital	Health Care	2,150
City of Santa Fe	Government	1,469
Santa Fe County	Government	844
Santa Fe Community College	Education	800
Santa Fe Opera	Fine Arts	791
Peters Corporation	Real Estate	518
Santa Fe Ski Company	Recreation	400
Total		43,575

Source: Santa Fe Chamber of Commerce, 2017.

## Wage and Salary Employment

The New Mexico Department of Workforce Solutions publishes quarterly and annual reports of covered employment and wages according to the North American Industry Classification System (NAICS).

Sector	2013	2014	2015	2016	2017*
Grand Total	60,681	60,426	61,229	61,003	61,107
Total Private	43,774	43,496	44,481	45,340	45,741
Agriculture, Forestry, Fishing & Hunting	157	172	166	173	269
Mining	86	102	146	141	93
Utilities	124	125	131	136	119
Construction	2,789	2,566	2,588	2,639	2,781
Manufacturing	828	839	865	851	891
Wholesale Trade	947	921	985	1,000	996
Retail Trade	8,934	8,799	8,648	8,592	8,377
Transportation & Warehousing	559	602	558	540	555
Information	846	785	816	849	788
Finance & Insurance	1,781	1,649	1,583	1,558	1,521
Real Estate & Rental & Leasing	799	815	798	837	857
Professional & Technical Services	2,389	2,342	2,432	2,394	2,590
Management of Companies & Enterprises	194	182	230	229	247
Administrative & Waste Services	1,830	1,754	1,845	1,889	2,031
Educational Services	1,492	1,561	1,624	1,698	1,529
Health Care & Social Assistance	8,220	8,288	8,693	8,865	8,890
Arts, Entertainment & Recreation	969	1,060	1,116	1,173	1,279
Accommodation & Food Services	8,379	8,444	8,703	9,206	9,378
Other Services, Ex. Public Administration	2,452	2,491	2,555	2,570	2,548
Total Government	16,907	16,930	16,748	15,663	15,366
Federal	958	945	943	972	962
State	8,782	8,903	8,792	7,723	7,367
Local	7,167	7,082	7,013	6,968	7,037

Source: New Mexico Department of Workforce Solutions.

(\*) Average, Fourth Quarter 2017.

The following table reflects median household Effective Buying Income ("EBI") and the percent of households by EBI groups as reported by The Nielsen Company. EBI is personal income less personal tax and non-tax payments. Personal income includes wages and salaries, other labor income, proprietors' income, rental income, dividends, personal interest income and transfer payments. Deductions are made for federal, state and local taxes, non-tax payments such as fines and penalties, and personal contributions for social security insurance.

Effective Buying Income Group	Santa Fe MSA	New Mexico	United States
Under \$25,000	22.03%	27.94%	21.90%
\$25,000 - \$34,999	10.61%	10.75%	9.70%
\$35,000 - \$49,999	12.71%	14.08%	13.20%
\$50,000 - \$74,999	17.98%	16.63%	17.40%
\$75,000 and over	36.67%	30.60%	37.80%
2012 Est. Median Household Income	\$51,780	\$41,958	\$49,581
2013 Est. Median Household Income	\$42,553	\$43,273	\$49,297
2014 Est. Median Household Income	\$48,526	\$44,292	\$51,579
2015 Est. Median Household Income	\$51,473	\$45,633	\$53,706
2016 Est. Median Household Income	\$54,229	\$45,445	\$55,551
2017 Est. Median Household Income	\$56,475	\$47,043	\$56,671

Source: The Nielsen Company, 2017.



## Gross Receipts

The following table shows the total reported gross receipts and total reported retail gross receipts generated in Santa Fe County and the State of New Mexico for the past ten years. For the purposes of these tables, gross receipts means the total amount of money received from selling goods and services in the State of New Mexico, from leasing property employed in the State, and from performing services in the State. Gross receipts includes, among other things, food sales and services such as legal and medical services.

Calendar Year	Santa Fe County		State of New Mexico	
	Retail Trade	Total	Retail Trade	Total
2017	\$1,881,884,418	\$5,803,246,326	\$22,390,695,699	\$ 92,909,354,007
2016	2,136,907,968	6,185,403,050	24,506,857,479	107,507,232,815
2015	2,300,270,704	6,667,684,125	27,481,308,742	119,726,977,705
2014	2,221,772,493	6,175,973,341	25,047,979,235	109,458,439,980
2013	1,941,541,077	5,876,040,029	24,074,695,737	107,068,247,914
2012	1,859,420,700	5,953,009,319	23,910,163,876	106,632,199,576
2011	1,836,341,592	6,084,796,929	23,855,318,981	105,936,319,986
2010	1,797,277,395	6,381,191,771	23,403,179,267	99,473,361,994
2009	1,876,521,470	6,100,659,339	24,033,507,374	95,490,408,754
2008	2,154,370,796	7,043,378,575	25,028,647,037	114,741,598,593

Source: New Mexico Taxation and Revenue Department.

## Services Available to County Residents

The County provides its residents with police and fire protection. Water service and sanitary sewer service are provided in certain unincorporated areas of the County, while other areas are served by private or community water systems. The largest supplier and distributor of electricity is the Public Service Company of New Mexico. CenturyLink is the largest provider of telephone service. Comcast is the largest provider of cable television services. The County operates a solid waste collection and disposal system.

## TAX EXEMPTION

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, to be delivered at the time of original issuance of the Bonds, under existing laws, regulations rulings and judicial decisions, and assuming compliance with covenants described herein, interest on Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference under Section 57 of the Code (as defined below) for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel is also of the opinion, based on existing laws of the State of New Mexico as enacted and construed, that interest on the Bonds is exempt from all taxation by the State of New Mexico or any political subdivision thereof.

The Internal Revenue Code of 1986, as amended (the "Code"), imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal tax purposes of interest on obligations such as the Bonds. The City has made various representations and warranties with respect to, and has covenanted in the resolution authorizing issuance of the Bonds and other documents, instruments and certificates to comply with the applicable provisions of the Code to assure that interest on the Bonds will not become includible in gross income. Failure to comply with these covenants or the inaccuracy of these representations and warranties may result in interest on the Bonds being included in

gross income from the date of issue of the Bonds. The opinion of Bond Counsel assumes compliance with the covenants and the accuracy of such representations and warranties.

Although Bond Counsel has rendered an opinion that interest on the Bonds is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Before purchasing any of the Bonds, potential purchasers should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

The opinions expressed by Bond Counsel are based upon existing law as of the date of issuance and delivery of the Bonds, and Bond Counsel expresses no opinion as of any date subsequent thereto or with respect to any pending legislation.

From time to time, there are legislative proposals in Congress that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted, it would apply to Bonds issued prior to enactment. Each purchaser of the Bonds should consult his or her own tax advisor regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

#### **Original Issue Discount**

The Bonds may be offered at a discount ("original issue discount") equal generally to the difference between public offering price and principal amount. For federal income tax purposes, original issue discount on a bond accrues periodically over the term of the bond as interest. The amount of original issue discount deemed received by the holder is excludable from gross income of the holder for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The accrual of original issue discount increases the holder's tax basis in the bond for determining taxable gain or loss from sale or from redemption prior to maturity. Holders of Bonds offered at an original issue discount should consult their tax advisors for an explanation of the accrual rules.

#### **Original Issue Premium**

The Bonds may be offered at a premium ("original issue premium") over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a bond through reductions in the holders' tax basis in the bond for determining taxable gain or loss from sale or from redemption prior to maturity. Amortizable premium is accounted for as reducing the tax-exempt interest on the bond rather than creating a deductible expense or loss. Holders of Bonds offered at an original issue premium should consult their tax advisors for an explanation of the amortization rules.

#### **Internal Revenue Service Audit Program**

The Internal Revenue Service (the "Service") has an ongoing program auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service will treat the County as the taxpayer and the Bond owners may have no right to participate in such procedure. Neither the initial purchasers of the Bonds nor Bond Counsel is

obligated to defend the tax-exempt status of the Bonds. The County has covenanted in the Resolution not to take any action that would cause the interest on the Bonds to lose its exclusion from gross income except to the extent described above for the owners thereof for federal income tax purposes. Neither the County, the Financial Advisor nor Bond Counsel is responsible to pay or reimburse the costs of any Bond owner with respect to any audit or litigation relating to the Bonds.

### **CONTINUING DISCLOSURE INFORMATION**

In connection with the issuance of the Bonds, the County will execute a Continuing Disclosure Undertaking, in the form attached hereto as Appendix D, under which it will agree for the benefit of the owners of the Bonds to provide audited annual financial statements of the County when available after the end of each Fiscal Year, and to provide certain annual financial information and operating data relating to the County and timely notice of certain events.

#### **Compliance with Prior Undertakings**

The County has previously entered into continuing disclosure agreements in accordance with SEC Rule 15c2-12. The County did not timely file a Moody's rating change in August 2013 related to its County Gross Receipts Tax Bonds and Capital Outlay Gross Receipts Tax Bonds. The rating change resulted from a Moody's surveillance rating process. The rating change was disclosed on EMMA immediately following the discovery that the rating change had not been filed. The County did not timely file audited financial statements for Fiscal Years 2011 through 2015 related to its Correctional System Revenue Bonds, Series 1997 and Gross Receipts Tax Revenue Bonds, Subordinate Series 1997A. The County filed the audited financial statements for those years with respect to the Series 1997 Bonds and Subordinate Series 1997 Bonds on July 11, 2016, as well as a notice of failure to file. The County adopted a Continuing Disclosure compliance procedure policy on April 14, 2015. Except as indicated in this paragraph, the County believes that it has been in material compliance with the requirements of outstanding continuing disclosure agreements entered into in connection with bonds issued by the County over the past five years.

### **LITIGATION**

At the time of the original delivery of the Bonds, the County will deliver a no-litigation certificate to the effect that no litigation or administrative action or proceeding is pending or, to the knowledge of the appropriate County officials, threatened, restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, effectiveness of the Resolution, or contesting or questioning the proceedings and authority under which the Bonds have been authorized and are to be issued, sold, executed or delivered, or the validity of the Bonds.

### **RATINGS**

The Bonds have received a rating of "\_\_\_\_" from Standard & Poor's Ratings Services ("S&P"). An explanation of the significance of the rating given by S&P may be obtained from S&P at 55 Water Street, New York, New York 10041.

Such rating reflects only the views of S&P, and there is no assurance that such rating will continue for any given period of time after obtained or that such rating will not be revised downward or withdrawn entirely by the S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. Neither the County (including its employees, advisors, and attorneys) nor the initial purchasers of the

Bonds have undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such rating once received or to oppose any such proposed revision.

### **FINANCIAL ADVISOR**

RBC Capital Markets, LLC ("RBC CM") is employed as Financial Advisor to the County in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. RBC CM may also receive a fee for conducting a competitive bidding process regarding the investment of certain proceeds of the Bonds. RBC CM, in its capacity as Financial Advisor, has relied on the opinion of Bond Counsel and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the County has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the County and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

### **LEGAL MATTERS**

The legality of the Bonds will be approved by Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico, Bond Counsel, whose unqualified opinion approving the legality of the Bonds will be furnished at the closing.

### **TRANSCRIPT AND CLOSING DOCUMENTS**

A complete transcript of proceedings and a no-litigation certificate (described above under "LITIGATION") will be delivered by the County when the Bonds are delivered. The County will at that time also provide a certificate relating to the accuracy and completeness of this Official Statement.

### **ADDITIONAL INFORMATION**

All summaries of the statutes, resolutions, opinions, contracts, agreements, financial and statistical data and other related reports described in this Official Statement are subject to the actual provisions of such documents. The summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are either publicly available or available for inspection during normal business hours at the offices of the County located at the County Administration Building, 102 Grant Avenue, Santa Fe, New Mexico 87504-0276 or at the offices of RBC Capital Markets, LLC, 6301 Uptown Blvd. NE, Suite 110, Albuquerque, New Mexico 87110.

## OFFICIAL STATEMENT CERTIFICATION

As of the date hereof this Official Statement is true to the best of my knowledge, complete and correct in all material respects, and does not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they are made, not misleading.

The preparation of this Official Statement and its distribution have been authorized by the Board. The Official Statement is hereby duly approved by the Board as of the date on the cover page hereof.

SANTA FE COUNTY, NEW MEXICO

By: \_\_\_\_\_/s/\_\_\_\_\_  
Anna Hansen, Chair  
Board of County Commissioners

## APPENDIX A

### OPINION OF BOND COUNSEL

\_\_\_\_\_, 2018

Board of County Commissioners  
Santa Fe County, New Mexico

We have acted as bond counsel to Santa Fe County, New Mexico (the "County") in connection with the issuance of its \$12,985,000 General Obligation Improvement Bonds, Series 2018 (the "Bonds") dated \_\_\_\_\_, 2018, with interest payable on January 1, 2019, and semi-annually thereafter on each January 1 and July 1 until maturity, and being bonds in registered form maturing on July 1 in the years 2019 through 20\_\_\_\_, inclusive.

\$12,985,000 in principal amount of the Bonds, representing the second and final series of general obligation bonds approved by the qualified electors of the County at an election held on November 8, 2016 to provide funds to (1) acquire, construct, design, equip and improve roads within the County, (2) acquire, construct, design, equip and improve water and wastewater projects within the County, (3) acquire, construct, design, equip and improve fire and other public safety facilities within the County, and (4) acquire, construct, design, equip, improve and restore open space, trails and parks within the County, and will be issued and allocated among those purposes and to pay a portion of the costs of issuance of the Bonds.

We have examined the transcript of proceedings (the "Transcript") relating to the issuance of the Bonds and the law under authority of which the Bonds are issued. Based on our examination, we are of the opinion that, under the law existing on the date of this opinion, subject to the provisions of federal bankruptcy law and other laws affecting creditors' rights:

1. The Bonds constitute valid and binding general obligations of the County, and the principal of and interest on the Bonds, unless paid from other sources, are to be paid from the proceeds of the levy of *ad valorem* taxes on all property within the County subject to *ad valorem* taxes levied by the County, which levy is unlimited as to rate or amount.

2. Under existing laws, regulations, rulings and judicial decisions, interest on the Bonds is excludable from gross income for federal income tax purposes. We are also of the opinion that interest on the Bonds is not a specific preference item for purposes of calculating the alternative minimum tax imposed on individuals under provisions contained in the Internal Revenue Code of 1986, as amended (the "Code"). Although we are of the opinion that interest on the Bonds is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences.

3. The Bonds and the income from the Bonds are exempt from all taxation by the State or any political subdivision of the State.

