CITY OF ALBUQUERQUE

ANNUAL INFORMATION STATEMENT

DATED March 12, 2018

IN CONNECTION WITH BONDS AND

OTHER OBLIGATIONS

CITY OF ALBUQUERQUE

MAYOR
Richard J. Berry

CITY COUNCIL

Ken Sanchez (President)	District 1
Isaac Benton	District 2
Klarissa J. Peña	District 3
Brad Winter	District 4
Cynthia Borrego	District 5
Pat Davis	District 6
Diane G. Gibson	District 7
Trudy Jones	District 8
Don Harris (Vice-President)	District 9

ADMINISTRATION
Sarita Nair, JD, MCRP, Chief Administrative Officer
Lawrence Rael, MPA, Chief Operations Officer
Trina Casados, Interim City Clerk

DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES
Sanjay Bhakta, CPA, CGFM, CFE, CGMA, Chief Financial Officer/Director
Olivia Padilla-Jackson, BBA, MPP, Deputy Director
Cilia E. Aglialoro, CTP, Treasurer
Pamela S. Fanelli, CMA, City Controller
Christopher H. Daniel, CFA, CPA, CTP, Chief Investment Officer

OFFICE OF MANAGEMENT AND BUDGET
Gerald E. Romero, Budget Officer
Jacques Blair, PhD, City Economist

LEGAL DEPARTMENT
Esteban Aguilar, Jr., JD, City Attorney
William W. Zarr, JD, Assistant City Attorney

TABLE OF CONTENTS

INTRODUCTION

This "Annual Information Statement Dated March 23, 2018 in Connection with Bonds and Other Obligations" (the "Annual Statement") has been prepared by the City to provide certain financial and other information relating to the City, its various enterprise operations and its other projects, the revenues of which secure certain outstanding long-term obligations of the City. The Annual Statement also includes annual financial information and operating data which the City has agreed in certain continuing disclosure undertakings to provide on an annual basis for the benefit of its bondholders. See "CONTINUING DISCLOSURE UNDERTAKINGS." **Inclusion of information in this Annual Statement that is not required by continuing disclosure undertakings is provided as a courtesy and does not create an affirmative obligation to provide such additional information in the future.**

City Council (the "Council") actions taken after January 1, 2018 are not included in the Annual Statement unless related to bonds, notes or other obligations of the City issued or incurred after that date and disclosed in Official Statements. Other information contained in the Annual Statement is current as of January 1, 2018, unless specifically stated otherwise in the Annual Statement. The information in the Annual Statement is subject to change without notice and the delivery of the Annual Statement shall not create any implication that the affairs of the City have remained unchanged since the date of its delivery. The distribution of the Annual Statement by the City does not in any way imply that the City has obligated itself to update the information therein. All financial and other information presented in the Annual Statement has been provided by the City from its records, except for information expressly attributed to other sources believed to be reliable.

The City does not intend that the Annual Statement be relied on as specific offering information in connection with the primary offering and issuance by the City of bonds, notes or other obligations. The presentation of information, including tables of receipts from taxes, enterprise revenues and other information, is intended to show recent historical information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City or its enterprises. No representation is made that past experiences, as might be shown by such financial and other information will necessarily continue in the future.

Questions regarding information contained in the Annual Statement should be directed to Cilia Aglialoro, Treasurer, City of Albuquerque, Albuquerque/Bernalillo County Government Center, One Civic Plaza, NW, Albuquerque, New Mexico 87102 (P.O. Box 1293, Albuquerque, New Mexico 87103), Telephone (505) 768-3309, Fax (505) 768-3447. Information about the City may also be obtained through the City's web site, www.cabq.gov.

CONTINUING DISCLOSURE UNDERTAKINGS

Pursuant to the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC"), the City has entered into continuing disclosure undertakings (the "Disclosure Undertakings") for the benefit of holders of the following outstanding bonds of the City:

1) Airport Refunding and Improvement Revenue Bonds, Series 2004A;
2) Airport Improvement Revenue Bonds, Series 2004B;
3) Gross Receipts Tax/Lodgers' Tax Taxable Refunding Revenue Bonds, Series 2004B;
4) Airport Refunding Revenue Bonds, Series 2008A;
5) Airport Refunding Revenue Bonds, Series 2008C;
6) Gross Receipts Tax Refunding Revenue Bonds, Series 2008B;
7) General Obligation General Purpose Bonds, Series 2009A;
8) Gross Receipts Tax/Lodgers' Tax Refunding Revenue Bonds, Series 2009A;
9) Gross Receipts Tax Refunding Revenue Bonds, Series 2009B;
10) General Obligation General Purpose Bonds, Series 2011A;
11) General Obligation General Purpose Bonds, Series 2012A;
12) General Obligation Storm Sewer Bonds, Series 2012B;
13) Gross Receipts Tax Improvement Revenue Bonds, Series 2013;
14) General Obligation General Purpose Bonds, Series 2013A;
15) General Obligation Storm Sewer Bonds, Series 2013B;
16) Gross Receipts Tax/Lodgers' Tax Refunding and Improvement Revenue Bonds, Series 2014A;
17) General Obligation General Purpose Bonds, Series 2014A;
18) General Obligation Storm Sewer Bonds, Series 2014B;
19) General Obligation General Purpose Bonds, Series 2015A;
20) Gross Receipts Tax Improvement Revenue Bonds, Series 2015A;
21) Gross Receipts Tax Improvement Revenue Bonds, Taxable Series 2015B;
22) General Obligation Storm Sewer Bonds, Series 2015B;
23) General Obligation General Purpose Bonds, Series 2016A;
24) Gross Receipts Tax/Lodgers' Tax Improvement Revenue Bonds, Series 2016
25) General Obligation Storm Sewer Bonds, Series 2016B;
26) Gross Receipts Tax Improvement Revenue Bonds, Series 2016C;
27) General Obligation General Purpose Bonds, Series 2017A.

In each of its Disclosure Undertakings, the City has agreed to file certain annual information with the Municipal Securities Rulemaking Board. Timely filing of the information provided in the Annual Statement, including the City's current audited financial statements, with the Municipal Securities Rulemaking Board satisfies the disclosure requirements set forth in the Disclosure Undertakings. The City has made material progress with its internal procedures and the release date for its annual audit has improved over the past several years. The improvements relate to the City staff's increased mastery of the accounting and human resources software, as well as continuity in employment within the affected City departments. The City has timely filed Annual Financial Information, including audited financials for Fiscal Year 2012, 2013, 2014, 2015 and 2016 prior to the 270-day deadline. Additionally, in the past few years the City did not provide notice to the market, in addition to the notice provided to the market by Moody's and

Fitch, of the adjustments in ratings calibrations used by Moody's Investors Services and Fitch Ratings. These rating modifications resulted in upgrades to certain outstanding City obligations. The City also did not provide notice to the market, in addition to the notice provided to the market by Assured Guaranty, of the downgrade of Assured Guaranty Municipal Corp. which insured certain outstanding obligations of the City. The City intends to maintain compliance with its continuing disclosure undertakings in future years through the collective oversight and effort of current City finance staff and private consultants, all of whom have experience and knowledge related to the City's continuing disclosure obligations. Other than as described herein, the City believes it is in material compliance with its outstanding Disclosure Undertakings.

OUTSTANDING CITY OBLIGATIONS

Summary of Outstanding Obligations

The City has issued and there are outstanding certain general obligation bonds payable from property tax revenues and limited obligations payable from State and municipal gross receipts tax revenues, net revenues of various City enterprise operations, special property assessments, and certain single family and multifamily housing programs. These outstanding obligations are generally described below and certain terms of such obligations are summarized in the Comprehensive Audited Financial Report of the City of Albuquerque, Audited General Purpose Financial Statements as of and for the Fiscal Year ended June 30, 2017 ("CAFR"), a portion of which is attached hereto as Appendix A. Other information relating to the City's outstanding obligations, including information about debt service coverage ratios, can be obtained from the CAFR. The full CAFR can be viewed at and downloaded from the City's website, www.cabq.gov. Certain of these obligations are further secured by municipal bond insurance and other credit enhancement provided by various entities as described under the caption "Credit Enhancement." The CUSIP numbers for each maturity of the City's outstanding obligations, as applicable, are listed in Appendix B hereto.

Ratings of City Obligations

The assigned ratings on the City's bonds reflect only the respective views of the rating agencies. These ratings are the long-term ratings of the City with respect to the bonds. Some City bonds are credit enhanced and, assuming the credit enhancer has a higher rating than the underlying rating on the bonds, have a rating which is based on the rating of the credit enhancer rather than the rating of the City for such bonds. See "Credit Enhancement" under this caption. Any explanation of the significance of the ratings may be obtained from the respective rating agency. There can be no assurance that these ratings will continue for any given period of time or that any rating will not be lowered or withdrawn entirely by a rating agency, if in its judgment circumstances so warrant. Any downward change in, or withdrawal of, a rating may have an adverse effect on the marketability and/or market price of the City's bonds.

Tax-Supported Obligations

General Obligation Debt

Outstanding General Obligation Bonds. As of January 1, 2018, the City has outstanding general purpose general obligation bonds in an outstanding aggregate principal amount of $319,760,000, and storm sewer general obligation bonds in an outstanding aggregate principal amount of $29,616,000.

CITY OF ALBUQUERQUE
Outstanding General Obligation Bonds
As of January 1, 2018

Issue	Principal Amount Of Original Issue	Current Outstanding
General Purpose G.O. Bonds:		
June 2009	$54,970,000	$6,090,000
February 2011	135,000,000	64,200,000
May 2012	61,760,000	37,645,000
May 2013	70,040,000	49,425,000
May 2014	57,060,000	42,645,000
May 2015	37,970,000	31,405,000
March 2016	71,523,000	65,500,000
April 2017	22,850,000	22,850,000
Total	$511,173,000	$319,760,000
Water, Sewer and Storm Sewer G.O. Bonds:		
May 2012	$8,035,000	$8,035,000
May 2013	4,980,000	4,980,000
May 2014	5,375,000	5,375,000
May 2015	4,726,000	4,726,000
March 2016	6,500,000	6,500,000
Total	$ 29,616,000	$ 29,616,000
Total General Obligation Bonds	$540,789,000	$349,376,000

Source: City of Albuquerque, Department of Finance and Administrative Services.

The Constitution of the State of New Mexico (the "State") limits the amount of general purpose general obligation indebtedness of the City to 4% of the assessed value of taxable property within the City. Based on the most recent assessed value of real property in the City of $13,251,142,082, as shown below, and the City's outstanding general purpose general obligation debt of $349,376,000, the City has the capacity to issue $180,669,683 aggregate principal amount of general purpose general obligation bonds in the future.

CITY OF ALBUQUERQUE
Test for Maximum General Purpose General Obligation Bonds
(January 2018)

4% of Assessed Value of $13,251,142,082	$530,045,683
Outstanding (General Purpose subject to 4% limitation):	319,760,000[1]
Available for Future Issues:	$210,285,683

(1) Does not include Series 2018A Bonds.

CITY OF ALBUQUERQUE
Assessed Valuation
(County Tax Year[1] 2017)

Market Value of Property Assessed	$45,801,298,998
(1/3 Market Value)	15,267,099,666
Less Exemptions	(2,395,276,491)
Plus Centrally Assessed (Corporate)	379,318,637
Certified Net Tax Base	$13,251,141,812

(1) The County Tax Year ("Tax Year") begins November 1 and ends October 31.

Sources: City of Albuquerque, Department of Finance and Administrative Services; Bernalillo County Assessor; New Mexico Department of Finance and Administration.

CITY OF ALBUQUERQUE
Direct and Overlapping General Obligation Debt
As of January 1, 2018

Gross G.O. Bonded Debt	$349,376,000
Less G.O. Sinking Fund Balance	20,753,209[1]
Net G.O. Bonded Debt	$328,622,791

	G.O. Debt[2]	Tax Year 2017 Assessed Valuation	% Applicable to City	Gross Overlapping
City of Albuquerque	$349,376,000	$13,251,142,082	100.00%	$349,376,000
Albuquerque Public Schools	567,790,000	16,388,834,729	80.85%	459,084,855
Albuquerque Metropolitan Arroyo Flood Control Authority	42,125,000	15,264,359,979	86.81%	36,569,129
Central New Mexico Community College	90,340,000	18,611,631,378	71.20%	64,320,431
Bernalillo County	112,985,000	16,116,114,678	82.22%	92,899,578
State of New Mexico	395,920,000	57,173,515,395	23.18%	91,762,629
Total Direct and Overlapping G.O. Debt	$1,558,536,000			$1,094,012,622

RATIOS

Direct and Overlapping G.O. Debt as Percent of Taxable Assessed Valuation	8.26%
Direct and Overlapping G.O. Debt as Percent of Actual Market Valuation	2.39%
Assessed Valuation Per Capita (2017 Population 559,277)	$23,259
Direct and Overlapping G.O. Debt Per Capita	$1,945

(1) Unaudited.
(2) Amount does not include any bonds which have been advance refunded and fully defeased by an escrow containing cash and securities.

Sources: City of Albuquerque, Department of Finance and Administrative Services; Bernalillo County Assessor; New Mexico Department of Finance and Administration.

