



**CITY OF ALBUQUERQUE, NEW MEXICO
DEPARTMENT OF FINANCE AND ADMINISTRATION
CITY TREASURY**

**BOND RELATED
DISCLOSURE PROCEDURES**

October 1, 2020

1. Introduction. Under the federal securities laws, issuers of municipal securities may neither make a misstatement of material fact, nor make a statement that is misleading (in light of the circumstances in which it is made) due to the omission of a material fact, in connection with the purchase or sale of securities. “**Federal Securities Laws**” include the Securities Exchange Act of 1934, as amended, and the Securities Act of 1933, as amended, including in particular, Rule 15c2-12, as amended (the “**Rule**”), promulgated under the 1934 Act and other applicable federal rules, regulations and orders.

2. Purpose. These Disclosure Procedures are designed to (a) ensure the completeness and accuracy of the federal securities disclosure made by the City of Albuquerque, New Mexico (the “**City**”) and the City’s (including the City’s officers and staff in the exercise of their official duties) compliance with all applicable state and Federal Securities Laws and contractual obligations in connection with issuance and disclosure undertakings relating to its outstanding bonds and Annual Information Statements (“**AISs**”), and (b) promote best practices regarding disclosures disseminated to investors and the municipal securities markets by the City.

3. Disclosure. The controls and procedures set forth herein shall apply to all Disclosure disseminated or communicated by the City. “**Disclosure**” includes any information or communications reasonably expected to reach investors or the securities markets, such as preliminary and final official statements relating to the City’s bonds, filings made by the City with the Municipal Securities Rulemaking Board (whether required by contract or made voluntarily), press releases which could reasonably be construed as intended for the financial markets, investor calls, rating agency presentations and other communications, and certain postings on the City’s website. These Disclosure Procedures supersede Administrative Instruction No. 2-5 entitled, Contact with and Distribution of Information to Municipal Bond Rating Agency Representatives by City Staff.

4. Disclosure – Issuance of Bonds.

a. *Responsibilities of Treasurer*. The City Treasurer shall be responsible for overseeing the compilation of the preliminary and final official statements to be used by the City in connection with the offering and issuance of its bonds (the “**Official Statements**”) and for review of other disclosure obligations of the City undertaken in connection with such bond issuance. In the carrying out of these responsibilities, the Treasurer shall coordinate with, and be provided with assistance from, among other professionals, Disclosure Counsel and the Financial Advisor to the City. This oversight responsibility shall include the following:

- Develop a separate checklist or similar outline for the City’s Official Statements for each of its bond structures. Each of these checklists shall list the categories of information in the applicable Official Statement and identify the person or persons (whether internal to the City or a third-party consultant to the City, including those listed in Attachment A) who should be responsible for reviewing or contributing the information in each portion of such Official Statement (a “**Contributor**”).

- Ensure that each Contributor receives a copy of each draft of the Official Statement and the checklist indicating his or her responsibilities with sufficient time to permit such Contributor to perform a thoughtful and thorough review or preparation of information for the applicable portion of the Official Statement. Gather such applicable information and comments from each Contributor.
- Provide information and comments submitted by Contributors to Disclosure Counsel and coordinate with Disclosure Counsel to develop a draft Official Statement for the bond issue.
- Distribute applicable sections of such Official Statement as revised to the respective Contributors for further review and comment. Document confirmation by each Contributor that the information provided by such Contributor has been properly incorporated in such Official Statement draft and is accurate and complete as so incorporated. Contributor confirmation may be provided by means of indications on checklist.
- Schedule and conduct periodic internal and external meetings of Contributors, either in groups or individually, and Disclosure Counsel for the purpose of discussing the City's financial status generally and its annual audited financial statements, its related programs, the related industries, and other issues affecting the City and its bonds that may be material to investors.
- Schedule and conduct periodic presentations by external financial auditors to the City and to the City Council concerning the auditors' findings prepared for and presented to the City Treasurer's Office.
- Review all Continuing Disclosure Undertakings to be executed in connection with the City's Bonds.

b. *Responsibilities of Contributors.* All Contributors to the City's Official Statements shall be responsible for the following: • Delivery and review of comments and information as requested (by means of a checklist or otherwise) for purposes of inclusion in the applicable Official Statement.