The opinions set forth above in paragraph 2 are subject to continuing compliance by the County with covenants regarding federal tax law contained in the proceedings and other documents relevant to the issuance by the County of the Bonds. Failure to comply with these covenants may result in interest on the Bonds being included in gross income retroactive to their date of issuance.

The opinions expressed herein are based upon existing laws as of the date of issuance and delivery of the Bonds. We express no opinion as of any date subsequent hereto, and our engagement with respect to the Bonds has concluded with their issuance. We disclaim any obligation to update this opinion.

The obligations of the County related to the Bonds are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers (including bankruptcy powers) delegated to it by the United States Constitution. The obligations of the County and the security provided therefor, as contained in the Bond Resolution, may be subject to general principles of equity which permit the exercise of judicial discretion and are subject to the provisions of applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of result. We express no opinion with respect to any pending legislation.

We are passing upon only those matters set forth in this opinion and are not passing upon the accuracy or completeness of any statement made in connection with any sale of the Bonds or upon any tax consequences arising from the receipt or accrual or interest on, or the ownership of, the Bonds except those specifically addressed in paragraphs 2 and 3 above.

Respectfully,

## APPENDIX B

### AUDITED FINANCIAL STATEMENTS – JUNE 30, 2017

The County has not requested the consent of REDW LLC, which performed the audit of the County's Financial Statements, to the inclusion of the audit report and excerpts thereof in this Official Statement, and the auditor has not conducted a post-audit review of those Financial Statements.



## **APPENDIX C**

### **OFFICIAL NOTICE OF BOND SALE**

**\$12,985,000**

**SANTA FE COUNTY, NEW MEXICO  
General Obligation Improvement Bonds  
Series 2018**

**PUBLIC NOTICE IS HEREBY GIVEN** that electronic bids will be received by the County Manager of Santa Fe County, New Mexico (the "County"), for the purchase of all of the County's General Obligation Improvement Bonds, Series 2018 (the "2018 Bonds"), more particularly described below. The County Manager will award the 2018 Bonds to the best bidder therefor at 2:00 p.m. prevailing Mountain Time on October 23, 2018.

Bids for the purchase of the 2018 Bonds will be accepted through the Grant Street Group electronic bidding web site ("Grant Street Group") at [www.grantstreet.com](http://www.grantstreet.com). No other method of submitting bids will be accepted. The date and time for submitting bids will be as follows:

**Bid Date: October 23, 2018**

**Bid Time: Between 11:30 a.m. and 12:00 p.m. Eastern Time  
(Between 9:30 a.m. and 10:00 a.m. Mountain Time)**

**Submit Bid to: [www.grantstreet.com](http://www.grantstreet.com)**

**Information related to this auction can be obtained from Grant Street Group Auction Support at (412) 391-5555 (x370), attention John Carver.**

To bid, bidders must have both (1) completed the registration form on the Grant Street Group website and (2) requested and received admission to the County's auction, as described under "TERMS OF SALE - Submission of Bids" below. The use of Grant Street Group shall be at the bidder's risk and expense, and the County shall have no liability with respect thereto.

**None of the County, Grant Street Group, the Financial Advisor, or Bond Counsel shall be responsible for, and each bidder expressly assumes the risk of, any incomplete, inaccurate, or untimely bid submitted by Internet transmission by such bidder, including, without limitation, by reason of garbled transmissions, mechanical failure, engaged telephone or telecommunications lines, or any other cause arising from delivery by Internet transmission. Additionally, the Grant Street Group time stamp will govern the receipt of all bids. The official bid clock does not automatically refresh. Bidders must refresh the auction page periodically to monitor the progression of the bid clock and to ensure that their bid will be submitted prior to the termination of the auction. All bids will be deemed to incorporate the provisions of this Official Notice of Bond Sale.**

**This Official Notice of Bond Sale, and the information set forth herein, are not to be treated as a complete disclosure of all relevant information with respect to the 2018 Bonds. The information set forth herein is subject, in all respects, to a more complete description of the 2018 Bonds and the security therefore set forth in the Preliminary Official Statement dated October 16, 2018 (the "Preliminary Official Statement").**

## BOND DETAILS

The 2018 Bonds will be issued in the aggregate principal amount of \$12,985,000. The 2018 Bonds and the interest thereon are general obligations of the County. The County has prepared the Preliminary Official Statement relating to the 2018 Bonds, which is deemed by the County to be final as of its date for purposes of allowing bidders to comply with Rule 15c2-12 of the Securities Exchange Commission ("the Rule"), except for the omission of certain information as permitted by the Rule. Details of the 2018 Bonds, including maturities, redemption provisions, payment dates and security for payment are contained in the Preliminary Official Statement. The Preliminary Official Statement is subject to revision, amendment and completion in a Final Official Statement.

**Official Statement.** The Preliminary Official Statement may be viewed and downloaded from [www.grantstreet.com](http://www.grantstreet.com) or a physical copy may be obtained by contacting the County or the Financial Advisor, see "TERMS OF SALE - Information" below.

The County will make available to the winning bidder, within seven business days after the award of the sale of the 2018 Bonds, the Final Official Statement which is to be downloaded from [www.grantstreet.com](http://www.grantstreet.com). One physical copy of the Final Official Statement also will be provided to the winning bidder at that time; provided, however, the winning bidder must cooperate in providing the information required to complete the Final Official Statement. Additional copies of the Final Official Statement may be provided at the expense of the winning bidder.

The winning bidder shall comply with the requirements of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board.

## TERMS OF SALE

**Submission of Bids.** All bids must be submitted only by electronic bidding on Grant Street Group at [www.grantstreet.com](http://www.grantstreet.com). No other provider of bidding services and no other means of delivery (i.e. telephone, telefax or physical delivery) will be accepted. Bidding for the 2018 Bonds will begin at 11:30 a.m., Eastern Time (9:30 a.m. Mountain Time), as indicated above. The receipt of bids will end promptly at 12:00 p.m., Eastern Time (10:00 a.m. Mountain Time), unless extended in accordance with the two-minute rule described herein. If any bid becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such new leading bid was received by Grant Street Group. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two (2) minutes.

To bid, bidders must first visit the Grant Street Group website where, if they have not previously registered with Grant Street Group, they can register and then request admission to bid on the 2018 Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only NASD registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid. Bidders who have previously registered with Grant Street Group may call (412) 391-5555, x 370, attention John Carver, for their ID Number or password.

**Rules of Grant Street Group.** Bidders must comply with, and all bids must be made in accordance with, the Rules of Grant Street Group in addition to the requirements of this Official Notice of Bond Sale. The Rules of Grant Street Group can be viewed on the Grant Street Group website and are incorporated herein by reference. In the event the Rules of Grant Street Group conflict with this Official Notice of Bond Sale, this Official Notice of Bond Sale shall prevail.

***Bidding Parameters.*** Bidders are required to submit unconditional all-or-none bids specifying the rate of interest at which the bidder will purchase all of the 2018 Bonds. Interest shall be bid in multiples of 1/20<sup>th</sup> or 1/8<sup>th</sup> percentum and only one interest rate may be bid for each maturity of the 2018 Bonds. The maximum interest rate may not exceed 5% and the maximum interest rate specified for any maturity of the 2018 Bonds may not exceed the minimum interest rate specified for any maturity of the 2018 Bonds by more than 3 percent (3%). The maximum net effective interest rate of the 2018 Bonds shall not exceed ten percent (10%) per annum.

**The 2018 Bonds will not be sold at less than 100% of par.**

***Term Bonds.*** A bidder may elect to have all or a portion of the 2018 Bonds scheduled to mature in consecutive years issued as one or more term bonds ("Term Bonds") scheduled to mature in the latest of the consecutive years and subject to mandatory redemption requirements consistent with the schedule of serial maturities set forth in the Preliminary Official Statement; however, not less than all Bonds of the same serial maturity shall be converted to Term Bonds with mandatory redemption requirements.

***Adjustment of principal amounts, modification or clarification prior to examination of bids.*** The County Manager, in consultation with the County's financial and bond advisors, in the County Manager's sole discretion and prior to the examination of bids, may (i) adjust the aggregate principal amount set forth herein or may adjust the principal amount of each series without increasing the aggregate principal amount of Bonds; (ii) adjust individual maturities, and/or (iii) modify or clarify any other term hereof, including the date on which bids for the 2018 Bonds will be received, by issuing a notification of the adjusted series, amounts, modification or clarification via Thomson Municipal News ("TM3") and/or Grant Street Group platform and/or Bloomberg Financial Services no later than 8:00 a.m., Mountain Time, on the Bid Date.

***Adjustments to principal amounts after determination of best bid.*** The aggregate principal amount of the 2018 Bonds is subject to increase or reduction, and each scheduled maturity thereof is subject to increase or reduction, by the County Manager after the determination of the Best Bid (defined below). Such adjustments will be made within no more than two (2) hours after the end of the time of bid examination and will be in the sole discretion of the County. To cooperate with any adjustment in the principal amounts, the Purchaser is required to indicate by e-mail to Stephanie Schardin Clarke at [ssclarke@santafecountynm.gov](mailto:ssclarke@santafecountynm.gov) or such other address as may be indicated by the County Manager within one-half (1/2) hour after the end of the time of bid examination, the amount of any original issue discount or premium on any maturity of the 2018 Bonds, the initial offering price of each maturity, the cost of bond insurance, if any, and the amount received from the sale of the 2018 Bonds to the public that will be retained by the Purchaser as its compensation.

The County Manager, in consultation with the County's financial and bond advisors, may change the dollar amount bid by the Purchaser if the aggregate principal amount of the 2018 Bonds is adjusted as described below, but the interest rates specified by the Purchaser for all maturities will not change. The County Manager, in consultation with the County's financial and bond advisors, will make every effort to ensure that the percentage net compensation to the Purchaser (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the 2018 Bonds to the public and the price to be paid to the County, less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of the 2018 Bonds) does not increase or decrease from the amount of such compensation if no adjustment was made to principal amounts shown in the maturity schedule. The County will notify the Purchaser of the final principal amounts and the resulting adjusted prices no later than 12:00 p.m. Mountain Time on the day of the sale and award of the 2018 Bonds. THE PURCHASER MAY NOT WITHDRAW OR MODIFY ITS BID ONCE SUBMITTED TO THE COUNTY FOR ANY REASON, INCLUDING,

WITHOUT LIMITATION, AS A RESULT OF ANY INCREASE OR DECREASE IN THE FINAL PRINCIPAL AMOUNTS AND THE AGGREGATE PURCHASE PRICE OF THE 2018 BONDS.

**Information Regarding Bids.** Bidders may change and submit bids as many times as they wish during the bidding, provided, however, that each bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid when compared to the immediately preceding bid of such bidder. During the bidding, no bidder will see any other bidder's bid, but each bidder will be able to see its own ranking (i.e., "Leader," "Cover," "3<sup>rd</sup>," etc.).

**Bids Constitute an Irrevocable Offer.** Each bid submitted through Grant Street Group shall be deemed an irrevocable offer to purchase the 2018 Bonds on the terms provided in this Official Notice of Bond Sale and shall be binding upon the bidder.

**Basis of Award.** The 2018 Bonds will be sold to the bidder or bidders offering to purchase the same at the lowest true interest cost. The actuarial yield on the 2018 Bonds using the true interest cost method will be computed at that yield which, if used to compute the present value of all payments of principal and interest on the 2018 Bonds as of October 23, 2018, produces an amount equal to the aggregate bid price. Such calculation will be made based upon a 360-day year and a semiannual interval for compounding.

The winning bid or bids will be indicated on Grant Street Group and the auction results, as posted on such website, will be subject to verification by the County. The County will verify the auction results immediately following the close of the bidding period and notice of confirmation by the County of the winning bidder or bidders will be made by a posting on Grant Street Group stating "Auction Results Verified and Confirmed."

An award may be made by the County to any bidder in a principal amount less than the principal amount of the 2018 Bonds for which the bid is submitted. Further, in the event of an award by the County for a principal amount less than the principal amount the bidder submitted, any premium bid shall be ratably reduced. If two or more bids have the same true interest cost, the first bid submitted, as determined by reference to the time stamp displayed on Grant Street Group, shall be deemed to be the leading bid.

**Sale Reservations.** The County reserves the right (a) to reject any and all bids for any Bonds, (b) to reoffer any Bonds for public sale, and (c) to waive any irregularity or informality in any bid.

**Good Faith Deposit Not Required to Bid.** A good faith deposit will not be required in connection with the submission of any bid for the 2018 Bonds. The winning bidder will be required to submit a Bid Award Deposit (see "Bid Award Deposit" below).

**Bid Award Deposit.** Not later than 12:00 p.m., Mountain Time on October 23, 2018, the winning bidder is required to submit a Bid Award Deposit of \$259,700.00. All Bid Award Deposits must be made in good funds by wire transfer of the required amount to an account specified by the County Manager and provided to the winning bidder after the sale of the 2018 Bonds.

No interest will be paid by the County on the amount of the Bid Award Deposit. The proceeds of the Bid Award Deposit of the winning bidder will be applied to the purchase price of the 2018 Bonds, or in the event of the failure of a winning bidder to take up and pay for the 2018 Bonds in compliance with the terms of the bid, at the option of the County, its Bid Award Deposit may be retained as liquidated damages, as partial payment of actual damages or as security for any other remedy available to the County.

***Manner and Time of Delivery.*** The 2018 Bonds will be delivered to DTC for the account of the winning bidder or bidders at the expense of the County on November 20, 2018, or such later date as the County and the winning bidder may agree. Payment of the purchase price due at delivery must be made in Federal Reserve funds for immediate and unconditional credit to the County.

***Continuing Disclosure Undertaking.*** The County has covenanted to provide, in a timely manner, on the Electronic Municipal Market Access (EMMA) Website maintained by the Municipal Securities Rulemaking Board notice of the occurrence of specified, material events. The County has not failed to comply with any of its previous undertakings under Rule 15c2-12, except as may be disclosed in the Preliminary Official Statement.

***State Securities Laws.*** The County has taken no action to qualify the offer or sale of the 2018 Bonds under the securities laws of any state. Should any such qualification be necessary, the County agrees to cooperate with the winning bidder in such matters, provided that the County reserves the right not to consent to service of process outside its boundaries and expenses related to any such qualification shall be the responsibility of the winning bidder.

***CUSIP Numbers.*** CUSIP numbers will be issued and printed on the 2018 Bonds at the expense of the County. Any error or omission in printing such numbers on the 2018 Bonds will not constitute cause for any winning bidder to refuse delivery of any Bond.

***Legal Opinion, Certificates and Transcript.*** The validity and enforceability of the 2018 Bonds will be approved by the County's Bond Counsel. A copy of the form of the opinion of Bond Counsel is attached as an exhibit to the Preliminary Official Statement.