CITY OF ALBUQUERQUE
Ratio of Net General Obligation Debt to Taxable Value
And Net General Obligation Debt Per Capita

GENERAL OBLIGATION DEBT

Fiscal Year	Population[1]	Taxable Value(000s)[2]	Total G.O. Debt (000s)	Debt Service Fund (000s)[3]	Net G.O. Debt (000s)	Ratio of Net G.O. Debt To Taxable Value	Net G.O. Debt Per Capita
2008	521,999	$10,949,766	$292,620	$87,565	$205,055	1.87%	$392.83
2009	528,687	11,581,011	297,868	69,834	228,034	1.97	431.32
2010	543,302	12,299,077	257,880	73,851	184,029	1.50	338.72
2011	545,852	11,920,466	323,805	8,588	315,217	2.64	577.48
2012	552,180	11,951,430	349,260	6,303	342,957	2.87	621.10
2013	555,417	11,876,389	375,029	5,948	369,081	3.11	664.51
2014	556,495	11,967,046	354,380	8,309	346,071	2.89	621.88
2015	557,169	12,228,594	365,921	8,695	357,226	2.93	641.15
2016	559,121	12,414,140	373,989	14,286	368,894	2.97	659.77
2017	562,572	12,809,839	376,769	64,323	376,769	2.94	673.86
2018	564,620	13,251,142	349,376	20,753	349,376	2.94	624.87

(1) United States Census Bureau.
(2) Assessment made by County Assessor. The taxable value by State statute is one-third of assessed value.
(3) Available for debt service.

Source: City of Albuquerque, Department of Finance and Administrative Services (unless otherwise noted).

CITY OF ALBUQUERQUE
Aggregate Debt Service
For Outstanding General Obligation Bonds
As of January 1, 2018

Fiscal Year	Principal	Interest	Total Debt Service
2018	$44,380,000	$14,405,054	$58,785,054
2019	38,290,000	12,244,710	50,534,710
2020	38,290,000	10,497,610	48,787,610
2021	38,285,000	8,750,510	47,035,510
2022	38,285,000	7,003,660	45,288,660
2023	38,295,000	5,402,710	43,697,710
2024	27,595,000	3,859,085	31,454,085
2025	27,675,000	2,789,335	30,464,335
2026	21,905,000	1,831,035	23,736,035
2027	15,841,000	1,082,585	16,923,585
2028	11,045,000	588,550	11,633,550
2029	7,760,000	284,700	8,044,700
2030	1,730,000	51,900	1,781,900
TOTAL	$349,376,000	$68,791,444	$418,167,444

Source: City of Albuquerque, Department of Finance and Administrative Services.

CITY OF ALBUQUERQUE
Historical General Obligation Bond Debt Service
As a Percent of Total General Fund Expenditures

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures (Excluding G.O. Debt Service)(1)	Debt Service as a % of Total General Fund Expenditures (Excluding G.O. Debt Service)
2008	$74,625,000	$9,205,374	$83,830,374	$481,785,495	17.4%
2009	65,028,000	9,634,353	74,662,353	451,379,000	16.5
2010	69,075,000	9,529,809	78,604,809	455,137,270	17.3
2011	48,530,000	9,591,425	58,121,415	446,038,625	13.0
2012	49,615,000	10,971,476	60,586,476	459,239,839	13.2
2013	53,220,000	12,019,306	65,241,306	425,551,556	15.3
2014	50,030,000	13,114,378	63,144,378	472,825,899	13.4
2015	43,470,000	13,941,134	57,411,139	489,970,855	11.7
2016	53,625,000	13,959,443	67,584,443	503,242,418	13.4
2017	47,463,000	16,150,297	63,613,297	513,960,907	12.4

(1) Includes transfers and other financing uses. Property taxes collected to pay debt service on outstanding general obligation bonds are accounted for in an internal fund other than the City's General Fund.

Sources: City of Albuquerque Comprehensive Annual Financial Reports.

Current Ratings of the General Obligation Bonds. The City's outstanding general obligation bonds are currently rated "Aa2" by Moody's Investors Service, Inc. ("Moody's"), "AAA" by Standard & Poor's Ratings Service ("S&P") and "AA+" by Fitch, Inc. ("Fitch").

State Gross Receipts Tax Obligations

Outstanding State Gross Receipts Tax Obligations. The City presently has outstanding the following series of special limited obligation bonds and loans secured by a pledge of revenues received by the City as a distribution from the State of the City's share of the State gross receipts tax as described in "FINANCIAL INFORMATION – Gross Receipts Taxes - State Gross Receipts Taxes."

CITY OF ALBUQUERQUE
Outstanding State Gross Receipts Tax Obligations
As of January 1, 2018

Issue	Principal Amt. of Original Issue	Outstanding Principal Amount
Taxable Gross Receipts Tax/Lodgers' Tax Refunding Revenue Bonds, Series 2004B[(1)]	$28,915,000	$25,965,000
Gross Receipts Tax Refunding Revenue Bonds (Beach, Bluewater and Manzano Vista Projects), Series 2008B[(2)]	11,275,000	455,000
Gross Receipts Tax/Lodgers' Tax Refunding Revenue Bonds, Series 2009A[(1)]	10,535,000	9,465,000
Gross Receipts Tax Refunding Revenue Bonds, Series 2009B	28,305,000	16,100,000
Gross Receipts Tax/Lodgers' Tax/Hospitality Fee Improvement and Refunding Revenue Bonds, Series 2011A[(1)]	22,660,000	12,085,000
Gross Receipts Tax/Stadium Revenues Refunding Revenue Bonds, Taxable Series 2011B[(3)]	11,650,000	7,565,000
Gross Receipts Tax Improvement Revenue Bonds, Series 2013	42,030,000	36,935,000
Gross Receipts Tax/Lodgers' Tax Refunding and Improvement Revenue Bonds, Series 2014A[(1)]	36,960,000	36,440,000
Gross Receipts Tax Improvement Revenue Bonds, Series 2015A	39,085,000	37,505,000
Gross Receipts Tax Improvement Revenue Bonds, Series 2015B	10,110,000	7,770,000
Gross Receipts Tax Improvement Revenue Bonds, Series 2015C	2,080,000	2,080,000
Gross Receipts Tax/Lodgers' Tax Improvement Revenue Bonds, Taxable, Series 2016	24,000,000	23,550,000
Gross Receipts Refunding Revenue Note, Series 2016B	8,430,000	8,430,000
Gross Receipts Tax Improvement Revenue Bonds, Series 2016C	17,750,000	17,160,000
Gross Receipts Tax Improvement Revenue Bonds, Series 2017 (NCREB)	25,110,000	25,110,000
Total		$266,615,000

(1) These Bonds are also secured by Lodgers' Tax revenues.
(2) These Bonds are also secured by a pledge of lease payments due to the City from the lease of the baseball stadium and from surcharges imposed on ticket sales, concessions and other goods and services sold at the baseball stadium.

Stadium Lease Payments and Surcharge. On September 1, 2011, the City issued Gross Receipts Tax/Stadium Revenues Refunding Revenue Bonds, Taxable Series 2011B (the "Stadium Bonds") in the amount of $11,650,000. The Stadium Bonds have a lien on certain lease and surcharge revenues related to the City's minor league baseball stadium and are payable through July 1, 2026. As of January 1, 2018, the Stadium Bonds are outstanding in the amount of $8,275,000.

The pledged stadium lease revenues include all revenues derived by the City from the lease including (1) a base rent payment of $700,000 per lease year, subject to rental adjustments as provided in the lease, (2) additional base rent not to exceed $75,000 as set forth in the lease, (3) additional percentage rent, equal to 12.5% of the baseball team's gross revenues in excess of $5,500,000 per lease year or $437,500, whichever is less, and (4) any parking revenues and other revenues due to the City pursuant to the lease.

The pledged surcharge revenues are calculated as equal to ten percent of the total amount of money or the value of other consideration paid to a vendor at the minor league baseball stadium by a user for property or services related to the stadium or related to activities occurring at the stadium, whether occurring at the stadium or not, including tickets, parking, souvenirs, concessions, programs, advertising, merchandise, corporate suites or boxes, and broadcast revenues.

The stadium lease revenues and surcharge revenues collected by the City for the last five Fiscal Years are as follows:

Historical Stadium Lease and Surcharge Revenues

Fiscal Year	Stadium Revenues
2013	$1,803,473
2014	1,762,693
2015	1,795,720
2016	1,762,028
2017	1,739,056

Source: City of Albuquerque, Department of Finance and Administrative Services.

Combined Debt Service. The following schedule shows, for each calendar year, the total combined debt service estimated for all outstanding bonds of the City payable from State gross receipts tax revenues. See "FINANCIAL INFORMATION - Gross Receipts Taxes - State Gross Receipts Taxes."

Total Combined Debt Service
Outstanding State Gross Receipts Tax Obligations

Fiscal Year	Series 2008A Bonds	Series 2008C Bonds	Series 2009A Bonds	Series 2014A Note	Total Senior Parity Obligations	Series 2004A Bonds	Total Subordinate Obligations	Total Combined Requirements
2018	$2,357,500	$546,113	$3,195,075	$4,360,535	$10,459,223	$2,121,068	$2,121,068	$12,580,291
2019	--	521,106	3,185,088	4,402,509	8,108,703	1,835,735	1,835,735	9,994,437
2020	--	490,500	--	5,146,054	5,636,554	--	--	5,636,554
2021	--	--	--	2,237,180	2,337,180	--	--	2,337,180
2022	--	--	--	1,773,910	1,773,910	--	--	1,773,910
2023	--	--	--	1,706,866	1,706,866	--	--	1,706,855
2024		--	--	1,635,515	1,635,515	--	--	1,636,515
2035	--	--	--	1,560,020	1,560,020	--	--	1,560,020
Total	$2,357,500	$1,557,719	$6,380,163	$22,922,578	$33,217,959	$3,956,803	$3,956,803	$37,174,761

Note: Columns may not add to totals due to rounding.

The State gross receipts tax revenues of the City attributable to the 1.225% levy for Fiscal Year 2017 were $192,979,604. The maximum calendar year combined debt service requirements for the outstanding State-Shared Tax Obligations of the City as shown in the preceding table are $22,876,534 (occurring in calendar year 2021). The coverage ratio of the Fiscal Year 2017 State-Shared Gross Receipts Tax Revenues to such maximum calendar year combined debt service requirements is 8.44x. The City can make no assurances that State-Shared Gross Receipts Tax Revenues in future years will maintain the Fiscal Year 2017 levels.

Current Ratings of State Gross Receipts Tax Bonds. The City's outstanding state gross receipts tax bonds are currently rated "Aa2" by Moody's, "AAA" by S&P, and "AA+" by Fitch.

2018 Debt Calculations for Tax-Supported Obligations

The following table summarizes (i) the total outstanding obligations of the City as of January 1, 2018 payable from General Fund tax revenues, (ii) the property tax debt of certain overlapping jurisdictions and (iii) the per capita debt resulting from such aggregate outstanding amounts as of such date.

CITY OF ALBUQUERQUE
Debt Calculations for Tax-Supported Obligations
Outstanding as of January 1, 2018

GENERAL OBLIGATION DEBT[(1)]	**Total Outstanding**	**Per Capita (Population of 559,277)**
Direct G.O. Debt	$349,376,000	$624.69
Overlapping Jurisdiction G.O. Debt	1,209,160,000	2,162.01
Total Direct and Overlapping G.O. Debt	$1,558,536,000	$2,786.70
SPECIAL TAX OBLIGATIONS		
State Gross Receipts/Lodgers' Tax/Hospitality Fee/Stadium[(2)] Bonds	$266,615,000	$476.71
TOTAL OVERALL TAX-SUPPORTED OBLIGATIONS	$1,825,151,000	$3,263.41

(1) See table entitled "City of Albuquerque Direct and Overlapping General Obligation Debt as of January 1, 2018" under this caption.
(2) See table entitled "City of Albuquerque Outstanding State Gross Receipts Tax Obligations as of January 1, 2018" under this caption.

Enterprise Obligations

Airport Revenue Bonds

Outstanding Airport Revenue Bonds. The City presently has outstanding the following special limited obligations secured by net revenues of the Albuquerque International Sunport and Double Eagle II Airport. See "ENTERPRISE OPERATIONS - Albuquerque Airport."

CITY OF ALBUQUERQUE
Outstanding Airport Revenue Bonds as of January 1, 2018

Issue	Project Financed	Principal Amount of Original Issue	Outstanding Principal Amount	Reserve Fund Balances	Optional Redemption Provisions[1]
Subordinate Lien Taxable Airport Refunding Revenue Bonds, Series 2004A[2] [3]	Refunding	$20,610,000	$1,790,000	MBIA surety	7/1/13 Make Whole Call
Airport Refunding Revenue Bonds, Series 2008A[4]	Refunding	13,640,000	2,300,000	FSA surety	N/A
Airport Refunding Revenue Bonds, Series 2008C[4]	Refunding	21,290,000	1,465,000	FSA surety	7/1/18 @ 100% (Series C Bonds)
Airport Refunding Revenue Bonds, Series 2009A	Refunding	26,080,000	6,110,000	N/A	N/A
Airport Refunding Revenue Note, Series 2014A (AMT)	Refunding	16,795,000	11,445,000	N/A	4/1/21 @ 100%
Total Airport Revenue Bonds/Notes			$23,110,000		

(1) These bonds are also subject to mandatory redemption at par on the dates and under certain circumstances relating to damage to or destruction of the Airport or condemnation of all or a part of the Airport as described in the bond documents relating to such bonds.

(2) These bonds are payable from net revenues of the Airport on a subordinate lien basis to the other outstanding Airport revenue bonds, which are sometimes referred to herein as "Senior Parity Obligations." See also "Credit Enhancement" under this caption for a description of certain credit enhancement relating to the Series 2004A Bonds.