- Review of applicable portions of the revised Official Statement and provide confirmation (which may be provided by means of indications on a checklist) that the information provided by such Contributor has been incorporated correctly and, as so incorporated, such portions of the Official Statement present accurate and complete information to investors about the items so covered by such portions.
- Attend periodic meetings (as applicable) to discuss broad issues concerning the City and its Official Statements.
- In the case of third-party or expert Contributors, provide certifications and opinions relating to their contributions to Official Statements as appropriate.

c. *Responsibilities of the Department of Finance and Administrative Services.* The Department of Finance and Administrative Services and Office of Budget shall review and provide general comments to any draft Official Statement promptly upon receipt. The Department of Finance and Administrative Services and Office of Budget shall have the

opportunity to ask questions of any Contributor as to the form or content of their contribution to the draft Official Statement. Certify to the accuracy and completeness of all financial information concerning the City which is contained in the draft Official Statement, including confirmation that there are no material differences in presentation of financial material in the Official Statements from the City's most recent audited financial statements, except such differences as may be necessary to update such audited financial statements.

d. *Responsibilities of the City Attorney.* The City Attorney's Office shall have the following responsibilities with respect to Disclosure by the City:

- Review and provide general comments to any draft Official Statement promptly upon receipt and draft descriptions of any material current, pending or threatened litigation. Certify to the accuracy and completeness of the discussion of City litigation matters in the Official Statement.
- The City Attorney's Office shall have the opportunity to ask questions of any Contributor as to the form or content of their contribution to the draft Official Statement.

e. *Responsibilities of Disclosure Counsel.* Disclosure Counsel shall have the following responsibilities with respect to Disclosure by the City:

- Provide an initial draft Official Statement to the City Treasurer for distribution to Contributors and, at the request of the City Treasurer, distribute drafts or sections to Contributors and draft timelines for the review of the City Treasurer.
- Confirm that all steps required by the Disclosure Procedures have been followed in connection with preparation of a particular Official Statement.
- Provide information to participants for review and confirm with participants that no issues have been raised regarding the draft Official Statement based on such review.
- Perform annual review and evaluation of the Disclosure Procedures and confirm to the City whether or not changes to such Disclosure Procedures are recommended.
- Review and approve any Continuing Disclosure Undertakings or statements in connection with any City bond issuance.

5. Disclosure in Connection with Outstanding Bonds.

a. Continuing Disclosure Undertakings. The City Treasurer shall be responsible for overseeing compliance by the City with its Continuing Disclosure Undertakings, including but not limited to its Annual Information Statement ("AIS"), the compilation and filing of all annual financial reports and filing of all annual financial statements of the City, as applicable. The City Treasurer shall also consult with Disclosure Counsel to the City to determine whether an event notice is required to be filed under the circumstances. The event notices currently required

by the Rule are provided in Attachment B along with related information pertaining to compliance with the Rule. If a determination is made that notice is required for an event listed in a Continuing Disclosure Undertaking, the City Treasurer shall work with Disclosure Counsel to prepare a draft of such notice in a timely manner and shall provide such draft notice to the City Attorney for review and comment. Disclosure Counsel shall be directed to file such notice with the MSRB once the notice has been approved by the City Treasurer and the City Attorney's Office. Generally, the process for the annual preparation of the AIS shall follow the guidelines set forth for disclosure made in connection with the issuance of bonds as set forth in Section 4 of these procedures.

b. Voluntary Filings. The City Treasurer shall evaluate whether an event is appropriate for disclosure by the City on a voluntary basis, based on investor demand or otherwise. Upon a determination that a voluntary notice should be filed, the City Treasurer shall work with Disclosure Counsel to prepare a draft of such notice and shall provide such draft notice to the City Attorney for review and comment. Disclosure Counsel shall be directed to file such voluntary notice with the MSRB once such notice has been approved by the City Treasurer and the City Attorney's Office.

c. Press Releases. Press releases relating to City Bond issuances are prepared by the Mayor's Office in consultation with the City Treasurer. The City Treasurer shall consult with Disclosure Counsel prior to approving such press release.

d. Investor Communications. The City Treasurer shall be responsible for overseeing the responses to all telephone, email and other inquiries from existing and potential investors in the City's Bonds. All City staff shall transfer such inquiries regarding investment matters to the City Treasurer (or delegated staff under the City Treasurer's supervision). Investors shall be directed to information provided on the City's website or shall be given a written response to any inquiry whenever practicable.

6. Rating Agency Communications. All information provided by the City or for the City at its direction to any rating agency providing a rating for the City's Bonds shall be reviewed for accuracy and completeness and approved by the City Treasurer, the Director of the Department of Finance and Administration, and the City's Financial Advisor

7. Website Postings. The City Treasurer and Disclosure Counsel shall coordinate on the management of the bond disclosure section of the City's website. The City Treasurer shall be responsible for the content of all items posted on that section of the website, and for directing the removal or transfer to a clearly identified archived location of all items which are no longer timely.