The purchaser of the 2018 Bonds will receive a certified transcript of legal proceedings which will include, among other items:

(a) a certificate of the County to the effect that, as of its date, the Preliminary Official Statement was deemed final within the meaning of Rule 15c2-12, except for the omissions permitted under Rule 15c2-12;

(b) a certificate of the County to the effect that there is no litigation pending or, to its knowledge, threatened affecting the validity of the 2018 Bonds as of the date of their delivery; and

(c) a certificate of the County to the effect that, as of the date of the Official Statement and at all times to and including the date of delivery of the 2018 Bonds, the Official Statement did not contain any untrue statement of a material fact or omit any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

***Establishment of Issue Price (Hold-the-Offering Price Rule May Apply if Competitive Sale Requirements are Not Satisfied):*** The winning bidder shall assist the County in establishing the issue price of the 2018 Bonds and shall execute and deliver to the County at closing an "issue price" or similar certificate, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the County, and Bond Counsel. All actions to be taken by the County to establish the issue price of the 2018 Bonds may be taken on behalf of the County by the County's municipal advisor identified herein and any notice or report to be provided to the County may be provided to the County's municipal advisor.

(a) The County intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the 2018 Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

(i) the County shall disseminate a Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

(ii) all bidders shall have an equal opportunity to bid;

(iii) the County may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(iv) the County anticipates awarding the sale of the 2018 Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to the Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the competitive sale requirements described above in subparagraph (a) are not satisfied, the County shall so advise the winning bidder. The County may determine to treat (i) the first price at which 10% of each maturity of the 2018 Bonds is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the 2018 Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the County if any maturity of the 2018 Bonds satisfies the 10% test as of the date and time of the award of the 2018 Bonds. The County shall promptly advise the winning bidder, at or before the time of award of the 2018 Bonds, which maturities of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule during the Holding Period, as defined in subparagraph (d)(i) below. Bids will not be subject to cancellation in the event that the County determines to apply the hold-the-offering-price rule to any maturity of the 2018 Bonds. Bidders should prepare their bids on the assumption that all of the maturities of the 2018 Bonds will be subject to the 10% test in order to establish the issue price of the 2018 Bonds.

(b) The County acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the 2018 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the 2018 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a

member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the 2018 Bonds.

(c) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement, and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the 2018 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold 2018 Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the 2018 Bonds of that maturity or all 2018 Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters relating to the initial sale of the 2018 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the 2018 Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold 2018 Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the 2018 Bonds of that maturity or all 2018 Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(d) The following terms are defined below:

(i) Hold-the-Offering-Price Maturity means a maturity of the 2018 Bonds of which less than 10% has been sold to the Public on the Sale Date.

(ii) Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (a) the close of the fifth business day after the Sale Date, or (b) the date on which the winning bidder sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(iii) Maturity means 2018 Bonds with the same credit and payment terms. Bond with different maturity dates, or 2018 Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(iv) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(v) Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the 2018 Bonds. The Sale Date of the 2018 Bonds is expected to be October 23, 2018.

(vi) Underwriter means (i) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the 2018 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2018 Bonds to the to the Public).

***Postponement of Sale.*** The County reserves the right to postpone the date and time established for the receipt of bids. Any such postponement will be announced by posting on Grant Street Group prior to commencement of the bidding. If any date and time fixed for the receipt of bids and the sale of the 2018 Bonds is postponed, an alternative sale date and time will be announced at least one business day prior to such alternative sale date. On any such alternative sale date and time, any bidder may submit bids electronically as described above for the purchase of the 2018 Bonds in conformity in all respects with the provision of this Official Notice of Bond Sale, except for the date and time of sale and except for any changes announced by posting on Grant Street Group at the time the sale date and time are announced, or in accordance with the section of this Official Notice of Bond Sale entitled ***Adjustment of principal amounts, modification or clarification prior to examination of bids.***

***Rating.*** A rating has been applied for to Standard and Poor's Ratings Services.

***Information.*** Copies (in reasonable quantities) of this Official Notice of Bond Sale, the Preliminary Official Statement, and other information concerning the County and the 2018 Bonds may be obtained from:

Erik Harrigan, Director  
RBC Capital Markets  
6301 Uptown Blvd., Ste. 110  
Albuquerque, NM 87110  
Phone: (505) 872-5999  
Fax: (505) 872-5979

The date of this Official Notice of Bond Sale is September 11, 2018.

**SANTA FE COUNTY, NEW MEXICO**



**SANTA FE COUNTY, NEW MEXICO**  
**General Obligation Improvement Bonds**  
**Series 2018**

**OFFICIAL BID FORM (October 23, 2018)**

Santa Fe County, New Mexico  
c/o RBC Capital Markets, LLC  
6301 Uptown Boulevard NE, Suite 110  
Albuquerque, New Mexico 87110

County Manager:

Pursuant to Santa Fe County's "Official Notice of Bond Sale," dated September 11, 2018, relating to the County's General Obligation Improvement Bonds, Series 2018 (the "2018 Bonds") in the principal amount of \$12,985,000 which by reference is made a part hereof, we submit the following bid:

For your legally issued Bonds as described in the Official Notice of Bond Sale, we will pay you par, plus accrued interest, if any, from the date of the Bonds to the date of delivery to us, provided the Bonds bear interest per annum as follows:

**2018 Bonds**

Maturing (July 1)	Principal Amount	Interest Rate	Yield
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			

If this bid is the best bid for the Bonds, we will send a wire transfer to Santa Fe County, in the amount of \$259,700.00 prior to the acceptance of our bid by the Board of County Commissioners, which wire transfer will be our good faith deposit and submitted in accordance with the terms set forth in the Official Notice of Bond Sale. We will pay the CUSIP Service Bureau charge, if any, for the assignment of CUSIP numbers.

The undersigned agrees to complete, execute, and deliver to the County a Certificate Regarding Issue Price or a similar certificate relating to the "issue price" of the 2018 Bonds, in the form attached hereto as Exhibit A.

We understand and agree that no more than fifty (50) copies of the final Official Statement, including any amendments or supplements thereto will be supplied to us at the County's expense and that any additional copies requested will be subject to a charge to us. By accepting this bid, you agree to

provide such copies of the final Official Statement and of any amendments or supplements thereto in accordance with the Official Notice of Bond Sale, and you undertake your other obligations described therein, as contemplated by Rule 15c2-12 of the Securities and Exchange Commission.

Respectfully submitted,

\_\_\_\_\_  
\_\_\_\_\_  
By: \_\_\_\_\_  
Authorized Representative

\* (Strike inapplicable words)

For informational purposes only, our calculation of the True Interest Cost is as follows:

True Interest Cost: (stated as a nominal annual percentage) \_\_\_\_\_%

Additionally, for informational purposes only, the following is requested:

Gross Interest Cost: \$ \_\_\_\_\_

Less Premium Bid: \$ \_\_\_\_\_

Net Interest Cost: \$ \_\_\_\_\_

[2018 Bonds Bid Form]

ACCEPTANCE CLAUSE

The above bid is hereby accepted by Santa Fe County, New Mexico, this 23<sup>rd</sup> day of October, 2018.

SANTA FE COUNTY, NEW MEXICO

By: \_\_\_\_\_  
Katherine Miller, County Manager

[2018 Bonds Bid Form]

EXHIBIT A

[to 2018 Bonds Bid Form]

**UNDERWRITER'S CERTIFICATE REGARDING ISSUE PRICE**

\$12,985,000

Santa Fe County, New Mexico  
General Obligation Improvement Bonds  
Series 2018

The undersigned, \_\_\_\_\_ (the *Underwriter*), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the *Bonds*) of Santa Fe County, New Mexico (the *Issuer*).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the *Initial Offering Prices*) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Purchase Agreement, the Underwriter agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule.

(c) The Underwriter, as the party controlling all of the Hold-the-Offering Price Maturities, has not offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriting Group sold at least 10% of such Hold-the-Offering-

Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is October 23, 2018.

(g) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Modrall, Sperling, Roehl, Harris, & Sisk, P.A., in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the County from time to time relating to the Bonds.

[NAME OF UNDERWRITER]

By: \_\_\_\_\_  
Managing Director

Dated: November 20, 2018

ISSUE PRICE CERTIFICATE  
SCHEDULE A

EXPECTED OFFERING PRICES  
(Attached)

ISSUE PRICE CERTIFICATE  
SCHEDULE B

COPY OF UNDERWRITER'S BID  
(Attached)

(End of Form of Official Notice of Public Meeting and Bond Sale)

## APPENDIX D

### FORM OF CONTINUING DISCLOSURE AGREEMENT

#### CONTINUING DISCLOSURE AGREEMENT

Section 1. Recitals. This Continuing Disclosure Agreement (the "Agreement") is executed and delivered by Santa Fe County, New Mexico (the "County") in connection with the issuance of the Santa Fe County, New Mexico General Obligation Improvement Bonds, Series 2018 (the "Bonds"). The Bonds are being issued pursuant to the Notice of Sale Resolution adopted on September 11, 2018 (the "Bond Resolution"). Pursuant to the Bond Resolution, to allow the purchaser of the Bonds to comply with the Rule (defined below), the County is required to make certain continuing disclosures for the benefit of owners (including beneficial owners) of the Bonds (the "Owners"). This Agreement is intended to satisfy the requirements of the Rule.

Section 2. Definitions.

(a) "Annual Financial Information" means the financial information or operating data with respect to the County, delivered at least annually pursuant to Sections 3(a) and 3(b) of this Agreement, consisting of information of the type set forth in "DEBT AND OTHER FINANCIAL OBLIGATIONS - History of Assessed Valuation" and "FINANCES OF THE COUNTY" in the Official Statement. Annual Financial Information will include Audited Financial Statements if available.

(b) "Audited Financial Statements" means the County's annual financial statements prepared in accordance with generally accepted accounting principles, as in effect from time to time ("GAAP"), for governmental units as prescribed by the Governmental Accounting Standards Board ("GASB"), which financial statements have been audited as may then be required or permitted by the laws of the State.

(c) "EMMA" means the MSRB's Electronic Municipal Market Access System located on its website at [emma.msrb.org](http://emma.msrb.org).

(d) "Event" means any of the following events with respect to the Bonds:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations



with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. modifications to the rights of the holders of the Bonds, if material;
8. bond calls, if material, or tender offers;
9. defeasances;
10. release, substitution or sale of property securing repayment of the securities, if material;
11. rating changes;
12. bankruptcy, insolvency, receivership or a similar event with respect to the County or an obligated person;
13. the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. appointment of a successor or additional trustee, or a change of name of a trustee, if material.

(e) "Event Notice" means written or electronic notice of an Event.

(f) "MSRB" means the Municipal Securities Rulemaking Board.

(g) "Official Statement" means the Official Statement dated October \_\_, 2018, delivered in connection with the original issue and sale of the Bonds.

(h) "Report Date" means March 31 of each year, beginning in 2019.

(i) "Rule" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended (17 C.F.R. Part 240, § 240.15c2-12), as the same may be amended from time to time.

(j) "SEC" means the Securities and Exchange Commission.

(k) "State" means the State of New Mexico.

### Section 3. Provision of Annual Financial Information and Reporting of Events.

(a) The County shall, while any Bonds are Outstanding, provide the Annual Financial Information on or before March 31 of each year (the "Report Date"), beginning in 2019, to EMMA. The County may adjust the Report Date if the County changes its fiscal year by providing written notice of the change of fiscal year and the new Report Date to EMMA, provided that the new Report Date shall be 270 days after the end of the new fiscal year and provided further that the

period between the final Report Date relating to the former fiscal year and the initial Report Date relating to the new fiscal year shall not exceed one year in duration. It shall be sufficient if the County provides to EMMA the Annual Financial Information by specific reference to documents previously provided to EMMA or filed with the Securities and Exchange Commission and, if such a document is a final official statement within the meaning of the Rule, available from the MSRB.

(b) If not provided as part of the Annual Financial Information, the County shall provide the Audited Financial Statements when and if available while any Bonds are Outstanding to EMMA.

(c) If an Event occurs while any Bonds are outstanding, the County will provide an Event Notice in a timely manner not more than 10 business days after the Event to EMMA. Each Event Notice shall be so captioned and shall prominently state the date, title and CUSIP numbers of the Bonds.

(d) The County shall provide notice to EMMA, in a timely manner not more than 10 business days after the occurrence, of any failure by the County while any Bonds are Outstanding to provide Annual Financial Information on or before the Report Date.

Section 4. Method of Transmission. The County shall employ such methods of information transmission as shall be requested or recommended by EMMA, the MSRB or the Securities and Exchange Commission.

Section 5. Termination of Continuing Disclosure Obligation. The continuing obligation hereunder of the County to provide Annual Financial Information, Audited Financial Statements, if any, and Event Notices shall terminate immediately once Bonds no longer are Outstanding. This undertaking or any provision hereof, shall be null and void in the event that the County delivers to EMMA an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this undertaking, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds. This undertaking may be amended without the consent of the Owners, but only upon the delivery by the County to EMMA of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this undertaking by the County with the Rule.

Section 6. Beneficiaries. This agreement shall inure solely to the benefit of the County and the Owners from time to time of the Bonds, and shall create no rights in any other persons or entity.

Section 7. Enforcement. Each Owner is authorized to take action to seek specific performance by court order to compel the County to comply with its obligations under this Agreement, which action will be the exclusive remedy available to it or any other Owner. The County's breach of its obligations under this Agreement will not constitute an event of default under the Bond Resolution, and none of the rights and remedies provided by the Bond Resolution will be available to the Owners with respect to such a breach.

Section 8. Term. The County's obligations under this Agreement will be in effect from and after the issuance and delivery of the Bonds and will extend to the earliest of (i) the date all principal and interest on the Bonds has been paid or legally defeased pursuant to the terms of the Bond Resolution; (ii) the date on which the County is no longer an "obligated person" with respect to the Bonds within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require

this Agreement are determined to be invalid or unenforceable by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

Section 9. Amendments. The County may amend this Agreement from time to time, without the consent of any Owner, upon the County's receipt of an opinion of independent counsel experienced in federal securities laws to the effect that such amendment:

(a) is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the identity, nature or status of the County;

(b) this Agreement, as amended, would have complied with the Rule at the time of the initial issue and sale of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances; and

(c) the amendment does not materially impair the interests of the Owners.

Any Annual Financial Information containing amended operating data or financial information will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. If an amendment changes the accounting principles to be followed in preparing financial statements, the Annual Financial Information and Audited Financial Statements for the year in which the change is made will present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Governing Law. This Agreement is governed by and is to be construed in accordance with the law of the State.