(3) National Public Finance Guaranty Corp. (formerly MBIA Insurance Corporation) has provided its bond insurance policy in connection with these bonds. See "Credit Enhancement" under this caption.

(4) Financial Security Assurance Inc. (now known as Assured Guaranty Municipal Corp.) has provided its bond insurance policy in connection with these bonds. See "Credit Enhancement" under this caption.

Combined Debt Service. The following schedule shows, for each calendar year, the estimated total combined debt service payable for the outstanding Airport revenue bonds of the City.

Total Combined Outstanding Debt Service of Airport Obligations

Fiscal Year	Series 2008A Bonds	Series 2008C Bonds	Series 2009A Bonds	Series 2014A Note	Total Senior Parity Obligations	Series 2004A Bonds	Total Subordinate Obligations	Total Combined Requirements
2018	$2,357,500	$546,113	$3,195,075	$4,360,535	10,459,223	$2,121,068	$2,121,068	$12,580,291
2019	-	521,106	3,185,088	4,402,509	8,108,703	1,835,735	1,835,735	9,944.437
2020	-	490,500	-	5,146,054	5,636,554	-	-	5,636,554
2021	-	-	-	2,337,180	2,337,180	-	-	2,337,180
2022	-	-	-	1,773,910	1,773,910	-	-	1,773,910
2023	-	-	-	1,706,855	1,706,855	-	-	1,706,855
2024				1,635,515	1,635,515			1,635,515
2025	-	-	-	1,560,020	1,560,020	-	-	1,560,020
Total	$2,357,500	$1,557,719	$6,380,163	$22,922.578	$33,217,959	$3,956,803	$3,956,803	$37,174,761

Note: Columns may not add to totals due to rounding.

In the ordinances pursuant to which the City's Airport Obligations have been issued, the City has agreed to charge all users of the Airport reasonable rates sufficient to produce Net Revenues (as adjusted in accordance with the authorizing ordinances) annually to cover 120% of the debt service requirements on all outstanding Senior Parity Obligations ("Test No. 1") and 110% of the debt service requirements on all Outstanding Airport Obligations ("Test No. 2"). The Revenues of the Airport for Fiscal Year 2017 were $54,635,000. The maximum calendar year combined debt service requirements for all outstanding Senior Parity Obligations are $8,258,558 (occurring in calendar year 2018). With respect to Test No. 1, the coverage ratio of the Net Revenues for the Airport for Fiscal Year 2017 ($23,833,000) to such maximum estimated calendar year debt service requirements is 2.07x. The maximum calendar year combined debt service requirements for all Outstanding Airport Obligations is $10,140,027 (occurring in calendar year 2018). With respect to Test No. 2, the coverage ratio of the Net Revenues of the Airport for Fiscal Year 2017, plus investment income from debt service funds (which is not included in Test No. 1) ($24,021,000) to such maximum estimated calendar year debt service requirements is 1.76x.

Historical Debt Service Coverage. The following table sets forth historical debt service coverage for both Senior Parity Obligations and Subordinate Parity Obligations for the fiscal years shown.

	2013	**2014**	**2015**	**2016**	**2017**
Airport Revenues[(1)]	$66,933	$66,373	$56,693	$57,027	$54,635
Less:					
Operation and Maintenance Expenses	$30,150	$29,825	$30,495	$29,670	$30,802
Net Airport Revenues	$36,783	$36,548	$26,198	$27,357	$23,833
Coverage Test One					
Senior Lien Debt Service Requirements	$15,073	$15,286	$13,085	$11,747	$11,508
Test One debt coverage ratio (1.2x)	2.44	2.39	2.73	2.33	2.07
Coverage Test Two					
Interest income from Debt Service Funds	$60	$77	$95	$154	$188
Net Airport Revenues plus interest income	$36,843	$36,625	$35,803	$27,512	$24,021
Total Debt Service Requirements	$24,272	$24,315	$14,233	$13,920	$13,635
Test Two debt service coverage ratio (1.1x)[(2)]	1.52	1.51	2.52	1.98	1.76

(1) Dollars in thousands.
(2) The numbers herein, calculated consistent with requirements under applicable debt instruments for the City's Airport Obligations, vary from the unaudited statistical information reported in tables appended to the City's Comprehensive Annual Financial Report ("CAFR") for prior fiscal years which was calculated pursuant to other accounting practices.

Source: City of Albuquerque.

Current Ratings of the Airport Revenue Bonds. Certain of the City's outstanding Airport obligations are credit enhanced. However, in certain circumstances the underlying ratings on the respective bonds are currently higher than the current ratings for the respective bond insurers and, therefore, the underlying ratings, and not the credit-enhanced ratings, should be considered the ratings on the Airport obligations. In those instances, the underlying ratings are applicable. See "Credit Enhancement" under this caption. The following underlying ratings have been assigned to the Senior Parity Obligations: "A1" by Moody's, "A+" by S&P and "A+" by Fitch. The following underlying ratings have been assigned to the Subordinate Parity Obligations: "A2" by Moody's, "A" by S&P and "A" by Fitch.

Refuse Removal and Disposal System Revenues Bonds

Outstanding Refuse System Revenue Bonds. As of January 1, 2018, the City has no outstanding special limited obligations secured by net revenues of the City's refuse removal and disposal system.

Housing Obligations

Multifamily Revenue Bonds

On December 16, 2008, the City issued its Gross Receipts Tax Revenue Refunding Bonds (Beach, Bluewater and Manzano Vista Projects) Series 2008B (the "Series 2008B Bonds") in the original principal amount of $11,275,000 for the purpose of refunding the City's Affordable Housing Projects Refunding Revenue Bonds, Series 2000. On April 21, 2016, the City issued its Gross Receipts Tax Refunding Revenue Note (Beach, Bluewater and Manzano Vista Projects) Series 2016B (the "Series 2016B Note") in the original principal amount of $8,430,000 for the purpose of partially refunding the Series 2008B Bonds. The Series 2016B Note consists of a single note maturing in 2030.

The unrefunded Series 2008B Bonds and Series 2016B Note are secured by a lien on, and payable from, State gross receipts tax revenues and the net revenues of the Beach Apartments Project, the Manzano Vista Apartments Project and the Bluewater Village Apartments Project and certain funds and accounts created under the ordinances authorizing issuance of the Series 2008B Bonds and Series 2016B Note. See "OTHER PROJECTS OF THE CITY - Housing Projects."

A Project Revenue Stabilization Fund was established which, as of March 1, 2018, had a balance of $501,400.86. Also in connection with the refunding, a Repair and Replacement Fund was established for the benefit of the three projects which, as of March 1, 2018, had a balance of $336,443.80.

Fire Protection Fund

In 2010, the City entered into a loan agreement with the New Mexico Finance Authority (the "Finance Authority") evidencing a special, limited obligation of the City in the original principal amount of $1,441,625 for the purpose of designing, constructing, equipping and furnishing of Fire Station No. 7 within the City. The loan is payable from fire protection fund revenues distributed to the City. Annual revenue from the fire protection fund is approximately $1,700,000, and annual debt service is approximately $101,000. Pursuant to an intercept agreement with the Finance Authority, funds are collected at the beginning of each fiscal year to facilitate the annual payment.

As of January 1, 2018, the loan was outstanding in the amount of $1,090,250 and matures in 2031.

Credit Enhancement

The following table sets forth certain information concerning the providers of credit enhancement (including municipal bond insurance and letters of credit) supporting outstanding obligations of the City. Certain City bonds with municipal bond insurance have underlying ratings which are higher than the ratings of the respective municipal bond insurer. In those instances, the underlying rating on the bonds is applicable rather than the credit-enhanced ratings. The City makes no representation as to the financial status of or otherwise about any of such credit providers; investors should contact the respective provider for any such information.

CITY OF ALBUQUERQUE
Credit Enhancement Supporting Outstanding Obligations of the City

Name of Credit Provider	Outstanding Aggregate Principal Amount of Obligations Supported	Present Ratings of Credit Provider[1]	Credit Enhanced Obligations
Assured Guaranty Municipal Corp. (formerly Financial Security Assurance)	$3,765,000	S & P: AA (stable) Moody's: A2 (stable)	Airport Refunding Revenue Bonds, Series 2008A[2] Airport Refunding Revenue Bonds, Series 2008C[2]
National Public Finance Guarantee Corp. (formerly MBIA Insurance Corporation)	$1,790,000	S & P: AA- (stable) Moody's: Baa2	Subordinate Lien Taxable Airport Refunding Revenue Bonds, Series 2004A[2]

(1) To the City's knowledge as of March 1, 2018.
(2) Denotes bonds which have underlying ratings higher than the current ratings from both S&P and Moody's, for the respective municipal bond insurer.

ECONOMIC AND DEMOGRAPHIC INFORMATION

The statistics and other information set forth below have been obtained from the referenced sources. The City has assumed that the information obtained from sources other than the City is accurate without independently verifying it. Historical figures provided under this caption have not been adjusted to reflect economic trends such as inflation. The following information, to the extent obtained from sources other than the City, is not to be relied upon as a representation or guarantee of the City.

The City and Metropolitan Area

Albuquerque is the largest city in the State, accounting for roughly one-quarter of the State's population. Located at the center of the State in Bernalillo County (the "County") at the intersection of two major interstate highways and served by both rail and air, Albuquerque is the major trade, commercial and financial center of the State.

CITY OF ALBUQUERQUE
Area in Square Miles

	Square Miles
December 31, 1885	0.36
December 31, 1940	11.15
December 31, 1950	48.81
December 31, 1960	61.94
December 31, 1970	82.72
December 31, 1980	100.31
December 31, 1990	137.46
January 1, 2000	181.70
January 1, 2017	189.18

Source: City of Albuquerque Planning Department.

Population

The Albuquerque Metropolitan Statistical Area ("MSA") includes Bernalillo, Sandoval, Torrance and Valencia Counties. The Census added Torrance County to the MSA in the 2000 Census.

POPULATION

Year	City	Bernalillo County	Albuquerque MSA	State
1960	201,189	262,199	292,500[(1)]	951,023
1970	244,501	315,774	353,800[(1)]	1,017,055
1980	332,920	420,262	485,500[(1)]	1,303,303
1990	384,736	480,577	589,131	1,515,069
2000[(2)]	448,607	556,678	729,649	1,819,046
2005[(3)]	497,543	606,502	797,146	1,912,884
2010[(4)]	545,852	662,564	887,077	2,059,179
2011[(3)]	551,338	669,295	896,818	2,077,756
2012[(3)]	554,449	672,685	900,781	2,083,784
2013[(3)]	556,239	674,460	902,911	2,085,193
2014[(3)]	556,971	674,829	903,658	2,083,024
2015[(3)]	557,448	674,959	905,174	2,080,328
2016[(3)]	559,277	676,953	909,906	2,081,015

(1) Because Valencia County was split into two counties in 1981, official data is not available prior to that year for the Albuquerque MSA. Figures shown represent estimates by the University of New Mexico Bureau of Business and Economic Research.
(2) April of 2000 is the month and year of the Census. It is reported as the benchmark; all other years are as of July of the year. The Census in 2000 expanded the Albuquerque MSA to include Torrance County, population of 16,911.
(3) U.S. Dept. of Commerce, Bureau of the Census, Population Division.
(4) 2010 decennial census U.S. Dept. of Commerce, Bureau of the Census.

Sources: U.S. Dept. of Commerce, Bureau of the Census, except as indicated in footnotes.

Population in the City grew at a compounded annual rate of 1.97% during the 1960s, 3.13% during the 1970s, 1.46% during the 1980s, 1.55% during the 1990s and 2% annually for 2000 to 2010. The percentage of the State's population in the City was 21.2% in 1960, 24.0% in 1970, 25.5% in 1980, 25.4% in 1990, 24.7% in 2000, and 26.5% in 2010.

Age Distribution

The following table sets forth a comparative age distribution profile for the City, the State and the United States as of January 1, 2017.

Percent of Population
By Age Group

Age	City	State	United States
0-17	22.86%	23.92%	22.77%
18-24	9.14	9.80	9.75
25-34	15.15	13.28	13.43
35-44	13.30	11.87	12.62
45-54	12.25	11.91	13.09
55-64	12.34	13.00	12.88
65-74	8.77	9.69	9.06
75 and Older	6.18	6.53	6.40

Source: © 2017 Claritas LLC.

Employment

General

Employment in the Albuquerque area in the period from Fiscal Year 2008 to Fiscal Year 2017 declined at an average of 0.2% a year. From Fiscal Year 2008 to Fiscal Year 2012 approximately 27,700 jobs were lost. In the following five fiscal years (2013 through 2017) the economy added just over 19,000 jobs. While Albuquerque is now recovering from the recession, the recovery has been slower than the nation as a whole. Employment in the nation reached its pre-recession peak in June 2014, while Albuquerque is still about 8,500 jobs short of its pre-recession peak.

The information on non-agricultural employment for the State and the Albuquerque MSA reported in the following table represents estimates by the New Mexico Department of Workforce Solutions and U.S. Bureau of Labor statistics. More detailed information on non-agricultural employment can be found below under "Historical Employment by Sector" in the table entitled "Estimated Non-Agricultural Wage and Salary Employment for the Albuquerque MSA Fiscal Years 2008-2017".