8. Training. The City Treasurer and Disclosure Counsel shall be responsible for coordinating regular training sessions for City administrative and council services staff members about their obligations under the Federal Securities Laws and regulations and other federal and state laws affecting the City's issuance of bonds. Training shall be provided for general background and overview purposes and, as applicable, to update City administrative and council services staff and City Council members concerning recent changes in applicable laws or regulations.

Attachment A

Contributors to Official Statements and AISs

Department of Finance and Administrative Services

Director

Deputy Director

City Treasury

City Treasurer

Investment Officer

Office of Management and Budget

Budget Officer

City Economist

Risk Management Division

Risk Manager

Accounting

Controller

City Legal

Assistant City Attorney

City Council Services

Director of Council Services

Aviation Department

Director

Associate Director

Solid Waste Management Department

Fiscal Manager

Department of Family & Community Services

Director

Transit Department

Director

Disclosure Counsel

Bond Counsel

Financial Advisor

Attachment B

Event Notices

The City is required to file notices of “**Listed Events**” with EMMA within ten (10) business days of such events or occurrences. The obligation to file notices of Listed Events arises from Continuing Disclosure Undertakings entered into by the City at the time the City issues bonds. The City is obligated to comply with the requirements of a Continuing Disclosure Undertaking from the time the City enters into the Continuing Disclosure Undertaking until the earlier of (i) the date that the last of the bonds or obligations listed in the Continuing Disclosure Undertaking are paid, or (ii) the date that the bonds or obligations listed in the Continuing Disclosure Undertaking are defeased or refunded. Continuing Disclosure Undertakings between these two dates are “Active Continuing Disclosure Undertakings.” The City has the Active Continuing Disclosure Undertakings listed in Schedule I.

Please note that Listed Events enumerated in the City’s active and future Continuing Disclosure Undertakings may differ. The City should provide notice of the Listed Events from all Continuing Disclosure Undertakings. Typically, the most recent Continuing Disclosure Undertaking will provide the broadest requirements and can serve as a reference.

Required Listed Events are defined by the Rule, which may be revised or amended in the future. As a result, future Continuing Disclosure Undertakings may require the reporting of a different set of Listed Events. The City should check with Disclosure Counsel at the time future bonds are issued to determine if the Listed Events have been changed and if the later Continuing Disclosure Undertakings differ from the City’s current Continuing Disclosure Undertakings. Currently, the Rule requires reporting of the following Listed Events:

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 (the “**IRS**”) 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 security, or other material events affecting the tax status of the securities;
7. Modifications to rights of security holders, if material;
8. Securities calls, if material, and 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 similar event of the City;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake

- such an action nor the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
 15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect securities holders, if material; and
 16. A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

“Financial Obligation” means, with the exception of bonds or obligations for which the City provided a final official statement to the Municipal Securities Rulemaking Board:

- (i) a debt obligation;
- (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or
- (iii) a guarantee of (i) or (ii).

“Active Financial Obligations” are those Financial Obligations which are enforceable against the City and for which the City has not already made all required payments.

The City Treasurer will maintain an updated list of Continuing Disclosure Undertakings and Active Financial Obligations, including the information listed in Schedules I and II, and review the list periodically to ensure accuracy. When the City enters into a new Financial Obligation, the City Treasurer will ensure timely reporting.

“Materiality” will be determined in accordance with the applicable federal securities laws.

Whenever any officer or employee of the City becomes aware of any event that may qualify as a Listed Event, the officer or employee should immediately notify the City Treasurer in order to facilitate prompt filing of a notice. If the City Treasurer is uncertain as to whether an event qualifies as a Listed Event, including whether a transaction qualifies as a Financial Obligation, or whether an event or Financial Obligation is material, they should contact Disclosure Counsel.

Schedule I

The City has the following Active Continuing Disclosure Undertakings

	Series of Bonds	Date of Continuing Disclosure Undertaking	Annual Reporting Date	Final Maturity Date
1.	Gross Receipts Tax/Lodgers’ Tax Taxable Refunding Revenue Bonds, Series 2004B	10/6/2004	270 days after end of fiscal year	July 2036
2.	Gross Receipts Tax Improvement Revenue Bonds, Series 2013	4/9/2013	270 days after end of fiscal year	July 2035
3.	General Obligation General Purpose Bonds, Series 2013A	5/8/2013	270 days after end of fiscal year	July 2026