Dated: \_\_\_\_\_, 2018

SANTA FE COUNTY, NEW MEXICO

By: \_\_\_\_\_  
Anna Hansen, Chair  
Board of County Commissioners





Purpose	Amount Authorized at Election	Amount Previously Issued	Amount to be Issued
Roads	\$13,600,000	\$7,715,000	\$5,885,000
Water and wastewater projects	\$ 4,800,000	\$1,500,000	\$3,300,000
Fire and other public safety facilities	\$ 7,000,000	\$5,800,000	\$1,200,000
Open space, trails and parks	\$ 4,600,000	\$2,000,000	\$2,600,000
Health facilities	\$ 5,000,000	\$5,000,000	-0-
TOTAL:	<u>\$35,000,000</u>	<u>\$22,015,000</u>	<u>\$12,985,000</u>

If approved, this resolution will call for bids to purchase the bonds and will direct the publication of a Notice of Sale to potential bidders. The proposed bond sale date is October 23, 2018.

The Notice of Sale also contains the form of Preliminary Official Statement, the disclosure document that will accompany the sale of the Bonds. Accompanying this packet is a memo outlining the disclosure responsibilities of County Commissioners and County staff.

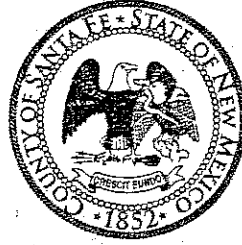
#### **REQUESTED ACTION**

The Finance Division requests approval of the Notice of Sale resolution for the General Obligation Improvement Bonds, Series 2018 Including the Form of Preliminary Official Statement.

**Henry P. Roybal**  
*Commissioner, District 1*

**Anna Hansen**  
*Commissioner, District 2*

**Robert A. Anaya**  
*Commissioner, District 3*

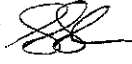


**Anna T. Hamilton**  
*Commissioner, District 4*

**Ed Moreno**  
*Commissioner, District 5*

**Katherine Miller**  
*County Manager*

To: Board of County Commissioners

From: Stephanie Schardin Clarke, Finance Director 

Via: Katherine Miller, County Manager

Date: September 11, 2018

Re: Preliminary Official Statement for \$12,985,000\* Santa Fe County, New Mexico  
General Obligation Improvement and Refunding Bonds, Series 2018

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The attached Preliminary Official Statement (the "POS") has been prepared in connection with the offering and sale of the \$12,985,000\* Santa Fe County, New Mexico General Obligation Improvement Bonds, Series 2018 (the "Bonds"). The POS makes various disclosures about the County, its financial condition, property tax collections, operations and management, and the Bonds. The POS will be reviewed by bidders for the Bonds and a final Official Statement will be provided to investors after the best bid is accepted by the Board of County Commissioners (the "BCC").

The attached POS is similar to the one used when the County issued general obligation bonds over the last several years. The information has been updated by County staff and me. Peter Franklin and Daniel Alsup of the Modrall Sperling Law Firm, the County's Bond and Disclosure Counsel and Erik Harrigan of RBC Capital Markets Corporation, the County's Financial Advisor, assisted in the disclosure process by assembling the information and reviewing the financial and economic data in the POS. We have discussed, confirmed and updated information contained in the POS, examined information for materiality, and identified additional information for inclusion. If you have any questions relating to the disclosure process and preparation of the POS, please contact me.

The POS is provided to you for review to as a result of enforcement actions by the U.S. Securities and Exchange Commission (the "SEC") against the board of Supervisors of Orange County, California, and more recently against other municipalities throughout the United States. The SEC has stated that:

"Public entities that issue securities are primarily liable for the content of their disclosure documents.... In addition to the government entity issuing municipal securities, public officials of the issuer who have ultimate authority to approve the issuance of securities and related disclosure documents have responsibilities under the federal securities laws as well. In authorizing the issuance of the securities and related disclosure documents, a public official may not authorize disclosure that the official knows to be false; nor may the public official authorize disclosure while recklessly disregarding facts that indicate that there is a risk that the disclosure may be misleading."

Although County staff and the finance team collaborated in preparing the POS, each Board Member should review it carefully. The POS is a Board of County Commissioners document, and the County and the Board

102 Grant Avenue · P.O. Box 276 · Santa Fe, New Mexico 87504-0276 · 505-986-6200 · FAX:  
505-995-2740 [www.santafecountynm.gov](http://www.santafecountynm.gov)

of County Commissioners are responsible for its accuracy. Please use extra care in reviewing the sections labeled "INTRODUCTION AND SUMMARY," "SECURITY AND REMEDIES" and "THE COUNTY." In conducting your review, focus on whether the POS contains misleading statements of material facts or omits to state material facts. A material fact is one that could influence an investor in making a decision to purchase the Bonds.

After reviewing the POS, please contact me if you have any reason to believe that the POS contains any inaccurate information or if you know of anything that might make any of the statements made in the POS incomplete or misleading. Thank you for your attention to this important matter.

\*Preliminary and subject to change.



NOTICE

\$12,985,000\*

SANTA FE COUNTY, NEW MEXICO  
GENERAL OBLIGATION IMPROVEMENT BONDS  
SERIES 2018

Preliminary Official Statement, subject to completion,  
Dated October \_\_, 2018

The Preliminary Official Statement, dated October \_\_, 2018 (the "Preliminary Official Statement"), relating to the above-described bonds (the "Bonds") of Santa Fe County, New Mexico (the "County"), has been posted as a matter of convenience. **The posted version of the Preliminary Official Statement has been formatted in Adobe Portable Document Format (Adobe Acrobat 11.0). Although this format should replicate the Preliminary Official Statement available from the County, appearance may vary for a number of reasons, including electronic communication difficulties or particular user software or hardware. Using software other than Adobe Acrobat 11.0 may cause the Preliminary Official Statement that you view or print to differ in format from the Preliminary Official Statement.**

The Preliminary Official Statement and the information contained therein are subject to completion or amendment or other change without notice. Under no circumstances shall the Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

For purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Preliminary Official Statement alone, and no other document or information on the internet, constitutes the "Official Statement" that the County has deemed "final" as of its date in respect of the Bonds, except for certain information permitted to be omitted therefrom.

No person has been authorized to give any information or to make any representations other than those contained in the Preliminary Official Statement in connection with the offer and sale of the Bonds and, if given or made, such information or representations must not be relied upon as having been authorized. The information and expressions of opinion in the Preliminary Official Statement are subject to change without notice and neither the delivery of the Official Statement nor any sale made thereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date of the Preliminary Official Statement.

By choosing to proceed and view the electronic version of the Preliminary Official Statement, you acknowledge that you have read and understood this Notice.

Preliminary Official Statement dated October \_\_, 2018.

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\* Preliminary, subject to change.

NEW ISSUE – Book-Entry-Only

RATING: S&amp;P Applied For

*In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A., Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming compliance with certain covenants described in "TAX EXEMPTION" herein, interest on the Bonds (including original issue discount treated as interest) (a) is excludable from the gross income of the recipients thereof for federal income tax purposes, under Section 103 of the Internal Revenue Code of 1986, as amended, and (b) is not an item of tax preference under Section 57 of the Internal Revenue Code of 1986, as amended, for purposes of the federal alternative minimum tax imposed on individuals. Bond Counsel is also of the opinion based on existing laws of the State of New Mexico as enacted and construed that interest on the Bonds is exempt from all taxation by the State of New Mexico or any political subdivision thereof. For a more complete description of such opinion of Bond Counsel and a description of certain provisions of the Internal Revenue Code of 1986, as amended, which may affect the federal tax treatment of interest on the Bonds for certain owners of such bonds, see "TAX EXEMPTION" herein.*

**\$12,985,000\***

**SANTA FE COUNTY, NEW MEXICO  
GENERAL OBLIGATION IMPROVEMENT BONDS  
SERIES 2018**

**Dated: Date of Delivery****Due: July 1, as shown below**

The Bonds are issuable as fully registered bonds and when initially purchased will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases of the Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC Participants. Beneficial owners of the Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Bonds. Interest on the Bonds is payable on each January 1 and July 1, commencing January 1, 2019. As long as DTC or its nominee is the registered owner of the Bonds, reference in this Official Statement to the registered owner will mean Cede & Co., and payments of principal or interest on the Bonds will be made directly to DTC by the Paying Agent. Disbursements of such payments to DTC Participants is the responsibility of DTC. See "The Bonds – Book-Entry-Only System" herein. The Santa Fe County Treasurer is the Registrar and Paying Agent for the Bonds.

The Bonds are issuable only as fully registered bonds in denominations of \$5,000 each or any integral multiple thereof. The Bonds will bear interest from the delivery date.

The Bonds are general obligations of Santa Fe County, New Mexico (the "County"), payable from general (*ad valorem*) taxes which shall be levied against all taxable property in the County without limitation as to rate or amount.

The County has undertaken, for the benefit of the owners of the Bonds, to provide certain annual and periodic disclosures described under the caption "CONTINUING DISCLOSURE INFORMATION" herein.

THE BONDS ARE SUBJECT TO OPTIONAL REDEMPTION PRIOR TO MATURITY AS MORE FULLY DESCRIBED HEREIN. See "THE BONDS - Optional Redemption of Bonds" herein.

The Bonds are being issued pursuant to the powers of the Board of County Commissioners under Section 4-49-1 through 4-49-21, inclusive, and Sections 6-15-1 through 6-15-22, NMSA 1978 as amended and supplemented, the Constitution and other laws of the State for the purpose of providing funds to (1) acquire, construct, design, equip and improve roads within the County, (2) acquire, construct, design, equip and improve water and wastewater projects within the County, (3) acquire, construct, design, equip and improve fire and other public safety facilities within the County, (4) acquire, construct, design, equip, improve and restore open space, trails and parks within the County and (5) pay the costs of issuance of the Bonds. The Bonds are offered when, as and if issued by the County, subject to the approval of Modrall, Sperling, Roehl, Harris & Sisk, P.A., as Bond Counsel, and certain other conditions. It is expected that the Bonds will be available for delivery on or about November 20, 2018, through the facilities of the Depository Trust Company, New York, New York.

**Electronic bids will be opened between 9:30 a.m. and 10:00 a.m., prevailing Mountain Time, October 23, 2018  
at the County Commission Chambers, 102 Grant Street, Santa Fe, New Mexico.**

Dated: October \_\_, 2018.

---

\* Preliminary, subject to change.

[INSIDE COVER]

MATURITIES, INTEREST RATES AND YIELDS OR PRICES

\$12,985,000\*

SANTA FE COUNTY, NEW MEXICO  
GENERAL OBLIGATION IMPROVEMENT BONDS  
SERIES 2018

Year (July 1)	Principal	Interest Rate	Price/Yield	CUSIP
2019	\$1,500,000			801889
2020	650,000			801889
2021	450,000			801889
2022	150,000			801889
2023	400,000			801889
2024	-			801889
2025	400,000			801889
2026	250,000			801889
2027	1,020,000			801889
2028	1,020,000			801889
2029	1,020,000			801889
2030	1,020,000			801889
2031	1,020,000			801889
2032	1,020,000			801889
2033	1,020,000			801889
2034	1,020,000			801889
2035	1,025,000			801889

\* Preliminary, subject to change.

## USE OF INFORMATION IN THIS OFFICIAL STATEMENT

No dealer, salesman or other person has been authorized by Santa Fe County, New Mexico (the "County") to give any information or to make any statements or representations, other than those contained in this Official Statement, and, if given or made, such other information, statements or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Bonds in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information set forth or included in this Official Statement has been provided by the County and from other sources believed by the County to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale hereunder shall create any implication that there has been no change in the financial condition or operations of the County described herein since the date hereof. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions or that they will be realized.

The Bonds have not been registered under the Securities Act of 1933, in reliance upon exemptions contained in such Act. The registration and qualification of the Bonds in accordance with applicable provisions of the securities law of the states in which the Bonds have registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, nor any agency or department thereof, has passed upon the merits of the Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

This Official Statement is "deemed final" by the County for purposes of Rule 15c2-12 of the Municipal Securities Rulemaking Board. The County has covenanted to provide such annual financial statements and other information in the manner as may be required by regulations of the Securities and Exchange Commission or other regulatory body.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COUNTY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Official Statement contains statements that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "project," "intend," "expect," and similar expressions are intended to identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

**SANTA FE COUNTY, NEW MEXICO**

County Administration Building  
102 Grant Avenue  
Santa Fe, New Mexico 87501  
(505) 986-6200

**BOARD OF COUNTY COMMISSIONERS**

Chair	Anna Hansen
Vice-Chair	Anna Hamilton
Commissioner	Ed Moreno
Commissioner	Henry Roybal
Commissioner	Robert A. Anaya

**OTHER ELECTED OFFICIALS**

County Assessor	Gus Martinez
County Clerk	Geraldine Salazar
County Treasurer	Patrick J. Varela

**ADMINISTRATION**

County Manager	Katherine Miller
County Finance Director	Stephanie Schardin Clarke
County Attorney	Bruce Frederick

**FINANCIAL ADVISOR**

RBC Capital Markets, LLC  
6301 Uptown Boulevard N.E.  
Suite 110  
Albuquerque, New Mexico 87110

**BOND COUNSEL**

Modrall, Sperling, Roehl, Harris & Sisk, P.A.  
500 Fourth Street, NW  
Albuquerque, New Mexico 87102  
(505) 848-1800

**PAYING AGENT/REGISTRAR**

Santa Fe County Treasurer  
102 Grant Avenue  
Santa Fe, New Mexico 87501

# TABLE OF CONTENTS

INTRODUCTION AND SUMMARY .....	1
The Issuer.....	1
Authority for Issuance and Purpose .....	1
The Bonds .....	2
Security .....	2
Financial Statements.....	2
Selected Debt Ratios .....	2
Tax Matters .....	3
Agents and Advisors .....	3
Additional Information.....	3
THE BONDS.....	4
Description .....	4
Authorization.....	4
Bond Registrar and Paying Agent.....	4
Payment of Principal and Interest; Record Date.....	4
Mandatory Sinking Fund Redemption .....	4
Optional Redemption of Bonds.....	5
Exchange or Transfer of Bonds.....	6
Tax Covenants.....	6
Book-Entry-Only System .....	6
SECURITY AND REMEDIES .....	9
General .....	9
Legal Matters.....	9
Limitations on Remedies Available to Owners of Bonds.....	9
PURPOSE AND PLAN OF FINANCING .....	9
SOURCES AND USES OF FUNDS .....	10
DEBT AND OTHER FINANCIAL OBLIGATIONS.....	10
General Obligation Debt .....	10
Debt Service Requirements to Maturity .....	11
Statement of Estimated Direct and Overlapping Debt.....	12
Other Obligations of the County .....	13
Analysis of Assessed Valuation .....	13
History of Assessed Valuation .....	14
Tax Rates.....	14
Major Taxpayers .....	16
Yield Control Limitation .....	16
Limitations on Residential Property Tax Increases .....	16
Tax Collections on Locally Assessed and Centrally Assessed Property .....	17
Interest on Delinquent Taxes.....	17
Penalty for Delinquent Taxes.....	18
Remedies Available for Non-Payment of Taxes .....	18
Protest.....	18
FINANCES OF THE COUNTY .....	18
Budget Process .....	18
Financial Statement .....	19
General Fund .....	20
THE COUNTY .....	21
General .....	21
Board of County Commissioners and Other Elected Officials.....	21
Retirement Plan; Other Post-Employment Benefits .....	23