Non-Agricultural Employment
(000s)

Fiscal Year	ALBUQUERQUE MSA Employment	% Chg.	NEW MEXICO Employment	% Chg.	UNITED STATES Employment	% Chg.
2008	397.9	0.4%	847.4	1.1%	138,151	0.6%
2009	389.0	(2.3)	831.8	(1.8)	134,374	(2.7)
2010	375.7	(3.4)	805.4	(3.2)	130,173	(3.1)
2011	373.2	(0.6)	802.5	(0.4)	131,002	0.6
2012	370.2	(0.8)	801.6	0.1	133,093	1.6
2013	373.2	0.8	808.7	0.9	135,212	1.6
2014	375.3	0.6	813.3	0.6	137,563	1.7
2015	378.5	0.9	824.3	1.3	140,430	2.1
2016	383.0	1.2	827.2	0.4	143,134	1.9
2017	389.5	1.7	834.1	0.8	145,433	1.6

Sources: Albuquerque MSA and New Mexico data based on figures from the New Mexico Department of Workforce Solutions; U.S. data from the U.S. Department of Labor.

Civilian Employment/Unemployment Rates

			Unemployment Rates		
Fiscal Year	**Civilian Labor Force**	**Number Employed**	**Albuquerque MSA**	**New Mexico**	**United States**
2007	403,694	388,349	3.8%	3.9%	4.5%
2008	405,568	389,723	3.9	3.9	5.0
2009	407,287	381,530	6.3	6.2	7.6
2010	413,684	380,616	8.0	8.1	9.8
2011	423,100	390,421	7.7	7.7	9.3
2012	419,028	387,812	7.4	7.4	8.5
2013	417,158	388,285	6.9	6.9	7.8
2014	414,365	386,289	6.8	6.9	6.8
2015	415,144	388,916	6.3	6.5	5.7
2016	418,630	393,173	6.1	6.6	5.0
2017	425,362	399,443	6.1	6.7	4.7

Sources: New Mexico Department of Workforce Solutions and United States Department of Labor.

The following table lists the major employers in the Albuquerque area and their estimated number of full-time and part-time employees for 2017.

MAJOR EMPLOYERS IN THE ALBUQUERQUE AREA[(1)]
By Number of Employees – 2017

Organization	Employees	Description
Albuquerque Public Schools	14,811	Public School District
Sandia National Labs	10,500	Science-Based Technologies that Support National Security
Presbyterian	9,372	Hospital/Medical Services
Kirtland Air Force Base (Civilian)	7,686	Air Force Material Command
City of Albuquerque	5,854	Government
University of New Mexico[(1)]	5,137	Educational Institution
State of New Mexico	4,457	Government
Kirtland Air Force Base (Military)	4,184	Air Force Material Command
UNM Hospital	3,775	Hospital/Medical Services
Veterans Hospital	2,897	Hospital/Medical Services
Bernalillo County	2,400	Government
Central New Mexico Community College	2,124	Educational Institution

(1) For a discussion regarding major employers and certain changes which may impact their number of employees, see "Major Industries" under this caption.

Source: City survey of employers.

Historical Employment by Sector

The following table describes by industry sector the estimated nonagricultural wage and salary employment for the Albuquerque MSA during the past ten years.

ESTIMATED NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT FOR THE ALBUQUERQUE MSA
FISCAL YEARS 2008-2016

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2016 to 2017	Annual Average Growth 2008-2017	Sector Share 2016 ABQ	Sector Share 2016 U.S.
Total Nonagricultural	397,933	388,950	375,650	373,233	370,167	373,183	375,342	378,533	383,008	389,467	1.7%	-0.2%	100.0%	100.0%
Natural Resources/Mining/Constr.	29,808	26,050	22,592	21,075	19,467	19,525	20,017	20,467	20,417	21,758	6.6	-3.4	5.6	5.1
Manufacturing	22,883	20,250	17,517	17,650	17,775	17,617	16,925	16,433	16,175	15,567	-3.8	-4.2	4.0	8.5
Trade Transportation and Utilities	69,550	66,017	62,792	62,292	61,883	62,250	63,083	63,600	63,883	64,500	1.0	-0.8	16.6	18.8
• Wholesale Trade	13,692	12,700	12,217	11,817	11,717	11,783	11,775	11,892	11,767	11,975	1.8	-1.5	3.1	4.1
• Retail Trade	44,825	43,025	41,125	40,942	40,650	40,775	41,567	41,767	42,342	42,275	-0.2	-0.6	10.9	10.9
• Transportation, Warehousing and Utilities	11,033	10,292	9,450	9,533	9,517	9,692	9,742	9,942	9,775	10,250	4.9	-0.8	2.6	3.8
Information	9,333	9,308	9,158	8,808	8,208	8,417	7,833	7,983	8,417	8,008	-4.9	-1.7	2.1	1.9
Financial Activities	19,092	18,500	18,292	17,642	17,658	17,775	17,892	17,917	18,058	18,575	2.9	-0.3	4.8	5.8
Professional and Business Services	65,275	63,658	59,008	58,308	56,800	56,875	57,225	57,017	57,733	57,758	0.0	-1.4	14.8	14.1
Educational and Health Services	49,942	52,725	54,175	55,192	56,033	57,308	58,417	60,592	63,050	65,192	3.4	3.0	16.7	15.7
Leisure and Hospitality	39,408	37,950	37,200	37,225	38,000	39,258	40,217	41,583	41,850	42,675	2.0	0.9	11.0	10.8
Other Services	12,308	12,292	11,817	11,842	11,817	11,775	11,692	11,667	11,725	11,917	1.6	-0.4	3.1	3.9
Government	80,333	82,200	83,100	83,200	82,525	82,383	82,042	81,275	81,700	83,517	2.2	0.4	21.4	15.3
LOCAL GOVERNMENT	40,225	41,625	41,617	41,342	40,708	40,683	40,475	40,092	39,983	40,025	0.1	-0.1	10.3	9.9
STATE GOVERNMENT	25,625	25,658	25,850	26,083	26,342	26,800	27,233	26,967	27,533	28,992	5.3	1.4	7.4	3.5
FEDERAL GOVERNMENT	14,483	14,917	15,633	15,775	15,475	14,900	14,333	14,217	14,183	14,500	2.2	0.0	3.7	1.9

Source: Data provided by the New Mexico Department of Labor.

Major Industries

The following narrative discusses the trends in each major sector of the Albuquerque economy. The latest information available to the City is for Fiscal Year 2017 (ending June 30, 2017) unless otherwise noted. The City makes no projections or representations, nor shall the provision of such information create any implication that there has been no change in the described employment sectors of the City or that any historical trends set forth herein will continue.

The industry composition of the Albuquerque economy is similar to the United States economy. The two material differences are that manufacturing makes up a smaller portion of the Albuquerque economy and government plays a bigger role. State government is a significant portion of the Albuquerque economy due to the University of New Mexico, and the federal government is significant due to civilian and military employment at Kirtland Air Force Base, and regional offices for the Veterans Administration, the United States Forest Service and Social Security Offices.

In general the Albuquerque economy has not recovered as well from the recession as the United States as a whole or the majority of other states or metropolitan areas. Albuquerque has shown growth the last five fiscal years, however, some of the growth in Fiscal Year 2013 is attributable to revisions of data. In Fiscal Year 2017, the changes in employment in the Albuquerque MSA were generally positive, increasing 1.7% above Fiscal Year 2016. Employment for the same period increased 0.5% and 1.6% in the State of New Mexico and the United States, respectively.

The unemployment rates in both Albuquerque and the State remained below the United States unemployment rate from Fiscal Years 2000 to 2013. In Fiscal Years 2014 through 2017 the rate in Albuquerque exceeded the U.S. rate.

Trade, Transportation and Utilities. This sector is composed of retail trade, wholesale trade, transportation and utilities and constitutes approximately 16.6% of Albuquerque MSA employment. As a whole, employment in this sector decreased by an annual average decline of 0.8% from Fiscal Year 2008 to Fiscal Year 2017. From Fiscal Year 2013 to 2017, the sector showed some limited growth with an annual average increase of 0.8%. Retail trade is the largest employment sector in this grouping with 11.1% of total employment and a trend in employment that is similar to the entire group. Retail trade is an important sector for the City and makes up approximately 26% of gross receipts tax revenues. Gross receipts tax revenues from retail trade were adversely affected during the recession with layoffs in this sector and have only recently shown any growth.

Educational and Health Services. Albuquerque is a major regional medical center. Presbyterian Healthcare Services is one of the largest employers in the area. This is the fastest growing category in the Albuquerque MSA economy. From Fiscal Year 2008 to Fiscal Year 2017, the average annual growth was 3%. The sector now makes up 16.7% of non-agricultural employment. Much of this growth initially was due to a change in Medicare policy that allows payment for home healthcare. Although the educational sector is small in comparison to the health services sector, the educational sector has also grown substantially in the past several years. In Fiscal Year 2016 and 2017, the growth of the health services and educational sectors increased 4.1% and 3.4%, respectively.

Leisure and Hospitality. This sector includes eating and drinking establishments as well as hotels and other tourist-related facilities. Employment for the sector showed average annual growth of 1.4% from Fiscal Year 2008 to Fiscal Year 2017. This sector has been one of the fastest growing sectors, and together with the educational and health services sector, were the only private sectors that exceeded the pre-recession maximum in Fiscal Year 2017. The sector comprises 11% of total non-agricultural employment. Gross Receipts tax revenues for this sector has increased in every fiscal year since 2011 making it one of the largest contributors to the growth in gross receipts tax.

Lodging accounts for approximately 10% of the total gross receipts tax revenues of this sector. Lodgers' tax revenues in Fiscal Year 2009 showed a decline of 11.2%, with an additional 2% decline in Fiscal Year 2010. Lodgers' tax revenues have generally increased between Fiscal Year 2010 and Fiscal Year 2017 with 5.2% growth and in Fiscal Year 2016 tax revenue exceeded the pre-recession peak.

Professional and Business Services. This sector includes temporary employment agencies, back-office operations, Sandia National Labs ("Sandia") and other scientific and research facilities. This sector had peak employment in Fiscal Year 2008 of 65,275 jobs, decreasing to 56,800 jobs in Fiscal Year 2012 and growing to 57,758 by Fiscal Year 2017. Much of the decrease between 2008 and 2012 was due to declines in engineering and architectural services as construction slowed dramatically. The sector now accounts for 15.2% of non-agricultural employment in the Albuquerque MSA.

The budget for Sandia National Labs remained about $2.2 billion for Fiscal Years 2008 to 2010, and increased to approximately $2.7 billion in the federal Fiscal Year 2014. There were some modest increases in Fiscal Years 2015, 2016 and 2017. The Sandia Science and Technology Park houses research facilities and/or manufacturing that benefit from the expertise available from Sandia. In addition to continued strength at Sandia, there have been major expansions and/or openings for Fidelity Investments and Sitel. Both of these are customer support or call centers.

Manufacturing. This sector accounted for 4.0% of MSA employment in Fiscal Year 2017. Manufacturing employment has declined substantially with a loss of 7,300 from Fiscal Year 2008 to Fiscal Year 2017. Notable events over the past few years include Schott Solar closing its manufacturing plant in June of 2012, resulting in a loss of 250 positions, and Bendix/King, a subsidiary of Honeywell Aerospace, moving its headquarters to Albuquerque with an estimated 140 jobs. United Poly Systems is taking over part of the former Shott Solar Plant and will manufacture plastic pipe and employ 25 individuals. Nova Corporation is using the remainder of the Shott plant for a data center, training and business incubator. They will use 133,000 square feet of space, but no estimate of employment was provided. The Flagship Food Group, a food manufacturer is expanding production and is expected to hire 125 workers, with expansion plans to employ 300 people. New Mexico Food Distributors is opening a freezer facility at Mesa del Sol that should allow them to create 80 new jobs.

Information. This sector includes businesses in publishing, broadcasting, telecommunications and internet service establishments. The sector had an average annual decline in employment of 1.7% from Fiscal Year 2008 to Fiscal Year 2017, in part due to closures of call centers for MCI, Comcast and QWEST (now Century Link). Currently this sector makes up 2.0% of non-agricultural employment. The film industry is included in this sector and there has been significant activity in this sector in recent years in large part due to the State's film tax credits program. In addition to movies and television shows being filmed in Albuquerque, a large sound studio (Albuquerque Studios) has been built within the City. In October of 2014 Comcast opened a new call center with capacity for employment of 450 people.

Government. From Fiscal Year 2008 to 2017 government employment (comprised of federal, state and local employees) has increased by 3,100 jobs. However, the sector lost approximately 1,500 jobs from Fiscal Years 2011 to 2016 due to reductions in government funding and overall weakness in the economy. "Government," as defined by the U.S. Department of Labor for purposes of reporting non- agricultural employment, does not include military employment, which represents approximately 4,860 jobs in the Albuquerque MSA. In addition, "government" does not include employment at Sandia which is operated by a private contractor, although funded by the federal government (primarily the Department of Energy), and its approximately 8,900 jobs are counted in the Professional and Business Services sector discussed above. Some of the largest employers in the Albuquerque MSA are in the government sector, including Albuquerque Public Schools, the University of New Mexico, Kirtland Air Force Base and the City.

Federal government employment in Albuquerque decreased by approximately 1,275 jobs from Fiscal Year 2011 to Fiscal Year 2017. In Fiscal Year 2017 there was an increase of 317 federal jobs. State government employment increased 3.400 from Fiscal Year 2008 to 2017. The majority of these jobs are at the University of New Mexico and the University of New Mexico Hospital. Local government employment from Fiscal Year 2007 to Fiscal Year 2016 lost approximately 917 jobs after a rapid increase of 2,560 jobs in Fiscal Years 2007 to 2009. Local government includes tribal casinos in this sector, some of which have evolved into destination resorts. Several of these resorts are operated by private companies and employment is therefore included in the private sector. The largest portion of employment in the local government sector is the Albuquerque Public Schools.