4.	General Obligation Storm Sewer Bonds, Series 2013B	5/8/2013	270 days after end of fiscal year	July 2026
5.	Gross Receipts Tax/Lodgers' Tax Refunding and Improvement Revenue Bonds, Series 2014A	6/10/14	270 days after end of fiscal year	July 2037
6.	General Obligation General Purpose Bonds, Series 2014A	5/28/2014	270 days after end of fiscal year	July 2026
7.	General Obligation Storm Sewer Bonds, Series 2014B	5/28/2014	270 days after end of fiscal year	July 2027
8.	General Obligation General Purpose Bonds, Series 2015A	6/10/2015	270 days after end of fiscal year	July 2027
9.	Gross Receipts Tax Improvement Revenue Bonds, Series 2015A	5/27/2015	270 days after end of fiscal year	July 2038
10.	Gross Receipts Tax Improvement Revenue Bonds, Taxable Series 2015B	5/27/2015	270 days after end of fiscal year	July 2023
11.	General Obligation Storm Sewer Bonds, Series 2015B	6/10/2015	270 days after end of fiscal year	July 2028
12.	General Obligation General Purpose Bonds, Series 2016A	3/24/2016	270 days after end of fiscal year	July 2028
13.	Gross Receipts Tax/Lodgers' Tax Improvement Revenue Bonds, Series 2016	2/16/2016	270 days after end of fiscal year	July 2038
14.	General Obligation Storm Sewer Bonds, Series 2016B	3/24/2016	270 days after end of fiscal year	July 2029
15.	Gross Receipts Tax Improvement Revenue Bonds, Series 2016C	9/8/2016	270 days after end of fiscal year	July 2034
16.	General Obligation General Purpose Bonds, Series 2017A	4/11/2017	March 31 st	July 2030
17.	General Obligation General Purpose Bonds, Series 2018A	4/11/2018	270 days after end of fiscal year	July 2031
18.	General Obligation General Purpose Bonds, Series 2019A	4/23/2019	March 31 st	July 2026
19.	General Obligation Storm Sewer Bonds, Series 2019B	4/23/2019	March 31 st	July 2032
20.	General Obligation General Purpose Bonds, Series 2020A	4/7/2020	March 31 st	July 2032
21.	General Obligation Storm Sewer Bonds, Series 2020B	4/7/2020	March 31 st	July 2033
22.	General Obligation Refunding Bonds, Series 2020D	4/7/2020	March 31 st	July 2025
23.	Gross Receipts Tax/Lodgers' Tax Refunding Revenue Bonds, Series 2020A	6/2/2020	March 31 st	July 2037
24.	Gross Receipts/Lodgers' Tax/Hospitality Fee Refunding Revenue Bonds, Series 2020B	6/2/2020	March 31 st	July 2028
25.	Gross Receipts Tax Refunding Revenue Bonds, Series 2020C	6/2/2020	March 31 st	July 2033
26.	Gross Receipts Tax/Stadium Revenue Refunding Bonds, Taxable Series 2020D	6/2/2020	March 31 st	July 2026
27.	Refuse Removal and Disposal Improvement Revenue Bonds, Series 2020	6/30/20	March 31 st	July 2046
28.	Transportation Infrastructure Gross Receipts Tax Improvement Revenue bonds, Series 2020	10/15/2020	March 31 st	July 2035
29.	General Obligation General Purpose Bonds, Series 2021A	4/28/2021	March 31	July 2034
30.	General Obligation Refunding Bond, Series 2021B	4/28/2021	March 31	July 2026

Schedule II

Financial Obligations

Name of Obligation:		Dated
New Mexico Finance Authority Loan Agreement		November 1, 2019
Original Principal Amount	Interest Rate:*	Final Payment Date:
\$2,740,000	1.310% - 2.990%	July 1, 2040
Other Material Terms:		
Secured by a pledge of New Mexico State Fire Protection Funds. Loan Agreement on file with EMMA, includes amortization schedule		
<u>Amortization Schedule</u>		
Maturity	Principal	Interest

* If variable, include method of computation.

Name of Obligation:		Dated
Energy Savings/Municipal Infrastructure Gross Receipts Tax Revenue Bonds (Clean Renewable Energy Projects-Direct Pay Subsidy NCREBS-Taxable), Series 2017		July 11, 2017
Original Principal Amount	Interest Rate:*	Final Payment Date:
\$25,110,000	4.66%	July 1, 2037
Other Material Terms:		
Secured by pledged Municipal Infrastructure Gross Receipts Tax Revenues. Ordinance on file with EMMA includes amortization schedule.		
<u>Amortization Schedule</u>		

Maturity	Principal	Interest

* If variable, include method of computation.