## TABLE OF CONTENTS

New Mexico Retiree Health Care Authority .....	24
County Insurance Coverage .....	25
THE ECONOMY .....	25
General .....	25
State Government .....	25
Education .....	25
Trade .....	26
Tourism .....	27
Indian Arts and Crafts .....	27
Health .....	27
ECONOMIC AND DEMOGRAPHIC STATISTICS .....	27
Population .....	28
Age Distribution .....	28
Employment .....	29
Major Employers .....	29
Wage and Salary Employment .....	29
Gross Receipts .....	31
Services Available to County Residents .....	31
TAX EXEMPTION .....	31
Original Issue Discount .....	32
Original Issue Premium .....	32
Internal Revenue Service Audit Program .....	32
CONTINUING DISCLOSURE INFORMATION .....	33
Compliance with Prior Undertakings .....	33
LITIGATION .....	33
RATINGS .....	33
FINANCIAL ADVISOR .....	34
LEGAL MATTERS .....	34
TRANSCRIPT AND CLOSING DOCUMENTS .....	34
ADDITIONAL INFORMATION .....	34
OFFICIAL STATEMENT CERTIFICATION .....	35
APPENDIX A - OPINION OF BOND COUNSEL .....	A-1
APPENDIX B - AUDITED FINANCIAL STATEMENTS – JUNE 30, 2017 .....	B-1
APPENDIX C - OFFICIAL NOTICE OF BOND SALE .....	C-1
APPENDIX D - FORM OF CONTINUING DISCLOSURE AGREEMENT .....	D-1

## **OFFICIAL STATEMENT**

**\$12,985,000\***

### **SANTA FE COUNTY, NEW MEXICO GENERAL OBLIGATION IMPROVEMENT BONDS SERIES 2018**

#### **INTRODUCTION AND SUMMARY**

This Official Statement is furnished to prospective purchasers of the Santa Fe County, New Mexico General Obligation Improvement Bonds, Series 2018 (the "Bonds"), issued in the aggregate principal amount of \$12,985,000\* by Santa Fe County, New Mexico (the "County"). The offering of the Bonds is made only by way of this Official Statement and the Official Notice of Bond Sale, authorized by a resolution adopted by the Board of County Commissioners (the "Board") on September 11, 2018 (the "Notice of Sale Resolution"). Additional information concerning the County, the Bonds and other aspects of this offering may be obtained either from the County or from RBC Capital Markets, LLC (the "Financial Advisor") at the addresses set forth in the section entitled "ADDITIONAL INFORMATION."

The following material is qualified in its entirety by the more complete information contained throughout this Official Statement, and detachment or other use of this "INTRODUCTION AND SUMMARY" without the entire Official Statement, including the cover page and the appendices, is unauthorized.

All terms used in this Official Statement that are not defined herein shall have the meanings given such terms in the Notice of Sale Resolution.

#### **The Issuer**

The County is located in north central New Mexico, with a land area of 1,909 square miles and a population of 144,170 (estimated 2016). The City of Santa Fe is the State capital and County seat. The economy is based primarily upon government and related activities, retail trade, tourism, and cultural and recreational activities and facilities.

#### **Authority for Issuance and Purpose**

The Bonds are issued in accordance with the Constitution and laws of the State of New Mexico, in particular, Sections 4-49-1 through 4-49-21 and Sections 6-15-1 through 6-15-22 NMSA 1978, as amended and supplemented. \$12,985,000\* in principal amount of the Bonds, representing the second and final series of general obligation bonds approved by the qualified electors of the County at an election held on November 8, 2016, to provide funds (1) to acquire, construct, design, equip, and improve roads within the County, (2) to acquire, construct, design, equip, and improve water and wastewater projects within the County, (3) to acquire, construct, design, equip, and improve fire and other public safety facilities within the County, and (4) to acquire, construct, design, equip, improve, and restore open space, trails and parks within the County, will be allocated among those purposes and to pay a portion of the costs of issuance of the Bonds.

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\* Preliminary, subject to change.



## The Bonds

The Bonds will be registered as to principal and interest, issued in denominations of \$5,000 each, or integral multiples thereof, in conformance with the Constitution and laws of the State and pursuant to the Resolution. The Bonds shall mature in the principal amounts and on the dates shown on the cover page hereof. Interest shall be payable semiannually on January 1 and July 1 of each year, commencing January 1, 2019 to registered owners shown on the books of the Registrar on the 15<sup>th</sup> day of the month preceding each regularly scheduled interest payment date thereafter (a "Record Date"). The Bonds will be issued only in fully registered form and will be initially registered and delivered to Cede & Co., the nominee of The Depository Trust Company, pursuant to the book-entry-only system described herein.

## Security

The Bonds are secured by the County's full faith and credit and are general obligations of the County payable from *ad valorem* taxes to be levied, without limitation as to rate or amount, against all taxable property within the County. See "SECURITY AND REMEDIES."

## Financial Statements

Excerpts of the County's audited financial statements as of and for the year ended June 30, 2017, including the opinions rendered thereon of certified public accountants, are attached as Appendix B.

## Selected Debt Ratios

The following table sets forth details relating to the ratio of general debt and overlapping debt to population and assessed valuation:

2018 Preliminary Assessed Valuation <sup>(1)</sup>	\$7,122,647,854
2018 Preliminary Estimated Actual Valuation <sup>(2)</sup>	\$21,367,943,562
County Net Debt as a Percentage of	
Assessed Valuation	1.85%
Estimated Actual Valuation	0.62%
Direct and Overlapping Debt as a % of	
Assessed Valuation	6.77%
Estimated Actual Valuation	2.26%
Estimated Population	144,170
County General Obligation	
Current Outstanding Debt	\$118,545,000
Series 2018 General Obligation Bonds	\$12,985,000
Minus Debt Service Fund Balance	\$
County Net General Obligation Debt	\$
Estimated Direct & Overlapping GO Debt	\$482,208,697
County Net Debt Per Capita	\$912.33
Direct & Overlapping Debt Per Capita	\$3,344.72

<sup>(1)</sup> Preliminary. Excludes certain protested property. Subject to change.

<sup>(2)</sup> Estimated actual valuation is computed by adding 2018 actual exemptions to the preliminary assessed valuation and multiplying the result by three.

See "DEBT AND OTHER FINANCIAL OBLIGATIONS – General Obligation Debt" herein.

## **Tax Matters**

In the opinion of Modrall, Sperling, Roehl, Harris & Sisk, P.A. ("Bond Counsel"), the interest on the Bonds (a) will be excludable from gross income for federal income tax purposes under existing law, and (b) is not a specific preference item for purposes of the federal alternative minimum tax on individuals, subject to the matters described under the caption "TAX EXEMPTION" herein. Bond Counsel is also of the opinion, based on existing laws of the State of New Mexico as enacted and construed, that the Bonds and income from the Bonds are exempt from all taxation by the State of New Mexico or any political subdivision thereof.

## **Agents and Advisors**

The County Treasurer will serve as Paying Agent and Registrar.

REDW LLC has audited the County's general purpose financial statements as of and for the fiscal year ended June 30, 2017.

Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico, has acted as bond counsel for the issuance of the Bonds and has also acted as special counsel to the County in connection with the preparation of this Official Statement and the sale of the Bonds. See "LEGAL MATTERS" herein.

RBC Capital Markets, LLC, Albuquerque New Mexico, has acted as Financial Advisor to the County for the issuance of the Bonds. RBC Capital Markets, LLC is employed as Financial Advisor to the County in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

## **Additional Information**

This Official Statement is accurate only as of its date, and no representation is made that the information contained herein has not changed since that date. This Official Statement is intended to be made available to investors through the Financial Advisor.

The quotations from, and summaries and explanations of, the statutes, regulations and documents contained herein do not purport to be complete, and reference is made to those statutes, regulations and documents for full and complete statements of their provisions. Copies, in reasonable quantity, of those statutes, regulations and documents may be obtained upon request directed to the County, and upon payment to the County of a charge for copying, mailing and handling, at the Santa Fe County Administration Building, 102 Grant Avenue, Santa Fe, New Mexico 87501, telephone number (505) 986-6200, Attention: County Manager.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract between the County and the purchasers or holders of any of the Bonds.

## **THE BONDS**

### **Description**

The Bonds are general obligation bonds to be issued by the County in the total principal amount of \$12,985,000\* and will be dated the Date of Delivery, which is expected to be on or about October 31, 2018. The Bonds will be issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof, bearing interest from their date to maturity at the rates specified on the cover page of this Official Statement payable semiannually on January 1 and July 1 each year, commencing on January 1, 2019, and maturing serially, as set forth on the cover page of this Official Statement.

The Bonds will be issued only in fully registered form and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), pursuant to the book-entry-only system described herein. No physical delivery of the Bonds will be made to the owners hereof. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the beneficial owners of the Bonds. See "THE BONDS – Book-Entry-Only System" herein.

### **Authorization**

The Bonds are being issued pursuant to the Board's powers under Article IX, Section 10 of the Constitution of the State of New Mexico, and Sections 4-49-1 through 4-49-21 and 6-15-1 through 6-15-22 NMSA 1978, as amended and supplemented, the Notice of Sale Resolution and the Award Certificate awarding the Bonds to the successful bidder for the Bonds in the public sale held on August 8, 2017 (together, the "Resolution"). A copy of the Official Notice of Bond Sale is attached to this Official Statement as Appendix C.

### **Bond Registrar and Paying Agent**

The County Treasurer will serve as the Bond Registrar (the "Registrar") and Paying Agent (the "Paying Agent") for the Bonds.

### **Payment of Principal and Interest; Record Date**

The principal of the Bonds is payable to the registered owners of the Bonds at the principal office of the Paying Agent. Interest on the Bonds is payable by check or draft of the Paying Agent mailed on or before each interest payment date to the registered owners of the Bonds as of the close of business on the 15th day of the calendar month preceding the interest payment date (the "Regular Record Date") at the addresses appearing in the registration books maintained by the Registrar; but any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner thereof at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner thereof at the close of business on the date to be fixed by the Registrar whenever moneys become available for the payment of defaulted interest (the "Special Record Date").

### **Mandatory Sinking Fund Redemption**

The Bonds maturing on July 1, 20\_\_ are subject to mandatory sinking fund redemption on July 1 in each of the years and principal amounts stated below at a redemption price of 100% of the principal amount thereof plus interest accrued to the redemption date. As and for a sinking fund for the Bonds so

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\* Preliminary, subject to change.

specified, the County shall cause to be deposited to the Interest and Sinking Fund a sum which is sufficient to redeem the following principal amounts plus interest accrued to the sinking fund redemption date:

<u>Year</u>	<u>Principal Amount</u>
20__*	\$_____

\*Final maturity.

### **Optional Redemption of Bonds**

The Bonds maturing on and after July 1, 2026, are subject to prior redemption at the County's option in one or more units of principal of \$5,000 on and after July 1, 2025, in whole or in part at any time, in such order of maturities as the County may determine (and by lot if less than all Bonds of such maturity is called, such selection by lot to be made by the Registrar in such manner as considered appropriate and fair) for the principal amount of each \$5,000 unit of principal so redeemed plus accrued interest to the redemption date.

#### *Redemption Procedures*

Notice of redemption shall be given by the Registrar by sending a copy of such notice by first-class, postage prepaid mail at least thirty (30) days prior to the redemption date to the registered owner of each Bond, or portion thereof, to be redeemed at the address shown as of the close of business of the Registrar on the fifth day prior to the mailing of notice on the registration books kept by the Registrar. The County shall give notice of optional redemption of the Bonds to the Registrar at least forty-five (45) days prior to the redemption date (unless such deadline is waived by the Registrar). The Registrar's failure to give such notice to the registered owner of any Bond, or any defect therein, shall not affect the validity of the proceedings for the redemption of any Bonds for which proper notice was given. Notices of redemption shall specify the maturity dates and the number or numbers of the Bonds to be redeemed (if less than all are to be redeemed) and if less than the full amount of any Bond is to be redeemed, the amount of such Bond to be redeemed, the date fixed for redemption, and that on such redemption date there will become and be due and payable upon each Bond to be redeemed at the office of the Paying Agent the principal amount to be redeemed plus accrued interest to the redemption date and that from and after such date interest will cease to accrue on such amount. Notice having been given in the manner hereinbefore provided, the Bond or Bonds so called for redemption shall become due and payable on the redemption date so designated and if an amount of money sufficient to redeem all Bonds called for redemption shall on the redemption date be on deposit with the Paying Agent, the Bonds to be redeemed shall be deemed not outstanding and shall cease to bear interest from and after such redemption date. Upon presentation of the Bonds to be redeemed at the office of the Paying Agent, the Paying Agent will pay the Bond or Bonds so called for redemption with funds deposited with the Paying Agent by the County.

#### *Conditional Redemption*

If money sufficient to pay the optional redemption price of the Bonds to be called for optional redemption is not on deposit with the Paying Agent prior to the giving of notice of optional redemption referred to above, such notice shall state such Bonds will be redeemed in whole or in part on the optional redemption date in a principal amount equal to that part of the optional redemption price received by the Paying Agent on the applicable optional redemption date. If the full amount of the optional redemption price is not received as set forth in the preceding sentence, the notice shall be effective only for those Bonds for which the optional redemption price is on deposit with the Paying Agent. If all Bonds called

for optional redemption cannot be redeemed, the Bonds to be redeemed shall be selected in the manner deemed reasonable and fair by the County and the Registrar shall give notice, in the manner in which the original notice of optional redemption was given, that such money was not received. In that event, the Registrar shall promptly return to the Owners thereof the Bonds or certificates which it has received evidencing the part thereof which have not been optionally redeemed.