Military. Federal military employment is not specifically categorized as a non-agricultural employment sector within the City. However, military employment is an important part of the Albuquerque economy. Kirtland Air Force Base is a major military installation and home to over 150 different operations. Kirtland Air Force Base has approximately 6,000 civilian employees. The University of New Mexico's Bureau of Business and Economic Research estimated that total military employment in the Albuquerque MSA declined about 160 jobs between Fiscal Years 2008 and 2017. The general downtrend of military jobs reflects in part the decision of the military to replace some military jobs with civilians.

Financial Activities. This sector includes finance, insurance, credit intermediation and real estate. Currently, the Financial Activities sector comprises 4.8% of the non-agricultural employment in the City. Employment in this sector experienced 0.8% average annual decline from Fiscal Year 2008 to Fiscal Year 2017. From Fiscal Year 2007 to Fiscal Year 2012 the sector lost approximately 1,725 jobs. The job losses resulted primarily from the slowdown in the real estate market and the problems and consolidation of the financial sector in general. In Fiscal Year 2012 through 2017 the sector posted gains as real estate and banking improved by adding 933 jobs. Employment in this sector was assisted when Fidelity Financial located in Mesa del Sol in 2008. Fidelity Financial currently employs at least 500 individuals.

Construction. Construction employment in the Albuquerque MSA is generally cyclical. There can be large increases in employment due to large road projects, commercial expansions or strong residential construction, and, conversely, large decreases upon completion of such projects. Fiscal Year 2007 had employment of 31,375, a new maximum for this sector. Employment fell steadily and in Fiscal Year 2012 employment was at 19,150 jobs. This is directly related to the slowdown in single family and commercial construction.

Between Fiscal Years 2003 through 2005, construction of single-family housing units peaked in the City with an annual average of 5,000 single-family housing permits. Single family permits began declining in 2006 and fell to only 436 permits in Fiscal Year 2009. Single family permits have generally increased since 2009 and reached 971 in Fiscal Year 2017. The value of new commercial permits declined from Fiscal Years 2008 to 2010 but since then has generally showed increases through Fiscal Year 2017. Total permit values have generally maintained an upward trend since Fiscal Year 2011. Additions and alterations showed strong growth with Fiscal Year 2017 being one of the highest totals in the past twenty years largely due to public projects. Fiscal Year 2017 showed a large increase in total value of permits. Commercial construction and additions and alternations values were both at historical highs. Single family construction permits still remains subdued.

BUILDING PERMITS ISSUED IN THE CITY OF ALBUQUERQUE

	Single Family		Multi-Family		Commercial		Public		Additions & Alterations	Total Permits
Fiscal Year	Permits	$ Value	Units	$ Value	Permits	$ Value	Permits	$ Value	$ Value	$ Value
2008	1,214	$222,075,316	638	$45,836,909	124	$220,788,429	10	$79,282,230	$225,299,537	$793,282,421
2009	436	77,223,886	198	18,549,849	81	103,040,438	20	58,529,283	233,224,405	490,567,861
2010	876	140,369,408	168	14,763,081	34	26,197,123	8	18,076,792	209,624,603	409,031,007
2011	725	120,749,010	278	37,022,789	45	65,940,484	1	3,300,300	165,845,129	392,857,712
2012	846	153,465,589	350	32,509,563	36	46,257,090	4	31,907,654	165,883,476	430,023,373
2013	923	170,470,736	945	73,378,214	63	78,523,292	4	5,545,791	226,949,710	554,867,742
2014	841	163,980,975	898	81,296,532	152	103,214,914	7	16,859,014	198,430,162	563,781,597
2015	871	167,352,011	449	39,390,742	112	116,776,561	10	17,257,410	165,159,484	505,936,208
2016	915	184,770,209	567	43,676,768	88	119,913,663	13	27,886,373	230,591,376	606,838,389
2017	971	183,587,235	984	60,907,961	132	242,802,744	9	25,894,927	298,194,709	811,387,576
Growth 2016 to 2017	6.1%	-0.6%	73.5%	39.5%	50.0%	102.5%	-30.8%	-7.1%	29.3%	33.7%

Below

Total Housing Units in the City of Albuquerque	**Total Units**	**Single Family**	**Multi-Family**	**Mobile Homes & Others**
As of 1990 Census	166,870	101,780	55,931	9,159
1990-2000 Housing Units Added	31,844	24,863	7,354	(373)
As of 2000 Census	198,714	126,643	63,285	8,786
2000-2010 Housing Units Added	40,452	35,858	3,554	1,040
As of 2010 Census	239,166	162,501	66,839	9,826
2011-2016 Housing Units Added (permitted)	9,592	5,121	4,471	N/A
Estimated Units as of July 2016	248,758	167,622	71,310	9,826

Sources: City of Albuquerque Planning Department; Census Bureau, U.S. Department of Commerce.

Income

The following table sets forth annual per capita personal income levels for the Albuquerque MSA, the State and the United States. The Bureau of Economic Analysis defines "earnings" to include wages and salaries, proprietor's income and other labor income (such as bonuses).

Per Capita Personal Income

Calendar Year	Albuquerque MSA	New Mexico	United States
2007	$33,717	$31,703	$39,821
2008	35,195	33,447	41,082
2009	34,218	32,523	39,376
2010	34,097	33,109	40,277
2011	35,555	34,737	42,461
2012	35,691	35,427	44,282
2013	35,029	34,752	44,493
2014	37,006	36,770	46,494
2015	38,643	37,973	48,451
2016	39,665	38,474	49,246

Source: Bureau of Economic Analysis, U.S. Department of Commerce.

The following table reflects the Percent of Households by Effective Buying Income Groups ("EBI"). EBI is defined as money income less personal tax and non-tax payments described below. Money income is the aggregate of wages and salaries, net farm and nonfarm self-employment income, interest, dividends, net rental and royalty income, Social Security and railroad retirement income, other retirement and disability income, public assistance income, unemployment compensation, Veterans Administration payments, alimony and child support, military family allotments, net winnings from gambling, and other periodic income. Deducted from this total money income are personal income taxes, personal contributions to social insurance (Social Security and federal retirement payroll deductions), and taxes on owner-occupied non-business real estate. Receipts from the following sources are not included as money income: money received from the sale of property; the value of "in kind" income such as food stamps, public housing subsidies, and employer contributions for persons; withdrawal of bank deposits; money borrowed; tax refunds; exchange of money between relatives living in the same household; gifts and lump-sum inheritances, insurance payments, and other types of lump-sum receipts.

Percent of Households by
Effective Buying Income Groups

2017 Effective Buying Income Group	Albuquerque MSA	New Mexico	United States
Under $25,000	26.57%	28.88%	23.97%
$25,000 - $34,999	12.27	12.72	11.85
$35,000 - $49,999	16.42	16.51	16.31
$50,000 - $74,999	19.60	18.67	19.32
Over $75,000	25.14	23.22	28.55
2014 Est. Median Household Income	$44,391	$44,292	$51,579
2015 Est. Median Household Income	$48,234	$45,633	$53,706
2016 Est. Median Household Income	$48,792	$45,445	$55,551
2017 Est. Median Household Income	$50,192	$47,043	$57,462

Source: © 2017 Claritas, LLC; © 2014-2016 The Nielsen Company.

FINANCIAL INFORMATION

General

The City is a home rule charter municipality. No tax imposed by the governing body of a charter municipality, unless authorized by general law, becomes effective until approved at an election of its voters. Taxes authorized by general law that may be imposed without an election include a property tax for general purposes (up to a maximum of 7.65 mills), which is set by the State Department of Finance and Administration, and certain local-option gross receipts taxes, except that an election to impose certain local-option gross receipts taxes must be called if required by statute or if the governing body provides in the ordinance that the tax shall not be effective until approved at an election or upon the filing of a petition meeting certain requirements requesting that an election be held. The City does not have the power to impose a tax on income.

The general policy of the City is to charge for services where those who benefit from the services are easily identified and charged according to their use and benefit. Thus, refuse, golf and airport services are intended to be self-supporting. Permits and inspection fees are established in relation to the cost of providing control and inspection and as permitted by law. Other fees, including admission fees to the zoo, fees charged participants in adult sports programs, rider charges for transit services, charges for municipal parking facilities, and fees charged for filing of plats and subdivisions, help offset some of the costs of providing these services.

Budget Process – Operating Funds

The City operates on a Fiscal Year basis, from July 1 through June 30. Pursuant to the City Charter, the Mayor, in consultation with the Council, formulates the City's operating budget and submits it to the Council on or before April 1 of each year. Budget data is prepared on the modified accrual basis, consistent with the City's basis of accounting. Governmental funds, expendable trust funds, and agency funds use the modified accrual basis of accounting, while enterprise and nonexpendable trust funds are on an accrual basis. Transactions are recorded in individual funds and each is treated as a separate entity. The Council is required to hold at least three public hearings and must adopt an operating budget within 60 days after it is proposed by the Mayor or the Mayor's proposed budget is deemed adopted. The annual City operating budget determines departmental appropriations by program. Expenditures may not legally exceed appropriations. The financial officers and staff of each department are responsible for monitoring and controlling the expenditures of their departments to ensure that budgeted appropriations for their departments are not exceeded. The City's Office of Management and Budget monitors expenditures and revenues quarterly. Budget amendments during or after the end of the Fiscal Year require approval of the Mayor and the Council, except that the Mayor has authority to adjust program budgets up to 5% or $100,000, whichever is less, provided that no such adjustment shall result in a change in the total expenditures authorized in the budget for City government as a whole.

Budget Process – Estimates, Forecasting and Revision of Revenue Projections

In May or June of each year the Council adopts a budget for the upcoming Fiscal Year (beginning July 1). The City prepares revenue forecasts for five-year periods (referred to as the "Five-Year Forecast") each December and updates the budget year forecast prior to introduction of the Mayor's proposed general fund budget. All revenue forecasts are prepared by the City Office of Management and Budget. These forecasts make certain adjustments to revenue forecasts in the current budget based on events occurring since the preparation of the budget and provide a starting point for preparation of the next year's budget. The Forecast Advisory Committee, comprised of economists and others from City government, the University of New Mexico, State government and the private sector, reviews forecasts and makes recommendations. After incorporating any recommendations of the Advisory Committee, the Five-Year Forecast is presented to the Council. In response to changing conditions and revenue forecasts, the City may amend the budget at any time during the year.

Budget Process - Capital Funds

The budget amounts of the capital project funds and certain of the special revenue funds are individual project budgets authorized by the Council for the entire length of the project which is not necessarily the same as the Fiscal Year of the City. Pursuant to City ordinance, the Mayor develops a capital implementation program ("CIP") which consists of a ten-year plan of capital expenditures, including a more detailed two-year CIP budget, and submits it to the Council by January 23 of each odd-numbered year. See "Capital Implementation Program" below. The Council is required to hold at least one public hearing and must approve the budget as proposed or as the Council amends it within 60 days after the submission date. The Mayor may change the amount designated for a specific capital project in a CIP budget without Council approval, if the total change does not exceed 20% of the original amount designated for the project.

A City ordinance also sets forth requirements for Council review and approval of certain applications or proposals for federal grants. Once the Council has approved a federal grant application, the Mayor is authorized to expend any funds awarded as a result of the grant application if the grant does not require the City's commitment of funds or resources which were approved by the Council to be increased by more than 10% and if the goals, objectives and proposed programs included in the application approved by the Council have not changed.

The General Fund

General Fund Revenues

The General Fund is the City's primary operating fund and is used to account for the general operations of the City and for all financial resources, except those required to be accounted for in another fund. The City has reserve accounts created by the City's policy to reserve one-twelfth of the General Fund budgeted amount. Set forth below are discussions of General Fund revenues in Fiscal Year 2017, the approved Fiscal Year 2018 budget and Five- Year-Forecast for Fiscal Year 2018.

Fiscal Year 2017 Approved Budget, Revised Estimates and Actual (Revenues)

This section describes the Fiscal Year 2017 approved budget for revenues and the actual audited revenues.

The approved Fiscal Year 2017 budget for revenues was $515.4 million, an increase of $12 million or 2.4% above the estimated revenues for Fiscal Year 2016. The actual revenues for Fiscal Year 2017 are $511.2 million. Actual revenues were $4.2 million below budget, mostly due to a shortfall in projected gross receipts tax. Strengths in Fiscal Year 2017 were mostly in property taxes, building permits and charges for service. Recurring revenues were $6.5 million, below the original budget or $4.5 million below the revised estimate that included an additional $2.5 million in non-recurring revenue.

Gross Receipts Taxes. The recurring gross receipts tax revenues for the approved Fiscal Year 2017 budget were expected to increase 2.9% over Fiscal Year 2016 estimated revenue. The increase was based on expected economic growth, but tempered by the second year of reductions in the food and medical hold harmless distribution estimated at $2.3 million. The revised estimate for Fiscal Year 2017 recurring gross receipt taxes was 2.3% growth above the actual Fiscal Year 2016 level. The actual receipts were $2.4 million below the revised estimate.

Property Tax Revenues. Fiscal Year 2017 revenues are expected to increase only 1.6% due to the limitation of yield control. The actual revenues were $586 thousand below the expected revenue. This is due to a substantial decline in the delinquent property taxes. Franchise revenues in Fiscal Year 2017 were expected to show slow growth of only 1.0%, led by the electric franchise. Actual revenues for the electric franchise were $662 thousand below estimate due to a decline in fuel costs that offset the increases from an enacted rate increase. Cable TV franchise revenue exceeded expectations due to a one-time million dollar payment that was received too late in 2017 to accrue to Fiscal Year 2016. There are no rate increases built into any of the utility franchise estimates.