### **Exchange or Transfer of Bonds**

The Registrar/Paying Agent will maintain the books of the County for the registration of ownership of the Bonds. Upon the surrender for transfer of any Bond at the principal office of the Registrar/Paying Agent, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be transferred in the name of the transferee or transferees a new Bond or Bonds in fully registered form of the same aggregate principal amount of authorized denominations, and of the same maturity, interest rate and series, bearing a number or numbers not contemporaneously outstanding. Bonds may be exchanged at the principal office of the Registrar/Paying Agent for an equal aggregate principal amount of Bonds of other authorized denominations, and of the same maturity, series and interest rate. The Registrar/Paying Agent shall authenticate and deliver not more than three business days after receipt of the Bond to be exchanged a Bond or Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not contemporaneously outstanding. Exchanges and transfers of Bonds as herein provided shall be without charge to the owner or any transferee, but the Registrar/Paying Agent may require the payment by the owner of any Bond requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer. See "THE BONDS – Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

### **Tax Covenants**

In the Resolution, the County covenants for the benefit of the owners of the Bonds that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary so that the Bonds will not constitute arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code").

The County further covenants that it (a) will take or cause to be taken such actions which may be required of it for the interest on the Bonds to be and remain excluded from gross income for federal income tax purposes, and (b) will not take or permit to be taken any actions which would adversely affect that exclusion, and that it, or persons acting for it, will, among other acts of compliance, (i) apply the proceeds of the Bonds to the governmental purpose of the borrowing, (ii) restrict the yield, as required, on investment property acquired with those proceeds, (iii) make timely rebate payments, if required, to the federal government, (iv) maintain books and records and make calculations and reports, and (v) refrain from certain uses of proceeds, all in such manner and to the extent necessary to assure such exclusion of that interest under the Code. See "TAX EXEMPTION" herein.

### **Book-Entry-Only System**

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. One fully registered bond for each maturity, in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc.; the American Stock Exchange, LLC; and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others, such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly, (the "Indirect Participants"). The rules applicable to DTC and its Direct and Indirect Participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds. DTC's records reflect only the identity of the Direct Participants to whose such accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants will remain responsible for keeping account of their holdings on behalf of their customers.

For every transfer and exchange of Bonds or an interest therein, the Beneficial Owner may be charged a service charge together with a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If fewer than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy). Principal and interest payments on the Bonds will be made to DTC or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC or such other nominee as may be requested by an authorized representative of DTC is the responsibility of the County, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

So long as Cede & Co. or its registered assign is the registered owner of the Bonds, the County will be entitled to treat Cede & Co., or its registered assign, as the absolute owner thereof for all purposes of the Resolution and any applicable laws, notwithstanding any notice to the contrary received by the County, and the County will have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any Beneficial Owners of the Bonds.

*When reference is made to any action that is required or permitted to be taken by the Beneficial Owners, such reference relates only to those permitted to act by statute, regulation or otherwise on behalf of such Beneficial Owners for such purposes. When notices are given, they are to be sent to DTC, and the County does not have responsibility for distributing such notices to the Beneficial Owners.*

The County does not have any responsibility or obligation to the DTC Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any DTC Participant; (b) the payment of DTC or any DTC Participant of any amount due to any Beneficiary Owner in respect of principal of and premium, if any, and interest on the Bonds; (c) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; (d) any consent given or other action taken by DTC, or its nominee, Cede & Co., as Bond Owner; or (e) the distribution by DTC to DTC Participants or Beneficial Owners of any notices received by DTC as registered owner of the Bonds.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the County. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

## SECURITY AND REMEDIES

### General

The Bonds are general obligations of the County payable from *ad valorem* taxes, which may be levied against all taxable property within the County without limitation of rate or amount. The Bonds are secured by the obligation of the Board of County Commissioners of the County to levy and collect upon all taxable property within the County a tax rate levy sufficient, together with other legally available revenues, to pay the debt service on the Bonds. Such annual levy for debt service creates a personal obligation which is enforceable against the owner of the property on the date on which the property was subject to valuation for property taxation purposes and a statutory tax lien that can be enforced by sale of the property. Neither the State nor any other political subdivision has any responsibility to pay the debt service on the Bonds.

### Legal Matters

Various State laws and constitutional provisions apply to the assessment and collection of *ad valorem* property taxes. There is no assurance that there will not be any amendment, change in the interpretation of, or addition to the applicable laws, provisions and regulations that would have a material effect, directly or indirectly, on the affairs of the County.

### Limitations on Remedies Available to Owners of Bonds

There is no provision for acceleration of maturity of the principal of the Bonds in the event of a default in the payment of principal or interest on the Bonds. Consequently, remedies available to the owners of the Bonds may have to be enforced from year to year.

The enforceability of the rights and remedies of the owners of the Bonds, and the obligations incurred by the County in issuing the Bonds, are subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect; usual equity principles, which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

## PURPOSE AND PLAN OF FINANCING

The Bonds will be issued in a principal amount of \$12,985,000\*, representing the second and final series of general obligation bonds approved by the qualified electors of the County at an election held on November 8, 2016, to provide funds to provide funds (1) to acquire, construct, design, equip, and improve roads within the County, (2) to acquire, construct, design, equip, and improve water and wastewater projects within the County, (3) to acquire, construct, design, equip, and improve fire and other public safety facilities within the County, and (4) to acquire, construct, design, equip, improve, and restore open space, trails and parks within the County, will be allocated among those purposes and to pay a portion of the costs of issuance of the Bonds.

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\* Preliminary, subject to change.



## SOURCES AND USES OF FUNDS

The sources and uses of funds relating to the Bonds, other than accrued interest, are set forth in the following table.

### SOURCES OF FUNDS

Bond proceeds	\$
Reoffering Premium	
<b>TOTAL SOURCE OF FUNDS</b>	<b>\$</b>

### USES OF FUNDS

Deposit to Capital Projects Improvement Fund	\$
Costs of Issuance	
Underwriter's Discount	
Additional Proceeds	
<b>TOTAL USES OF FUNDS</b>	<b>\$</b>

## DEBT AND OTHER FINANCIAL OBLIGATIONS

### General Obligation Debt

Article IX, Section 13, of the New Mexico Constitution limits the powers of a county to incur general obligation debt in an aggregate amount, including existing indebtedness, exceeding four percent of the value of the taxable property within such county as shown by the last preceding general assessment. A test for maximum general obligation bonds outstanding of the county follows:

2018 Preliminary Assessed Valuation <sup>(1)</sup>	\$7,122,647,854
2018 Preliminary Estimated Actual Valuation <sup>(2)</sup>	\$21,367,943,562
<b>Bonded Debt<sup>(3)</sup></b>	
Current Outstanding Debt	\$118,545,000
Series 2019 Bonds	\$12,985,000
Less Debt Service Fund Balance <sup>(4)</sup>	\$
<b>NET DEBT</b>	<b>\$</b>
Ratio of Estimated Net Debt to 2018 Assessed Valuation	1.85%
Ratio of Estimated Net Debt to 2018 Estimated Actual Valuation	0.62%
Per Capita Net Bonded Debt:	\$912.33
Estimated Population	144,170

<sup>(1)</sup> Preliminary. Excludes certain protested property. Subject to change.

<sup>(2)</sup> Estimated actual valuation is computed by adding 2018 actual exemptions to the preliminary assessed valuation and multiplying the result by three. 2018 exemptions are unavailable.

<sup>(3)</sup> Preliminary, subject to change.

<sup>(4)</sup> As of 10/01/2018, the debt service cash balance for the Bonds was \$\_\_\_\_\_.

## Debt Service Requirements to Maturity

The following represents annual debt service expenses on the County's outstanding general obligation debt.

Year	Present Requirement			Series 2018 Bonds*			Total Requirements*		
	Principal (July 1)	Interest	Total	Principal (July 1)	Interest	Total	Principal (July 1)	Interest	Total
2019	\$ 10,325,000	\$ 4,540,219	\$ 14,865,219	\$ 1,500,000	\$ 318,854	\$ 1,818,854	\$ 11,825,000	\$ 4,859,073	\$ 16,684,073
2020	9,630,000	4,178,969	13,808,969	650,000	459,400	1,109,400	10,280,000	4,638,369	14,918,369
2021	10,755,000	3,754,219	14,509,219	450,000	433,400	883,400	11,205,000	4,187,619	15,392,619
2022	10,945,000	3,241,469	14,186,469	150,000	415,400	565,400	11,095,000	3,656,869	14,751,869
2023	11,425,000	2,716,719	14,141,719	400,000	409,400	809,400	11,825,000	3,126,119	14,951,119
2024	12,080,000	2,165,469	14,245,469	-	393,400	393,400	12,080,000	2,558,869	14,638,869
2025	12,440,000	1,606,719	14,046,719	400,000	393,400	793,400	12,840,000	2,000,119	14,840,119
2026	13,000,000	1,239,194	14,239,194	250,000	377,400	627,400	13,250,000	1,616,594	14,866,594
2027	7,255,000	846,694	8,101,694	1,020,000	367,400	1,387,400	8,275,000	1,214,094	9,489,094
2028	6,310,000	589,044	6,899,044	1,020,000	326,600	1,346,600	7,330,000	915,644	8,245,644
2029	3,400,000	405,744	3,805,744	1,020,000	285,800	1,305,800	4,420,000	691,544	5,111,544
2030	3,400,000	306,494	3,706,494	1,020,000	245,000	1,265,000	4,420,000	551,494	4,971,494
2031	2,885,000	215,119	3,100,119	1,020,000	204,200	1,224,200	3,905,000	419,319	4,324,319
2032	2,300,000	137,975	2,437,975	1,020,000	163,400	1,183,400	3,320,000	301,375	3,621,375
2033	2,395,000	71,850	2,466,850	1,020,000	122,600	1,142,600	3,415,000	194,450	3,609,450
2034	-	-	-	1,020,000	81,800	1,101,800	1,020,000	81,800	1,101,800
2035	\$118,545,000	\$26,015,897	\$144,560,897	1,025,000	41,000	1,066,000	1,025,000	41,000	1,066,000
				\$12,985,000	\$5,038,454	\$18,023,454	\$131,530,000	\$30,528,351	\$162,058,351

\* Preliminary, subject to change.

## Statement of Estimated Direct and Overlapping Debt

The following calculation analyzes the debt load and per capita debt of the County payable from property taxes. In addition to outstanding debt of the County, the calculation takes into account debt attributable to taxing entities that is the responsibility of taxpayers within the boundaries of the County.

Entity	2018 Preliminary Assessed Valuation <sup>(1)</sup>	GO Debt Outstanding	Percent Applicable	Amount
State of New Mexico <sup>(2)</sup>	\$57,173,515,395	\$475,735,000	11.27%	\$ 53,611,949
Santa Fe County	7,122,647,854	129,420,000	100.00%	129,420,000
City of Santa Fe	4,022,772,806	22,425,000	100.00%	22,425,000
Town of Edgewood	109,417,227	3,275,000	100.00%	3,275,000
City of Española	174,907,553	-	2.60%	-
Española Schools	590,998,167	23,895,000	8.78%	2,098,828
Moriarty Schools	567,933,067	20,495,000	8.44%	1,729,931
Pojoaque Schools	174,140,328	7,520,000	100.00%	7,520,000
Santa Fe Community College	6,443,048,335	13,635,000	100.00%	13,635,000
Santa Fe Schools	6,443,048,335	243,050,000	100.00%	243,050,000
Total Direct and Overlapping Debt				\$482,208,697
Ratio of Estimated Direct & Overlapping Debt to 2018 Preliminary Assessed Valuation:				7.12%
Ratio of Estimated Direct & Overlapping Debt to 2018 Preliminary Estimated Actual Valuation:				2.37%
Per Capita Direct & Overlapping Debt:				\$3,323.44

Source: Santa Fe County Assessor's Office and individual entities.

<sup>(1)</sup> Preliminary, subject to change.

<sup>(2)</sup> 2017 Assessed Valuation used.

## Other Obligations of the County

The table below summarizes all outstanding revenue bonds and other obligations of the County as of June 30, 2017, except as otherwise noted.

Type and Series of Revenue Obligations	Original Principal Amount	Interest Rate	Date of Final Maturity	Amount Outstanding as of 6/30/18	Pledged Revenues
Capital Outlay Gross Receipts Tax Refunding Revenue Bonds, Series 2017	\$25,470,000	2.00-5.00%	6/1/2030	\$25,460,000	1/4 of one percent gross receipts tax
Gross Receipts Tax Improvement and Refunding Revenue Bonds, Series 2016	\$30,365,000	2.00-5.00%	6/1/2035	\$29,745,000	5/16 of one percent gross receipts tax and 1/8 of one percent HHGRT
Santa Fe Studio Loan Guaranty*	\$6,500,000	n/a	4/2037	\$5,901,083	n/a*
Capital Outlay Gross Receipts Tax Revenue Bonds, Series 2010A-B	\$31,410,000	2.00-5.00%	6/1/2030	\$1,385,000	3/32 of one percent gross receipts tax
Correctional System Revenue Bonds, Series 1997	\$30,000,000	6.00%	2/1/2027	\$15,285,000	5/16 of one percent gross receipts tax
Gross Receipts Tax Revenue Bonds, Subordinate Series 1997A	\$6,000,000	6.00%	2/1/2027	\$2,875,000	5/16 of one percent gross receipts tax
New Mexico Finance Authority/Water Trust Board Loan Grant Sharing Agreement with the City of Santa Fe	\$500,000	0.25%**	6/1/2029	\$354,814	Revenue not pledged by ordinance but is paid from 1/4 of one percent capital outlay gross receipts tax

\* The Loan Guaranty is that certain Pledge of Deposit Account Agreement, dated October 26, 2010, pursuant to which the County pledged an account (the "Lockbox Account") holding \$6,500,000, to Los Alamos National Bank (the "Bank") as security for repayment of a loan (the "Bank Loan") made by the Bank to Santa Fe Film and Media Studios, Inc. and La Luz Holdings, LLC (collectively, the "Studio Developer") in connection with a local economic development act project undertaken by the County, the State, and the Studio Developer pursuant to the Local Economic Development Act, Sections 5-10-1 through 5-10-14 NMSA 1978, as amended. The Lockbox Account was funded with surplus County revenue in excess of the reserve requirements established by Section 7-20E-11 NMSA 1978 and policy of the State Department of Finance and Administration. Under the Loan Guaranty, the maximum amount that the Bank can draw annually from the Lockbox Account is \$900,000. The County has no obligation to replenish any amounts drawn from the Lockbox Account by the Bank, and does not have the right to utilize the Lockbox funds for other County purposes while the Bank Loan is outstanding. The Studio Developer is obligated to reimburse the County for any amounts drawn from the Lockbox Account, which obligations are secured by a mortgage on the project property. The Studio Developer has made all payments required under the Bank Loan.