Licenses and Permits. Building permits were expected to grow 10% above the Fiscal Year 2016 estimate, continuing relatively strong growth. The actual revenues increased 16% and were $755 thousand above the estimate. Other permits were expected to grow by $241 thousand due to increases in fees charged by the Planning Department for permitting vacant buildings.

Charges for Services. Charges for services are expected to increase by $1.4 million in Fiscal Year 2017 above the estimate for Fiscal Year 2016. There was an increase of $830 thousand in funding positions to manage and oversee capital projects. The BioPark capital project funded by a new 0.125% tax is $424 thousand with the remaining funding for transportation tax projects and general capital projects. There are increases in some planning review and inspection fees increasing revenue by $86 thousand. Changes in the indirect overhead plan increase revenues from charges to enterprise funds by $462 thousand. Actual revenues were $179 thousand below the estimate, but there were several major changes. The positions funded by capital were $1.6 million below the budget; though this is offset by reduced expenditures and does not have an impact on fund balance. This was mostly offset by larger than expect growth in construction related fees, legal fees charged to the Risk Fund and generally strong growth. There were some negatives with lower than expected revenue at the BioPark and some fees that were not collected.

Other Transfers. Transfers from other funds will decline by $1.2 million. This reflects the one-time transfer of $1.3 million from the special assessments. Revenue is increased $130 thousand with transfer from the Cultural and Recreation Projects to help fund operations of the Balloon Museum.

Fiscal Year 2018 Approved Budget (Revenues)

This section describes the Fiscal Year 2018 revenues for the budget that was approved in May of 2017. Fiscal Year 2018 revenues are estimated to be $530.9 million or 3.0% above the Fiscal Year 2017 estimated actual. This budget also includes $2.4 million in one-time revenue due to the next increased loss in the Make-Whole Distributions in Fiscal Year 2018. The gross receipts tax base was expected to increase 3.0%; limited by the reduction in the Make-Whole Distributions.

Gross Receipts Taxes. Gross receipt tax revenues in Fiscal Year 2018 were expected to increase although revenues have been erratic. In the first six months of Fiscal Year 2018 gross receipts tax receipts, as measured by the 1% distribution, are 1.2% above the same period in Fiscal Year 2017, but the monthly year-over-year growth has varied between a 12.0% decrease and a 17.1% increase. In Fiscal Year 2018, the 1% distribution was expected to grow at 3.0%, limited by the additional reduction in the food and medical hold harmless distribution as well as reductions due to expanded activity at the Tax Increment Development Districts ("TIDDs") and the manufacturing input gross receipts tax deductions.

Property Tax Revenues. Fiscal Year 2018 property tax revenues are expected to increase only 1.5% due in part to the limitation of yield control. The amount of tax is then reduced by $200 thousand to account for a distribution to the Mesa Del Sol TIDD. The growth rate in recurring franchise revenues in Fiscal Year 2017 are expected to show growth of 2.4%. This growth comes from the electric franchise and a 4.0% increase in the water utility revenues.

Licenses and Permits. Building permits are expected to grow 13% above the Fiscal Year 2017 estimate, continuing relatively strong growth; primarily in apartments and non-residential construction. Other permits including business registration and restaurant inspections are flat.

Charges for Services. Charges for services are expected to increase by $2 million in Fiscal Year 2018 above the estimate for Fiscal Year 2017. There is an increase of $357 thousand in funding positions to manage and oversee capital projects. The primary source of revenue increases is the moving of revenue to the General Fund that was previously included in the Cultural and Recreational Projects Fund. Changes in the indirect overhead plan increase revenues from charges to enterprise funds by $234 thousand.

Other Transfers. Transfers from other funds will decline by $881 thousand. This reflects the Fiscal Year 2017 one-time transfer of $1.2 million from the Cultural and Recreational Projects Fund, clearing past revenues not associated with contributions and donations. This was offset by one-time revenue transferred from Lodgers' Tax Fund to support the Senior Olympic games that will be held in Albuquerque in 2019.

Fiscal Year 2018 Approved Budget (Expenditures)

The approved General Fund expenditures budget for Fiscal Year 2018 is $530.2 million which reflects a 0.7% increase over the original Fiscal Year 2017 budget of $526.4 million and a 0.5% increase over the revised budget that included mid-year appropriations of reserves for wage increases. The Fiscal Year 2018 budget includes $7.9 million in non-recurring appropriations, made up mostly of reverted dollars from the prior year. Growth in appropriations is largely tied to additional funding in the Police and Fire Departments. In Police alone, $5.7 million is added in expectation of graduating more police cadets, hiring more Police Service Aides, and testing of a backlog of rape kits.

The budget includes fee increases at Parks and Recreation in swimming, golf, tennis, and league sports, at Cultural Services for entrance into the BioPark, and at Planning for certificates of occupancy. Most of the fee increases are minor but will raise nearly an estimated $2 million in revenue for the General Fund.

Significant non-recurring appropriations include Cultural Services for a myriad of special events, Family and Community Services for social service contracts, Police for compliance with the United States Department of Justice requirements, as well as several term positions, and contract costs, and the Office of the City Clerk for the upcoming municipal election.

Notable recurring cost increases for Fiscal Year 2018 include eight new positions at Fire to operate a rescue unit at Fire Station 4, four new dispatch positions to staff the Fire Alarm Room, 12 new positions at Cultural Services needed to continue AZA accreditation and to open the new penguin and otter exhibits at the BioPark, and one position previously funded out of grants in Family and Community Services to manage social service contracts. Additional utility funding is included in Parks for water costs and expanded funding for the "There's a Better Way" initiative.

The Downtown Clean and Safe Program, previously funded out of the General Fund, is moved to the Solid Waste Department in an effort to better align the services with the other Clean City initiatives.

The Fiscal Year 2018 budget includes some CIP-coming-on-line funding including utility costs to open the new Westside Regional Baseball Complex as well as operating and staffing costs needed to open the new penguin and the new otter exhibits at the Albuquerque BioPark.

Funding of $3.3 million is held in reserves for pay increases for union represented employees pending appropriation by the Council.

AGGREGATE COMPARISON OF GENERAL FUND RECURRING/NON-RECURRING
in ($000's)

($000's)	Original Budget FY/17	Estimated Actual FY/17	Change Original FY/17 & Est. FY/17	% Change Est. FY/17 to Original FY/17	Approved Budget FY/18	% Change Original FY/17 & Appvd. FY/18	% Change Est. FY/17 & Appvd. FY/18
Revenue:							
Recurring	$512,950	$511,024	($1,926)	-0.38%	$528,119	2.96%	3.35%
Non-recurring	$2,431	$4,577	$2,146	88.28%	$2,796	15.01%	-38.91%
TOTAL	$515,381	$515,601	$220	0.04%	$530,915	3.01%	2.97%
Appropriations:							
Recurring	$512,929	$509,882	($3,047)	-0.59%	$522,194	1.81%	2.41%
Non-recurring	$13,469	$17,506	$4,037	29.97%	$7,979	-40.76%	-54.42%
TOTAL	$526,398	$527,388	$990	0.19%	$530,173	0.72%	0.53%
Less: recurring held in reserve					($3,281)		
Recurring Balance					$2,644		

Five-Year Forecast Fiscal Year 2018

The Five-Year Forecast was submitted to City Council in December 2017. It provides a re-estimate of Fiscal Year 2018 data, including updates based on the most recent information available. Revenues for Fiscal Year 2018 are estimated at $520.8 million or $10.2 million below the Fiscal Year 2018 approved budget. The primary source of this shortfall is Gross Receipts Tax revenue which was $8.2 million below the budget estimate. This reduction is due to lower than expected revenues in Fiscal Year 2017 and a reduction in the expected growth rate of Gross Receipts taxes from 3.0% in the budget to 1.7%.

The revised expenses for Fiscal Year 2018 are estimated to be $538.8 million or $8.6 million above the approved budget, including non-recurring expenses for re-appropriated encumbrances from Fiscal Year 2017.

City's February 2018 Budget Deficit Report

In December 2017, Mayor Tim Keller created an initiative that directed members of his administration to work with financial experts in the City to address the structural deficit projected in the Five-Year Forecast and various other anticipated financial issues. An initial report on the results of the initiative was released in February 2018 (the "February 2018 Budget Deficit Report") and is available on the City's website under "Current City Budget." In particular, the 2018 Budget Deficit Report identified (1) a $25 million structural deficit over the five-year period resulting from slow economic growth, loss of hold-harmless tax revenues and the trend toward on-line purchasing; (2) a $15 million increase in recurring costs attributable to costs of medical insurance, water costs, additional contributions to risk management fund and compliance with a settlement agreement; (3) an $88 million increase over the five-year period in additional costs which would be necessary if the City adds 100 new police officers per year; (4) a $21 million increase in one-time and short-term costs to address the equipment and technological needs of the City's first responders; and (5) a $5.2 million recurring increase in costs if the City decides to improve public safety through advances in technology and initiatives that address the systemic pressures on first responders. The February 2018 Budget Deficit Report discusses options for freeing up funds through decreased services, increased fees and charges and various tax changes, including the potential approval by City Council of a 0.375% gross receipts tax to offset reductions in the State's hold harmless distributions for lost revenue resulting from the State's exemption of food and some medical services from gross receipts taxes. The City provides estimates in the February 2018 Budget Deficit Report relating to various options, including the potential generation of $48 to $54 million of annual revenues attributable to the imposition of the above-referenced increase in the gross receipts tax rate. On March 5, 2018, the City Council approved an ordinance imposing a 0.375% gross receipts tax increase and directed that at least 60% of the proceeds of such increase be used for public safety purposes during Fiscal Years 2019 and 2020. The increase will be effective on July 1, 2018. While imposition of the gross receipts tax for increase is expected to address key financial issues identified in the February 2018 Budget Deficit Report, the City may in the future consider implementation of additional options identified in such report.

General Fund Balances

The following table shows actual revenues, expenditures and fund balances for the General Fund in Fiscal Years 2013-2017 and the approved budget for Fiscal Year 2018.

REVENUES	**Actual 2013**	**Actual 2014**	**Actual 2015**	**Actual 2016**	**Actual 2017**	**Approved Budget 2018**	**Five-Year Forecast 2018**	**Average Annual Chg 13-18 Budget**
Taxes:								
Property Tax	$77,720	$78,282	$79,233	$81,246	$81,798	$83,652	$83,597	1.5%
Gross Receipts Tax	117,955	120,695	125,628	127,451	128,664	134,430	132,301	2.6
Other Taxes	19,563	19,764	19,397	17,541	19,857	19,647	19,339	0.1
Water Authority PILOT/ Franchise	6,006	5,513	7,065	7,338	7,576	7,632	7,576	4.9
Payment in lieu of taxes	1,706	1,714	1,847	1,885	1,973	1,892	1,892	2.1
Total Taxes	222,950	225,968	233,170	235,461	239,867	247,253	244,705	2.1
Licenses & Permits	11,342	11,705	11,307	11,899	13,049	13,966	13,289	4.3
Intergovernmental Revenue:								
State and Federal Grants	262	55	--	--	--	--	--	
State-Shared Revenue:								
Gross Receipts Tax	178,753	182,859	190,912	192,660	195,792	203,772	197,740	2.7
Other State-Shared	4,040	4,516	4,062	4,461	4,620	4,620	4,635	2.7
County	448	238	264	278	267	282	267	-8.8
Total Intergovernmental Revenue	183,503	187,667	195,239	197,399	200,679	208,674	202,642	2.6
Charges for Services	44,088	46,036	45,848	47,348	49,969	54,029	53,214	4.2
Miscellaneous	2,825	2,235	1,648	3,991	3,926	4,183	3,468	8.2
Other Transfers	3,407	4,319	2,624	3,790	3,689	2,810	3,443	-3.8
TOTAL REVENUES	468,114	477,930	489,836	499,887	511,179	530,915	520,762	2.5
Beginning Fund Balance	59,223	58,339	63,444	63,309	59,953	48,166	57,171	-4.0
TOTAL RESOURCES	527,338	536,269	553,280	563,196	571,131	579,081	577,932	1.9
EXPENDITURES								
General government	66,093	64,215	66,072	69,495	67,051	NA	NA	
Public safety	219,690	217,958	229,495	232,902	243,384	NA	NA	
Cultural and recreation	68,892	71,129	70,082	72,350	73,991	NA	NA	
Municipal Development (Public Works and Streets)	25,338	24,110	29,477	28,919	30,020	NA	NA	
Health	16,793	15,951	16,340	17,732	17,487	NA	NA	
Human services	28,747	29,346	31,397	32,438	34,383	NA	NA	
Other transfers out	43,447	50,118	47,108	49,408	47,646	NA	NA	
TOTAL EXPENDITURES	468,999	472,826	489,971	503,242	513,961	530,173	538,813	2.8
ENDING FUND BALANCE	58,339	63,443	63,309	59,953	57,171	48,908	39,119	-5.2
TOTAL ADJUSTMENTS	(2,185)	(3,249)	(3,470)	(4,142)	(1,820)	(511)	387	
Reserves	41,454	44,935	42,842	43,881	45,303	48,302	45,381	2.0
AVAILABLE FUND BALANCE	14,700	15,259	16,997	11,930	10,048	95	(5,875)	
Ending fund balance as percent of total expenditure	12.4%	13.4%	12.9%	11.9%	11.1%	9.2%	7.3%	
Recurring revenues	465,784	471,811	484,920	496,160	506,601	528,119	517,591	2.0
Recurring expenditures	455,484	455,670	465,657	486,388	495,222	522,194	525,210	2.3

Sources: City of Albuquerque Comprehensive Annual Financial Reports; City of Albuquerque, Department of Finance and Administrative Services.

Revenues

Intergovernmental Revenues

The principal source of intergovernmental revenues to the City's General Fund is the distribution made by the State to the City from the State Gross Receipts Tax. The State Gross Receipts Tax distribution to a municipality equals 1.225% of the gross receipts collected in that municipality, including a make-whole payment from the State to the City related to deductions for certain medical and food purchases. In addition to the 1.225% gross receipts tax distribution, intergovernmental revenues include distributions of gasoline tax revenues, motor vehicle fees, and a municipal share of the State compensating tax.

Municipally Determined Revenues

The City's primary revenue sources, other than intergovernmental revenues, include, in order of magnitude, the municipal (local option) gross receipts tax, the real property tax and charges for services.

<u>Local Option Gross Receipts Taxes</u>. The City has authority under the Municipal Local Option Gross Receipts Taxes Act (Sections 7-19D-1, et seq. NMSA 1978, as amended) to impose up to 1.50% municipal gross receipts tax on the gross receipts of any person engaging in business in the City. The municipal gross receipts tax imposed by the City on January 1, 2018 is 1.00%. The City is statutorily authorized to impose a municipal infrastructure gross receipts tax in the maximum amount of 0.25%. Currently, the City imposes a 0.0625% municipal infrastructure gross receipts tax for general purposes. The City has authority to impose an additional 0.0625% municipal infrastructure gross receipts tax for general purposes without a referendum and may impose, with voter approval, an additional 0.125% municipal infrastructure gross receipts tax for general municipal purposes, infrastructure, regional transit and/or economic development. The City has authority to impose a 0.0625% municipal environmental services gross receipts tax but has declined to impose this tax. The City also has authority to impose a 0.25% municipal capital outlay gross receipts tax for municipal infrastructure and other purposes and has imposed 0.1250% of such authorization. Also, under legislation passed in the 2013 State legislative session, the City is authorized to impose up to 0.375% in gross receipts taxes related to the reduction in hold-harmless payments from the State. On March 5, 2018, the City Council approved an ordinance imposing such 0.375% increase. The increase will be effective on July 1, 2018.

<u>Real Property Tax</u>. The City is authorized to impose a maximum levy of 7.650 mills for City operations. In Fiscal Year 2016, 6.544 mills were imposed on residential property and 6.544 mills were imposed on commercial property. These revenues are subject to yield control. See "Property Taxes" below.

<u>Charges for Services</u>. Many services provided by the City's General Fund agencies are provided to the public or other governmental entities on a fee basis. Services for which fees are charged include engineering services, patching and paving, filings of plats and subdivisions, photocopying, sales of maps and publications, bio-park, museums, swimming pools, meals and other activities at senior centers, animal control and zoo admissions. The City also has a cost

allocation plan which is used as a basis for assessing indirect overhead charges on non-General Fund agencies and on capital expenditures.

Property Taxes

Generally

The State Constitution limits the rate of real property taxes which all taxing jurisdictions can levy for operations to a maximum of 20 mills ($20.00 per $1,000 of assessed valuation). Beginning in Fiscal Year 1987, the maximum levy for City operations (the "operational levy") has been 7.650 mills. The operational levy is subject to yield control. The yield control provisions of Section 7-37-7.1 NMSA 1978, as amended, require that the Local Government Division of the New Mexico Department of Finance and Administration annually adjust operational mill levies subject to yield control after the reassessment of property to prevent revenues on locally assessed residential and non-residential properties from increasing by more than the sum of 5% for inflation plus the growth in the tax base due to new value. In cases in which a rate is set for a governmental unit that is imposing a newly authorized rate pursuant to Section 7-37-7 NMSA 1978, the rate must be at a level that will produce in the first year of imposition revenues no greater than that which would have been produced if the valuation of property subject to the imposition had been the valuation in the Tax Year in which the increased rate was authorized by the taxing district. **The yield control provisions do not apply to the property tax levy imposed to pay debt service on outstanding general obligation debt.**

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 of the owner, 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 the Tax Year 2001 ("Statutory Valuation Cap"). The section 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 Statutory Valuation Cap 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. The New Mexico Supreme Court affirmed this decision on June 30, 2014. To the extent that judicial or legislative action is taken or a further constitutional amendment is passed amending the valuation provisions, it could have a material impact on the valuation of residential property.

Rates

The total rates for City property taxes in effect for Tax Year 2017 (Fiscal Year 2018) are 11.520 mills for residential and 11.520 mills for commercial property. As set by the State Department of Finance and Administration, the general obligation bond debt service levy for Tax

Year 2016 (Fiscal Year 2017) is 4.976 mills and the operational levy is 6.544 mills residential and 6.544 mills non-residential.

Purpose of Property Tax	Total Taxing Authority	Levy Imposed	Unused Authority
Operations:			
Residential	7.650 mills	6.544 mills	1.106 mills
Commercial		6.544 mills	1.106 mills
Debt Service:(1)	12.000 mills(2)		
Residential		4.976 mills	7.024 mills
Commercial		4.976 mills	7.024 mills

(1) Debt service levy is a function of assessed value and bonds outstanding authorized in City general elections every two years.
(2) The City is authorized to contract debt, after an election, and is required to levy a tax, not exceeding 12 mills on the dollar, for payment of the debt from such election. The 12 mill limitation is applicable at the time of bond issuance and prohibits issuance of a general obligation bond if the anticipated mill levy necessary to satisfy debt service is greater than 12 mills. An existing general obligation can require imposition of the mill levy in excess of 12 mills if so required to meet debt service obligations.

Source: City of Albuquerque, Office of City Treasurer.

State law mandated a statewide reassessment of properties in 1986 (Fiscal Year 1987), when 1980 market values became the basis for determining assessed valuation. Subsequent statewide reassessments were conducted in 1990 and odd numbered years thereafter each of which brought valuations in line with the market value of two years prior to such reassessment. It is anticipated that the State, through County Assessor offices, will continue the policy of biennial reassessments to maintain valuation at current and correct value, as required by statute.

Limits Regarding General Obligation Indebtedness

The aggregate amount of general obligation indebtedness of the City for general purposes under the State Constitution is limited to 4% of, and the single debt limitation to 12 mills on, the assessed value of taxable property within the City (excepting the construction or purchase of a water or sewer system with general obligation indebtedness, which has no limit). Schools are limited to 6% of the assessed valuation and counties are limited to 4% of the assessed valuation.

CITY OF ALBUQUERQUE
Summary of Outstanding Obligations
as of January 1, 2018

	CURRENTLY OUTSTANDING
GENERAL OBLIGATION BONDS:	
General Purpose G.O. Bonds (Subject to 4% debt limitation)	$319,760,000
Storm Sewer G.O. Bonds (Secured by Ad Valorem taxes)	29,616,000
TOTAL GENERAL OBLIGATION BONDS	$349,376,000
REVENUE BONDS:	
State Shared GRT/Lodgers/Hospitality/Stadium	266,615,000
Airport Revenue	23,110,000
Fire Protection Fund	1,090,250
TOTAL REVENUE BONDS	$290,815,250
TOTAL G.O. AND REVENUE BONDS	$640,191,280

Tax Administration

The County is charged with the responsibility of administering the assessment and collection of property taxes for the City. The State assesses corporate property such as utilities, pipelines and railroads which cross county lines. Assessments are made as of January 1 of each year, with one-half of the taxes on that assessment due the following November 10 and one-half due April 10 of the next calendar year. The taxes due November 10 become delinquent December 11, while the April 10 payment becomes delinquent May 11. Properties on which taxes are delinquent are transferred to the State, which conducts a tax sale if taxes remain unpaid. The proceeds of the tax sale are remitted to the political subdivisions at the rates of the then current tax levy.

CITY OF ALBUQUERQUE
Net Taxable Property Values

Tax Year[1]	Real Property	Corporate Property	Personal Property	Net Taxable Valuation	Percent (%) Growth Per Year
2008	$10,767,888,832	$374,068,647	$439,054,344	$11,581,011,823	5.76%
2009	11,535,490,917	325,907,636	437,678,107	12,299,076,660	6.20
2010	11,125,742,821	383,474,990	411,248,499	11,920,466,310	(3.08)
2011	11,170,440,616	391,592,916	389,396,311	11,951,429,843	0.26
2012	11,091,666,660	398,029,323	386,693,492	11,876,389,475	(0.63)
2013	11,221,053,442	364,457,735	381,535,217	11,967,046,394	0.76
2014	11,449,353,201	384,857,648	394,383,841	12,228,594,690	2.19
2015	11,639,318,991	367,466,788	407,355,017	12,414,140,796	1.52
2016	12,016,112,244	369,769,055	423,958,000	12,809,839,299	3.19
2017	12,424,132,418	379,318,637	447,691,027	13,251,142,082	3.45

(1) County Tax Year begins November 1 and ends October 31. Figures are as of October in each year.

Source: Bernalillo County Treasurer's Office.

Principal Ad Valorem Taxpayers for Tax Year 2017 (Fiscal Year 2018)[1]

Name of Taxpayer	Taxable Value[2] 2017 Assessed	Percentage of Total City Assessed Valuation
Public Service Co. of New Mexico	$218,778,124	1.67%
Qwest Communications	45,914,080	0.35
Gas Company of New Mexico	41,793,719	0.32
Comcast	33,780,329	0.26
Verizon	21,813,098	0.17
Southwest Airlines	16,215,651	0.12
AT&T	15,441,237	0.12
BN&SF	13,773,028	0.11
GCC Rio Grande	12,190,151	0.09
T-Mobile	9,025,467	0.07
Top Ten Centrally and Locally Assessed Values	$428,724,884	3.28%

(1) Major taxpayers are those taxpayers that have a tax bill on a single piece of property of at least $50,000. In figuring the total tax bills for these taxpayers, only their properties with tax bills of $50,000 or more are included except Public Service Company, which has multiple tax bills. The list is compiled once a year, usually in November, and does not reflect final net taxable values. As a result of methodology, year-to-year comparisons may not be meaningful.

(2) The aggregate net taxable value of the top 10 taxpayers for Tax Year 2017 represents only 3.28% of the total net taxable value of the City for 2017. See the following table entitled "City of Albuquerque History of Property (Ad Valorem) Tax Levy and Collection."

Source: Bernalillo County Treasurer's Office.

CITY OF ALBUQUERQUE
History of Property (Ad Valorem) Tax Levy and Collection

Fiscal Year	Total Current Tax Levy[1]	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections as Percent of Current Levy	City Debt Service Collections	Percent of Total City Levy
2008	$121,750,532	$117,075,560	96.16%	$4,107,019	$121,182,579	99.53%	$86,949,406	71.7%
2009	128,698,136	122,483,590	95.17	3,188,928	125,672,518	97.65	89,078,618	69.4
2010	137,620,118	128,323,241	93.24	4,025,478	132,348,719	96.17	59,720,924[2]	43.4
2011	136,017,057	128,514,760	94.48	4,454,464	132,969,224	97.76	58,388,075	43.6
2012	137,680,758	130,707,502	94.94	4,732,716	135,440,218	98.37	58,638,356	42.6
2013	136,815,825	132,352,911	96.74	4,535,781	136,888,692	100.05	59,168,200	43.2
2014	137,860,639	133,570,662	96.89	4,407,888	137,978,550	100.09	59,696,156	43.3
2015	140,181,218	135,987,851	97.01	4,014,171	140,002,022	99.87	59,021,550	42.1
2016	142,214,748	138,314,977	97.26	5,303,082	143,618,059	100.99	62,371,854	43.9
2017	145,255,034	141,457,590	97.39	4,182,399	141,666,329	97.53	63,842,388	44.0

(1) Includes both operating and debt service levies. Reported each January by the County Treasurer based on tax bills, including those under protest.
(2) Decline in debt service collections due to shift in mill levy designation from debt service to operations.

Source: Bernalillo County Treasurer's Office.

CITY OF ALBUQUERQUE
Property Tax Rates
Weighted Average Residential and Non-Residential
Per $1,000 Assessed Valuation
All Overlapping Governmental

Fiscal Year	Total Tax Levy	City	Bernalillo County	State of New Mexico	Abq. Public Schools	Central NM Community College	Flood Control Authority	UNM Hospital	Conservancy District
2008	44.325	11.048	7.334	1.250	10.434	3.048	0.841	6.400	3.970
2009	44.222	11.048	7.334	1.150	10.434	3.046	0.840	6.400	3.970
2010	45.044	11.365	7.334	1.530	10.447	3.158	0.840	6.400	3.970
2011	45.663	11.520	7.876	1.362	10.453	3.237	0.845	6.400	3.970
2012	46.024	11.520	8.117	1.360	10.462	3.344	0.851	6.400	3.970
2013	46.539	11.520	8.578	1.360	10.465	3.392	0.854	6.400	3.970
2014	46.633	11.470	8.531	1.360	10.531	3.377	0.852	6.342	4.170
2015	47.027	11.469	8.721	1.360	10.531	3.381	0.852	6.334	4.379
2016	47.143	11.315	8.561	1.360	10.487	3.776	0.848	6.198	4.598
2017	47.355	11.217	8.463	1.360	10.452	3.789	0.846	6.400	4.828
2018	48.972	11.291	9.376	1.360	10.665	3.840	0.920	6.400	5.120

Source: Bernalillo County Treasurer's Office.