\*\* Santa Fe County does not pay interest on the Loan/Grant Sharing Agreement, but pays a 0.25% annual administrative cost on the outstanding balance.

## Analysis of Assessed Valuation

Assessed Valuation of property within the County is calculated as follows: Of the total assessed valuation of all taxable property in the County, 33 1/3% is legally subject to *ad valorem* taxes. After deduction of certain personal exemptions, the 2017 assessed valuation is \$7,008,048,090. The actual value of personal property within the County (see "Assessments" below) is determined by the County Assessor. The actual value of certain corporate property within the County (see "Centrally Assessed" below) is determined by the State of New Mexico, Taxation and Revenue Department, Property Tax Division. The analysis of Assessed Valuation follows:

	2012	2013	2014	2015	2016	2017
<b>Assessments</b>						
Value of Land	\$2,202,382,329	\$2,179,391,621	\$2,214,329,809	\$2,242,151,343	\$2,253,958,275	\$2,259,606,033
Improvements	4,615,982,628	4,624,028,218	4,244,058,320	4,305,944,881	4,489,599,036	4,959,811,583
Personal Property	62,480,943	63,434,470	59,422,089	58,817,507	60,493,390	58,578,034
Mobile Homes	33,738,479	31,148,062	25,038,114	25,603,035	25,742,442	27,456,193
Livestock	1,569,237	1,686,888	1,356,690	1,747,281	2,038,102	1,845,658
<b>Assessors Total Taxable Value</b>	<b>\$6,916,153,616</b>	<b>\$6,899,689,259</b>	<b>\$6,544,205,022</b>	<b>\$6,634,264,047</b>	<b>\$6,831,831,245</b>	<b>\$7,307,297,501</b>
<b>Less Exemptions</b>						
Head of Family	\$ 38,692,370	\$ 40,024,500	\$ 41,202,720	\$ 42,631,183	\$ 42,922,247	\$ 44,474,332
Veterans	58,369,621	60,341,905	60,100,559	62,078,877	65,400,016	67,907,750
Other	42,342,346	41,514,375	47,750,621	54,144,928	86,008,386	334,056,535
<b>Total Exemptions</b>	<b>\$ 139,404,337</b>	<b>\$ 141,880,780</b>	<b>\$ 149,053,900</b>	<b>\$ 158,854,988</b>	<b>\$ 194,330,649</b>	<b>\$ 446,438,617</b>
<b>Assessors Net Taxable Value</b>	<b>\$6,776,749,279</b>	<b>\$6,757,808,479</b>	<b>\$6,395,151,122</b>	<b>\$6,475,409,059</b>	<b>\$6,637,500,596</b>	<b>\$6,860,858,884</b>
<b>Centrally Assessed</b>	<b>119,745,937</b>	<b>120,107,484</b>	<b>127,536,772</b>	<b>135,438,597</b>	<b>142,451,206</b>	<b>147,189,206</b>
<b>Total Assessed Valuation</b>	<b>\$6,896,495,216</b>	<b>\$6,877,915,963</b>	<b>\$6,522,687,894</b>	<b>\$6,610,847,656</b>	<b>\$6,779,951,802</b>	<b>\$7,008,048,090</b>

Source: Santa Fe County Assessor's Office.

### History of Assessed Valuation

In 2011 the County Assessor hired an outside consultant firm to assist in a 3-year detailed revaluation of all taxable parcels of real property within County for the purpose of bringing such parcels to current and correct values. The revaluation resulted in the identification of both new parcels and new construction which had not previously been included on the tax rolls, which increased valuation has been offset by significant declines in existing property values stemming from the housing crisis that impacted much of the United States and for which prior year assessed values had not accounted. As reflected in the following table, the revaluation resulted in a total reduction in assessed value by approximately 5.69% for tax year 2014.

Tax Year	City of Santa Fe	Santa Fe County
2012	\$3,710,979,288	\$6,896,495,216
2013	3,723,985,725	6,877,915,963
2014	3,721,987,667	6,522,687,894
2015	3,830,361,250	6,610,847,656
2016	3,930,466,905	6,779,951,802
2017	4,057,690,611	7,008,048,090
2018	4,022,772,806	7,122,647,854

Source: Santa Fe County Assessor's Office.

The total assessed value growth for 2018 was approximately 1.635%.

### Tax Rates

Article VIII, Section 2 of the New Mexico Constitution limits the total *ad valorem* taxes for operational purposes levied by all overlapping governmental units within the County to \$20.00 per \$1,000 of assessed value. This limitation does not apply to levies for public debt and levies for additional taxes if authorized at an election by a majority of the qualified voters of the County voting on the question. The following table summarizes the tax situation on residential property located within the County for 2015 and the previous four years. Except as required to meet debt service on general obligation bonds and as a

result of application of the yield control statute, Section 7-37-7.1 NMSA 1978, the County expects no change in the level of its taxes in the foreseeable future but is unable to predict what overlapping entities might do. See "DEBT AND OTHER FINANCIAL OBLIGATIONS – Yield Control Limitation" herein. A high level of taxation may adversely impact the County's ability to repay bonds.

**RESIDENTIAL TAX RATES – Per \$1,000 Assessed Valuation – Tax Years**

<b>Within 20 Mill Limit for General Purposes</b>					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
State of New Mexico	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000	\$ 0.000
Santa Fe County	5.219	5.911	6.065	5.893	5.801
Santa Fe Community College	2.456	2.695	2.776	2.690	2.690
City of Santa Fe	1.206	1.308	1.327	1.282	1.625
Santa Fe Schools	0.133	0.152	0.156	0.151	0.149
<b>Total</b>	<b>\$ 9.014</b>	<b>\$10.066</b>	<b>\$10.324</b>	<b>\$10.016</b>	<b>\$10.265</b>
<b>Over 20 Mill Limit – Interest, Principal, Judgment, etc.</b>					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
State of New Mexico	\$ 1.360	\$ 1.360	\$ 1.360	\$ 1.360	\$ 1.360
Santa Fe County	1.641	1.731	1.974	1.971	2.123
Santa Fe Community College	0.930	0.930	1.000	1.000	1.000
City of Santa Fe	0.876	0.843	1.045	1.160	0.794
Santa Fe Schools	6.916	8.433	8.416	8.466	9.143
<b>Total</b>	<b>\$11.723</b>	<b>\$13.297</b>	<b>\$13.795</b>	<b>\$13.957</b>	<b>\$14.420</b>
<b>Total Levy</b>					
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
State of New Mexico	\$ 1.360	\$ 1.360	\$ 1.360	\$ 1.360	\$ 1.360
Santa Fe County	6.860	7.642	8.039	7.864	7.924
Santa Fe Community College	3.386	3.625	3.776	3.690	3.690
City of Santa Fe	2.082	2.151	2.372	2.442	2.419
Santa Fe Schools	7.049	8.585	8.572	8.617	9.292
<b>Total Residential in City of Santa Fe</b>	<b>\$20.737</b>	<b>\$23.363</b>	<b>\$24.119</b>	<b>\$23.973</b>	<b>\$24.685</b>
<b>Total Non-Residential in City of Santa Fe</b>	<b>\$29.890</b>	<b>\$31.447</b>	<b>\$31.737</b>	<b>\$32.212</b>	<b>\$33.117</b>
<b>Total Residential in Unincorporated County</b>	<b>\$18.655</b>	<b>\$21.212</b>	<b>\$21.747</b>	<b>\$21.531</b>	<b>\$22.266</b>
<b>Total Non-Residential in Unincorporated County</b>	<b>\$26.197</b>	<b>\$27.804</b>	<b>\$27.983</b>	<b>\$28.256</b>	<b>\$29.140</b>

Source: New Mexico Department of Finance and Administration.

## Major Taxpayers

The ten largest taxpayers in Santa Fe County have a combined valuation of \$179,643,056, representing 2.56% of the total assessed valuation within the County.

Name	Type of Business	2017 Assessed Valuation	% of Assessed Valuation
Public Service Company of NM	Electric Utility	\$ 59,261,135	0.85%
New Mexico Gas Company	Gas Utility	15,161,111	0.22%
Mid-America Pipeline Co	Pipeline	15,057,817	0.21%
Truzaf Limited Partnership	Real Estate	14,971,855	0.21%
Glorieta 2.0 Inc.	Real Estate	14,884,906	0.21%
Qwest Corporation	Telecommunications	14,312,874	0.20%
Guadalupe Hotel Investment LLC	Hotel	13,769,343	0.20%
C & Z LLC	Real Estate	12,948,609	0.18%
BNSF	Railroad	12,541,224	0.18%
Comcast	Cable	6,734,182	0.10%
Total		\$179,643,056	2.56%

Source: Santa Fe County Assessor's Office.

## Yield Control Limitation

State law limits property tax increases from the prior property tax year. Specifically, no taxing entity may set a rate or impose a tax (excluding oil and gas production *ad valorem* taxes, oil and gas production equipment *ad valorem* taxes, and copper mineral property *ad valorem* taxes) or assessment that will produce revenues that taxes exceed the prior year's tax revenues from residential and non-residential property multiplied by a "growth control factor." The growth control factor is the percentage equal to the sum of (a) "percent change I" plus (b) the prior property tax year's total taxable property value plus "net new value," as defined by Statute, divided by such prior property tax year's total taxable property value; but if that percentage is less than 100 percent, then the growth control factor is (a) "percent change I" plus (b) 100%. "Percent change I" is based upon the annual implicit price deflator index for state and local government purchases of goods and services (as published in the United States Department of Commerce monthly publication entitled "Survey of Current Business," or any successor publication) and is a percent (not to exceed 5%) that is derived by dividing the increase in the prior calendar year's index over the index for the calendar year next preceding the prior calendar year (unless there was a decrease, in which case zero is used) by the index for such calendar year next preceding the prior calendar year.

The growth control factor applies to authorized operating levies and to any capital improvements levies, but does not apply to levies for paying principal and interest on public general obligation debt.

## Limitations on Residential Property Tax Increases

A 1998 amendment to the State Constitution allows the State Legislature to enact legislation providing for the assessment of residential properties at levels different than the current estimated market value of a home on the basis of age, income, or home ownership. Section 7-36-21.2 NMSA 1978, as amended, limits increases in the value of residential property for taxation purposes beginning with Tax Year 2001 (the "Statutory Valuation Cap"). The statute provides that, with respect to properties within a county assessing properties in the aggregate at or greater than 85% of their market value, a property's new valuation shall not exceed 103% of the previous year's valuation or 106.1% of the valuation two years prior to the tax year in which the property is being valued. This does not apply to residential properties in

their first year of valuation, physical improvements made to the property or instances where the owner or the zoning of the property has changed in the year prior to the tax year for which the value of the property is being determined.

The constitutionality of the property tax limitation has been challenged in a number of venues. On March 28, 2012, the New Mexico Court of Appeals upheld the statutory valuation cap and its application under Section 7-36-21.2 NMSA 1978, which ruling was affirmed by the New Mexico Supreme Court in June, 2014.

Other amendments to State laws affecting residential property taxes are proposed from time to time and may be proposed in the future by the Legislature. Such amendments, if enacted, could result in an increase to the tax rate imposed on residential property tax within the County in order to pay the principal of and interest on general obligation bonds issued by the County, including the Bonds.

### **Tax Collections on Locally Assessed and Centrally Assessed Property**

General (*ad valorem*) taxes for all units of government are collected by the county treasurer and distributed monthly to the State and various political subdivisions to which they are due. Property taxes are due in two installments. The first half installment is due on November 10 and becomes delinquent on December 10. The second half installment is due on April 10 and becomes delinquent on May 10. Collection statistics for all political subdivisions for which the county treasurer collects taxes are presented here:

#### **Property Tax Collections for Santa Fe County**

Tax Year	Fiscal Year	Net Taxes Charged to Treasurer	Current Tax Collections <sup>(1)</sup>	Current Collections as a % of Net Levied	Current/Delinquent Tax Collections <sup>(2)</sup>	Current/Delinquent Collections as a % of Net Levied <sup>(2)</sup>
2016	16/17	\$168,749,501	\$162,656,064	96.39%	\$162,656,064	96.39%
2015	15/16	164,860,838	158,750,208	96.29%	162,362,740	98.48%
2014	14/15	159,131,951	152,201,398	95.64%	157,824,149	99.18%
2013	13/14	150,684,994	143,534,371	95.25%	149,665,954	99.32%
2012	12/13	148,116,681	140,793,416	95.06%	147,523,180	99.60%
2011	11/12	150,685,186	142,374,476	94.48%	150,064,514	99.59%
2010	10/11	148,919,734	140,663,676	94.46%	148,762,949	99.89%
2009	09/10	142,298,704	132,269,257	92.95%	142,227,325	99.95%
2008	08/09	133,476,019	124,332,592	93.15%	133,406,744	99.95%
2007	07/08	121,777,496	114,182,071	93.76%	121,184,260	99.51%

Source: Santa Fe County Treasurer's Office.

<sup>(1)</sup> As of June 30 each year.

<sup>(2)</sup> As of June 2017.

### **Interest on Delinquent Taxes**

Pursuant to Section 7-38-49 NMSA 1978, if property taxes are not paid for any reason within thirty days after the date they are due, interest on the unpaid taxes shall accrue from the thirtieth day after they are due until the date they are paid. Interest accrues at the rate of one percent (1%) per month or any fraction of a month.



### **Penalty for Delinquent Taxes**

Pursuant to Section 7-38-50 NMSA 1978, if property taxes become delinquent, a penalty of one percent of the delinquent tax for each month, or any portion of a month, they remain unpaid shall be imposed, but the total penalty shall not exceed five percent (5%) of the delinquent taxes. The minimum penalty imposed is \$5.00. A county can suspend application of the minimum penalty requirement for any tax year.

If property taxes become delinquent because of an intent to defraud by the property owner, 50% of the property taxes due or \$50.00, whichever is greater, shall be added as a penalty.

### **Remedies Available for Non-Payment of Taxes**

Pursuant to Section 7-38-47 NMSA 1978, property taxes are the personal obligation of the person owning the property on the date on which the property was subject to valuation for property taxation purposes. A personal judgment may be rendered against the taxpayer for payment of taxes that are delinquent, together with any penalty and interest on the delinquent taxes.

Taxes on real property are a lien against the real property. A lien runs in favor of the State and secures the payment of property taxes and any penalty and interest until such payments are made. Such lien is a first lien and paramount to any other interest in the property, perfected or unperfected. Pursuant to Section 7-38-65 NMSA 1978, delinquent taxes on real property may be collected by selling the real property on which taxes are delinquent.

Pursuant to Section 7-38-53 NMSA 1978, delinquent property taxes on personal property may be collected by asserting a claim against the owner(s) of the personal property for which taxes are delinquent.

### **Protest**

Pursuant to Section 7-38-39 NMSA 1978, after receiving his or her property tax bill and after making payment prior to the delinquency date of all property taxes due in accordance with the bill, a property owner may protest the value or classification determined for his or her property for property taxation purposes, the allocation of value of his or her property to a particular governmental unit, the application to his or her property of an administrative fee adopted pursuant to Section 7-38-36.1 NMSA 1978 or a denial of a claim for an exemption by filing a claim for refund in the district court. Pursuant to Section 7-38-41 NMSA 1978, the portion of any property taxes paid to the County Treasurer that is not admitted to be due and is the subject of a claim for refund will be deposited in a "property tax suspense fund." Moneys in the property tax suspense fund may not be used for the payment of debt service on the Bonds.

## **FINANCES OF THE COUNTY**

### **Budget Process**

The County's budget is based on a fiscal year beginning July 1 and ending June 30 of the following year. The County Administration is responsible for preparing the budget. Prior to June 1, the Board is required to submit a working draft of the budget to the Local Government Division of the State Department of Finance and Administration (the "Finance Department") for its approval. By July 1 of the new fiscal year, the Finance Department approves and certifies to the County an operating budget for use pending approval of the final budget. Prior to August 1, the County submits a final budget to the Finance

Department for approval. Prior to the first Monday in September, the Finance Department must certify the final budget with whatever adjustments it deems necessary to comply with State statutes. Approval of the Finance Department is required for all budget increases, cash transfers between funds, and budget transfers between departments or between funds. If adequate fund balances are available from the prior year, the County budgets expenditures in excess revenues. The County was awarded the National Government Finance Officers' Association award for its Fiscal Years 2012, 2013, 2014 and 2016 budget presentations.

### **Financial Statement**

The following Statement of Revenues, Expenditures and Changes in Fund Balances has been included herein for informational purposes only. Figures were taken from the audit reports prepared by the County's independent auditors. Audited figures are excerpts of the audit reports and do not purport to be complete. Reference is made to the complete audit reports which are available upon request. The County has not requested the consent of REDW LLC, which performed the audit of the County's Financial Statements for the fiscal year ended June 30, 2017, to the inclusion of the fiscal year 2017 audit report and excerpts thereof in this Official Statement, and the auditor has not conducted a post-audit review of those Financial Statements.

## General Fund

### Statement of Revenues, Expenditures and Changes in Fund Balances Fiscal Years Ended June 30, 2013 through 2018

	2013	2014	2015	2016	2017	2018*
<b>REVENUES</b>						
Property taxes	\$45,631,432	\$48,196,257	\$49,591,262	\$50,589,623	\$50,259,385	\$
Gross receipts taxes	8,291,976	8,572,788	7,965,027	8,860,000	14,203,790	
Other taxes and assessments	992,488	1,262,783	1,208,574	1,359,218	1,402,384	
Licenses, permits and fees	587,595	703,243	704,766	694,899	678,681	
Charges for services	1,923,265	1,849,949	1,643,483	1,220,900	1,308,707	
Fines and forfeitures	1,518	660	300	160	80	
Investment income	1,886,843	1,576,111	1,754,926	2,175,770	1,114,684	
Grants (federal and state)	939,382	477,289	134,429	371,736	397,963	
Other	224,575	845,126	184,856	191,758	53,566	
Intergovernmental	682,763	668,483	698,926	845,349	1,429,248	
<b>Total Revenues</b>	<b>\$61,161,837</b>	<b>\$64,152,689</b>	<b>\$63,886,549</b>	<b>\$66,309,413</b>	<b>\$70,848,488</b>	<b>\$</b>
<b>EXPENDITURES</b>						
Current						
General government	\$20,404,024	\$21,102,917	\$23,262,055	\$24,051,047	\$23,860,612	\$
Public safety	395,226	212,281	34,395	49,984	14,410	
Culture and recreation	1,102,763	910,187	1,011,500	1,190,550	1,150,588	
Public works	5,227,894	5,693,737	5,084,907	4,666,662	4,718,014	
Highways and streets	166,315	-	-	-	-	
Health and welfare	1,984,886	1,804,825	1,772,798	1,874,476	1,883,921	
Housing	54,114	173,059	147,686	84,481	83,272	
Capital Outlays	1,943,334	916,729	501,217	1,644,674	1,022,539	
<b>Total expenditures</b>	<b>\$31,278,556</b>	<b>\$30,813,735</b>	<b>\$31,814,558</b>	<b>\$33,561,874</b>	<b>\$32,733,356</b>	<b>\$</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>\$29,883,281</b>	<b>\$33,338,954</b>	<b>\$32,071,991</b>	<b>\$32,747,539</b>	<b>\$38,115,132</b>	<b>\$</b>
<b>Other financing sources (uses):</b>						
Transfers from other funds	341,490	640,520	658,000	672,440	670,289	
Transfers to other funds	(32,290,271)	(30,512,822)	(30,970,649)	(28,900,401)	(32,343,443)	
<b>Net other financing sources (uses)</b>	<b>(31,948,781)</b>	<b>(29,872,302)</b>	<b>(30,312,649)</b>	<b>(28,227,961)</b>	<b>(31,673,154)</b>	
<b>Net Change in Fund Balance</b>	<b>(2,065,500)</b>	<b>3,466,652</b>	<b>1,759,342</b>	<b>4,519,578</b>	<b>6,441,978</b>	
Restatement	(96,353)	-	-	-	-	
<b>Fund balance beginning of year</b>	<b>71,602,388</b>	<b>69,440,535</b>	<b>72,907,187</b>	<b>74,666,529</b>	<b>79,186,107</b>	
<b>Fund balance, end of year</b>	<b>\$69,440,535</b>	<b>\$72,907,187</b>	<b>\$74,666,529</b>	<b>\$79,186,107</b>	<b>\$85,628,085</b>	<b>\$</b>

\* Unaudited; estimated, subject to change.

The audited figures for fiscal years ended June 30, 2017, 2016, 2015, 2014 and 2013 were taken from audit reports prepared by the County's independent auditors and are presented for informational purposes only. Reference is made to the complete audit reports, which are available upon request. The figures for the fiscal year ending June 30, 2018 are based on estimated actual revenues and expenditures and are unaudited.

**General Fund - Balance Sheet, Fiscal Years Ended June 30, 2013 through 2017,**

	2013	2014	2015	2016	2017
<b>ASSETS</b>					
Cash and investments	\$54,372,546	\$62,719,467	\$64,883,357	\$71,120,321	\$75,434,623
Cash and investments - restricted	6,500,000	8,099,490	7,873,099	7,718,777	7,515,059
Accounts receivable, net	626,366	587,429	543,843	215,394	270,858
Taxes receivable	7,243,583	6,950,608	6,854,870	6,105,611	6,964,875
Interest receivable	-	-	-	281,486	365,507
Grantor agencies receivable, net	-	-	-	37,867	118,382
Prepays and other	48,450	122,035	130,298	211,881	220,057
Due from other funds	8,491,887	1,345,930	1,475,458	130,629	48,424
<b>Total assets</b>	<b>\$77,282,832</b>	<b>\$79,824,959</b>	<b>\$81,760,925</b>	<b>\$85,821,966</b>	<b>\$90,937,785</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,128,867	\$ 907,243	\$ 1,089,211	\$ 987,012	\$ 1,107,010
Accrued wages and benefits	679,394	828,959	955,737	1,178,532	435,774
Deposits held for others	142,589	119,671	192,423	143,179	123,929
Other current liabilities	22,991	22,427	6,465	18,307	54,496
Due to other funds	-	6,062	6,062	-	6,062
Deferred revenue	5,868,456	5,033,410	4,844,498	4,308,829	3,582,429
<b>Total Liabilities</b>	<b>7,842,297</b>	<b>6,917,772</b>	<b>7,094,396</b>	<b>6,635,859</b>	<b>5,309,700</b>
<b>FUND BALANCE</b>					
Nonspendable	48,450	112,035	130,298	211,881	220,057
Restricted	30,269,798	28,659,177	21,136,967	20,494,028	21,904,428
Committed	33,800,000	37,800,000	20,468,186	25,351,705	29,223,173
Assigned	-	-	26,834,420	27,630,343	26,491,897
Unassigned	5,322,287	6,325,975	6,096,658	5,498,150	7,788,530
<b>Total fund balances</b>	<b>69,440,535</b>	<b>72,907,187</b>	<b>74,666,529</b>	<b>79,186,107</b>	<b>85,628,085</b>
<b>Total liabilities and fund balances</b>	<b>\$77,282,832</b>	<b>\$79,824,959</b>	<b>\$81,760,925</b>	<b>\$85,821,966</b>	<b>90,937,785</b>

**THE COUNTY**

**General**

Santa Fe County (pop. 144,170, estimated 2016) is located in north central New Mexico and occupies a land area of 1,909 square miles. The City of Santa Fe, which is the state capital and a popular tourist community, is located within the County. Also located in the County are a variety of Native American Pueblos, agricultural villages, bedroom communities and ranching communities, spread over terrain that includes river valleys and mountain ranges. Forty percent of the land within the County is comprised of federal land (Native American, National Forest and Bureau of Land Management). The County offers year-round tourism possibilities, with a dry climate, national parks and forests, and historic landmarks as the principal attractions.

The economy of the County is based upon government and related activities, retail trade, tourism, arts and entertainment, and recreation.

**Board of County Commissioners and Other Elected Officials**

The Board of County Commissioners consists of five individuals elected for four-year terms. The County is divided into five districts, each represented by an elected Commissioner. The function of the County is briefly addressed in the grant of powers provided all New Mexico counties pursuant to Section 4-37-1 NMSA 1978. The function is "to provide for the safety, preserve the health, promote the

prosperity and improve the morals, order, comfort and convenience of the county or its inhabitants.” The Board and other elected officials noted oversee:

1. the assessment, collection and distribution of *ad valorem* taxes by an elected Assessor and Treasurer;
2. law enforcement by an elected Sheriff;
3. recording and filing by an elected County Clerk;
4. fire protection and ambulance service by County and Volunteer Fire Departments;
5. road construction and maintenance by the Public Works Department;
6. managerial and administrative services by an appointed County Manager; and
7. planning, health, welfare, recreation and cultural affairs by County staff and appointed citizen advisory boards.

The members of the Board of County Commissioners, other elected officials of the County, and their respective terms are as follows:

Member	Position	Term Expires
Anna Hansen	Chair	12/31/20
Anna Hamilton	Vice-Chair	12/31/20
Ed Moreno	Commissioner	12/31/20
Henry Roybal	Commissioner	12/31/18
Robert A. Anaya	Commissioner	12/31/18
Gus Martinez	County Assessor	12/31/18
Geraldine Salazar	County Clerk	12/31/20
Patrick J. Varela	County Treasurer	12/31/20

The current members of the County Administration are as follows:

Katherine Miller has served as the County Manager since September, 2010. From 2006 through August 2010, Ms. Miller was the Secretary of the Department of Finance and Administration under Governor Bill Richardson. She had previously served as director of the Mortgage Finance Authority as well as Deputy Chief of Staff of Policy and Projects under Governor Richardson. Ms. Miller has extensive experience in local, state and federal government finance and policy and has worked in the private sector managing finance programs and government contracts. Ms. Miller has a bachelor's degree in business from Wright State University in Dayton, Ohio. She previously worked as Santa Fe County's procurement manager from 1997 to 1999 and as finance director from 1999 to 2003.

Stephanie Schardin Clarke became the Santa Fe County Finance Director on November 11, 2017. She joined the county after serving 14 years with the State of New Mexico. Most recently, Stephanie was the Deputy Cabinet Secretary for the Department of Finance and Administration. She has also served as an economist for both the Department of Finance and Administration and the Legislative Finance Committee, and as Deputy Director and Director of the State Board of Finance. She has extensive expertise on bond issuance and debt management, capital outlay administration, and regulatory oversight. Additionally, she served as a board member on the New Mexico Finance Authority, the Public School Capital Outlay Council, and Chair of the Community Development Council and the Substitute Care Advisory Council. Stephanie received her Bachelor of Arts in Economics from George Washington University, and Masters of Arts in economics from the University of New Mexico.

Bruce Frederick became the Santa Fe County Attorney on November 11, 2017 after serving as Assistant County Attorney for approximately 3 years. Mr. Frederick received his law degree from the University of New Mexico in 1993 and also received a master's degree in groundwater hydrology from New Mexico Tech. Mr. Frederick has worked for the New Mexico Environmental Improvement Division, in private practice and for non-profits, local governments and state agencies. His practice includes water law, natural resources and environmental law, real estate, land use, and oil and gas, including litigation and transactional work throughout his career.

## **Retirement Plan; Other Post-Employment Benefits**

### ***Public Employees Retirement Association***

The County participates in a pension plan organized on a statewide basis and operated by the State of New Mexico. The Public Employees' Retirement Association of New Mexico ("PERA"), established by Section 10-11-1 *et seq.* NMSA 1978, as amended, requires contributions to its plan (the "Plan"), computed as a percentage of salary, from both employee and employer for all full-time employees. The majority of State and municipal employees in New Mexico participate in the Plan. As required by State law, the County contributes to the plan amounts which vary from 9.15% to 21.25% of eligible employees' salaries. The County's contractual obligation under the Plan is limited to the periodic employer contributions that it is required to make for its participating employees. The contribution requirements of the plan members and the County are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The County's contributions to PERA for the fiscal years ended June 30, 2017, 2016 and 2015 were approximately \$9.3M, \$8.9M and \$8.7M, respectively, which were equal to the amount of the contributions due for each year.

On June 25, 2012, the Governmental Accounting Standards Board approved Statement No. 68 which requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. Statement No. 68 requires governmental participants in cost-sharing multi-employer plans, such as the County, to record a liability and expense equal to their proportionate share of the collective net pension liability and expense for the cost-sharing plan. Statement No. 68 became effective for fiscal years beginning after June 15, 2014. As reported in the County's fiscal year 2017 audited financial statements, the County's proportionate share of PERA's net pension liability was \$55,609,875 at June 30, 2017. These amounts were reported in the County's audited financial statements for Fiscal Year 2016 along with other information required by GASB Statement No. 68.

PERA issues a publicly available financial report that includes financial statements and additional information. A copy of this report can be obtained from PERA at [www.nmpera.org/financial-overview](http://www.nmpera.org/financial-overview).