Gross Receipts Taxes

State Gross Receipts Taxes

Imposition of Tax. The Gross Receipts and Compensating Tax Act (Sections 7-9-1 through 7-9-91 NMSA 1978, as amended), authorizes the State to impose the State gross receipts tax, (the "State Gross Receipts Tax") which is currently levied by the State for the privilege of doing business in the State and is collected by the Taxation and Revenue Department (the "Department"). The State Gross Receipts Tax is currently levied at 5.125% of taxable gross receipts. Of the 5.125 cents collected per dollar of taxable gross receipts reported for a particular municipality, 1.225 cents are remitted monthly to each municipality based on the prior month's filings. The total gross receipts tax rate imposed in the City effective on January 1, 2018 is 7.5%. On March 5, 2018, the City Council approved an ordinance imposing a 0.375% gross receipts tax increase. Upon such increase becoming effective on July 1, 2018, the total gross receipts tax rate imposed in the City will be 7.875%.

Taxed Activities. For the privilege of engaging in business in the State, the State Gross Receipts Tax is imposed upon any person engaging in business in the State. "Gross Receipts" is defined in the Gross Receipts and Compensating Tax Act as the total amount of money or the value of other consideration received from selling property in the State (including tangible personal property handled on consignment in the State), from leasing or licensing property employed in the State, from granting a right to use a franchise employed in the State, from selling services performed outside the State, the product of which is initially used in the State or from performing services in the State. The definition of gross receipts principally excludes cash discounts allowed and taken, governmental gross receipts tax, leased vehicle gross receipts tax, local option gross receipts tax and Indian nation sales taxes payable on transactions for the reporting period, any type of time-price differential, amounts received solely on behalf of another in a disclosed agency capacity and amounts received by a New Mexico florist from the sale of flowers under certain circumstances. Unlike most other states, the State taxes sales and services, including legal services, utilities and certain medical services. The tax rate for construction businesses is determined by the location of each construction project. The tax rate for utilities is determined by the location of the meter used to record the amount of service consumed by the customer or the location of the telephone set. For cellular service, it is the location of the customer's place of primary use

Exemptions. Some activities and industries are exempt from the Gross Receipts Tax Act, many by virtue of their taxation under other laws. Exemptions include but are not limited to receipts of governmental agencies and certain organizations, certain paid but unrefunded receipts from sales of gasoline or alternative fuel, and receipts from the sale of vehicles, occasional sales of property or services, wages, certain agricultural products, dividends and interest, receipts from the sale or leasing of natural gas, oil or mineral interests. Various deductions are allowed, including but not limited to, receipts from various types of sales or leases of tangible personal property or services, receipts from sales to governmental agencies or certain organizations, receipts from the sale of certain construction services, receipts from processing certain agricultural products, receipts from certain publication sales, and certain receipts from interstate commerce transactions. Deductions include sales or leases to manufacturing entities, entities intending to resell or lease, sales or leases to those in construction, prescription drugs, certain hospital receipts, sales of food, Medicare payments and certain software development services. There are numerous exemptions and deductions from gross receipts taxation. However, the general presumption is that all receipts of a person engaging in business are subject to the Gross Receipts Tax Act.

Administration of the Tax. Businesses must make their payments of State Gross Receipts Tax on or before the twenty-fifth of each month for taxable events in the prior month. Collection of the State Gross Receipts tax is administered by the Revenue Division of the Department (the "Revenue Division"), pursuant to Section 7-1-6 NMSA 1978. Collections are first deposited into a suspense fund for the purpose of making disbursements for refunds, among other items. On the last day of each month, the balance of the suspense fund is transferred to the State general fund, less the following disbursements to the municipalities in the State. The Revenue Division remits monthly to municipalities, including the City, an amount equal to the product of the quotient of 1.225% divided by the tax rate times the net receipts (total amount paid by taxpayers less any refunds disbursed) attributable to the gross receipts of businesses located in the municipality and other designated areas.

Remedies for Delinquent Taxes. The Revenue Division may assess State Gross Receipts Taxes to a taxpayer who has not paid the taxes due to the State. If any taxpayer to whom State Gross Receipts Taxes have been assessed or upon whom demand for payment has been made does not make payment thereof (or protest the assessment or demand for payment) within 30 days after the date of assessment or demand for payment, the taxpayer becomes a delinquent taxpayer. Such taxpayer remains delinquent until payment of all the taxes due, including interest and penalties, or until security is furnished for the payment thereof. The Revenue Division may, under certain circumstances, enter into an agreement with a delinquent taxpayer to permit monthly installment payments for a period of not more than 60 months. Interest is due on any delinquent tax from the first day following the day on which it is due at the rate of 15.0% per year, compiled on a daily basis, until paid, without regard to any installment agreement. However, if the State Gross Receipts Tax is paid within ten days after demand is made, no interest shall be imposed for the period after the date of demand.

The Revenue Division may levy upon all property or rights to property of a delinquent taxpayer and sell the same in order to collect the delinquent tax. The amount of delinquent State Gross Receipts Taxes is also a lien in favor of the State upon all property and rights to property of the delinquent taxpayer, which lien may be foreclosed as provided by State statutes.

Historical Revenues. The state-shared Gross Receipts Tax Revenues received by the City for the past five Fiscal Years are as follows:

Historical State Gross Receipts Tax Revenues

Fiscal Year	Revenues[(1)]
2013	$176,024,010
2014	179,377,813
2015	186,074,619
2016	190,154,484
2017	192,979,604
2018[(2)]	116,129,644

(1) In the 2013 legislative session, legislation was adopted that begins reductions in Fiscal Year 2016 of payments from the State to municipalities, including the City, related to tax deductions for food and medical expenses. The payments, under Section 7-1-6.46 NMSA 1978, were implemented when the deductions became law and were designed to make the municipalities financially whole as related to those deductions. The legislation also authorizes additional local option tax authority for municipalities if they choose to enact them. The City does not currently have plans to impose any of this additional taxing authority. This legislation will negatively impact the City's gross receipts tax revenues in the future.

(2) Reflects seven months of receipts accrued through January 2018.

Source: City of Albuquerque, Department of Finance and Administrative Services. Calculated based on reports from the New Mexico Taxation and Revenue Department.

Certain of the revenues received from this tax are pledged to the payment of gross receipts tax bonds of the City. Some of those bonds are also secured by other revenues of the City, such as lodgers' taxes. See "FINANCIAL INFORMATION – Lodgers' Tax and Hospitality Fee."

Municipal and Other Gross Receipts Taxes

Imposition of Tax. In addition to receiving a distribution from the State, the Municipal Local Option Gross Receipts Taxes Act (Sections 7-19D-1 through 7-19D-18 NMSA 1978, as amended) authorizes the City under State law to impose up to 1.50% municipal gross receipts tax in increments of one-eighth of one percent on the gross receipts of any person engaging in business in the City. The City currently imposes 1.00% municipal gross receipts tax. One half of one percent (0.50%) is used for general purposes. An additional 0.25% municipal gross receipts tax is imposed to provide for street maintenance, roadway improvements, an increase in the level of services provided by the public transit system, and construction of a bikeway system. A 0.25% increment of municipal gross receipts tax is imposed to provide for public safety, a variety of social-service programs and detention facility expenses. The City has also imposed a 0.0625% municipal infrastructure gross receipts tax for general purposes and a 0.1250% gross receipts tax for capital outlay purposes. On March 5, 2018, the City Council approved an ordinance imposing a 0.375% gross receipts tax increase. Such increase will be effective on July 1, 2018. The City has authority to impose, but has not imposed a second 0.0625% municipal infrastructure gross receipts tax, without a referendum; an additional 0.125% municipal infrastructure tax for general municipal purposes, infrastructure, regional transit and/or economic development, with a positive referendum; a 0.125% municipal capital outlay gross receipts tax for municipal infrastructure and other purposes, with a positive referendum; a 0.25%

quality of life gross receipts tax; and a 0.0625% municipal environmental services gross receipts tax without a referendum.

On December 18, 2006, the City Council formed five tax increment development districts (the "Districts") for the Mesa del Sol project in southeast Albuquerque. Pursuant to the City Council's action, 67% of certain gross receipts tax generated within the Districts will be available for payment of bonds, the proceeds of which will be used for construction of public infrastructure within the Districts by the developer of the project. The remaining 33% of applicable gross receipts tax revenues generated within the Districts but not dedicated to Mesa del Sol will flow to the City. It is anticipated that these tax increment revenues that the City has dedicated to the Districts will be pledged to future issuance of the Districts' tax increment revenue bonds. The State began collecting tax revenues for the Districts in January 2008. On October 27, 2009, District No. 1 issued its Taxable Short-Term Revenue Bond, Series 2009A which was retired on October 28, 2009. On December 9, 2011, District No. 1 issued its Taxable Short-Term Revenue Bond, Series 2011 which was retired on December 12, 2011. On December 4, 2012, District No. 1 issued its Taxable Short-Term Revenue Bond, Series 2012 which was retired on December 5, 2012. On December 19, 2013, District No. 1 issued its Taxable Short-Term Revenue Bond, Series 2013 which was retired on December 20, 2013. On December 16, 2014, District No. 1 issued its Taxable Short-Term Tax Bond, Series 2014 which was retired on December 17, 2014. The Districts' obligations are not the obligations of the City.

On October 6, 2008, the City formed tax increment development districts for Winrock Town Center and Quorum at ABQ Uptown. In 2012, the City dissolved the Quorum at ABQ Uptown tax increment development district and is negotiating a rebate payment to the City from the developer. The Winrock Town Center Tax Increment Development District 1 ("Winrock District 1") and the Winrock Town Center Tax Increment Development District 2 (collectively, the "Winrock Districts") continue in existence. The City dedicated 70% of certain local option gross receipts tax increments and 75% of property tax increment generated within the Winrock Districts. On July 8, 2015, Winrock District 1 issued its Senior Lien Gross Receipts Tax Increment Bonds, Series 2015 in the aggregate principal amount of $43,325,000. The tax increment revenues that the City dedicated to the Winrock Districts are pledged to such tax increment revenue bonds that are financing public infrastructure improvements that will ultimately be dedicated to the City.

Historical Revenues. The revenues received by the City as a result of its imposition of municipal gross receipts tax and municipal infrastructure gross receipts tax for the past five fiscal years are as follows:

CITY OF ALBUQUERQUE
Historical Municipally Imposed Gross Receipts Tax Revenues

Fiscal Year	Revenues
2013	$151,942,827
2014	155,281,932
2015	160,437,075
2016	164,035,264
2017	181,794,011

Source: City of Albuquerque, Department of Finance and Administrative Services.

Taxing Authority and Payments

The following table outlines the gross receipts taxes imposed and to be paid to the State, the City and County by businesses in the City.

Fiscal Year 2017 Gross Receipts Tax Rate
(as of January 1, 2018)(1)

Type of Tax & Purpose	Percentage Imposed
Municipal GRT	1.0000%
Municipal Infrastructure GRT	0.0625
Municipal Capital Outlay GRT	0.1250
Bernalillo County GRT	1.1875
State-Shared GRT	1.2250
State GRT	3.9000
Total	7.5000%

(1) Does not include 0.375% gross receipts tax increase approved by City Council on March 5, 2018. Such increase will be effective on July 1, 2018.

Source: City of Albuquerque, Office of City Treasurer.

The following table describes the City's taxing authority and the percentage it currently imposes to generate gross receipts tax revenues to the City.

Fiscal Year 2018 Taxing Authority and Gross Receipts Tax Imposed For the Benefit of the City of Albuquerque (as of January 1, 2018)

Type of Tax & Purpose	Total Taxing Authority	Percentage Imposed	Unused Authority
Municipal GRT			
General Purposes	0.5000%	0.5000%	0.0000%
Basic Services	0.5000%	0.0000%	0.5000%
Transportation	0.2500%	0.2500%	0.0000%
Public Safety	0.2500%	0.2500%	0.0000%
Total Municipal GRT	1.5000%	1.0000%	0.5000%
Municipal Infrastructure GRT			
General Purpose	0.1250%	0.0625%	0.0625%
Econ. Dev. & Transit	0.1250%	0.0000%	0.1250%
Municipal Environmental GRT	0.0625%	0.0000%	0.0625%
Municipal Capital Outlay GRT	0.2500%	0.1250%	0.1250%
Quality of Life GRT	0.2500%	0.0000%	0.2500%
Hold Harmless GRT	0.3750%	0.0000%(1)	0.3750%
Total Other GRT	1.1875%	0.1875%	1.0000%
Total Impositions by the City		1.1875%	
State-Shared GRT		1.2250%	
Total Distribution to the City		2.4125%	

(1) On March 5, 2018, City Council approved a 0.375% gross receipts tax increase. Such increase will be effective on July 1, 2018.

Source: City of Albuquerque, Office of City Treasurer.

Historical Taxable Gross Receipts

The table which follows provides information about the City's taxable gross receipts by sector since Fiscal Year 2007.

CITY OF ALBUQUERQUE
Taxable Gross Receipts by Sector and Total Gross Receipts[1]
Fiscal Years 2008-2017 ($000,000)

Category[2]	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Share of 2008	Share of 2017
Accommodation and Food Services	$1,237	$1,206	$1,204	$1,267	$1,309	$1,310	$1,341	$1,431	$1,519	$1,530	8.2%	9.5%
Admin and Support	128	127	143	141	129	151	150	171	233	236	0.8	1.5
Agriculture	7	7	4	4	4	5	7	9	14	19	0.0	0.1
Arts Entertainment and Recreation	60	78	80	86	91	88	98	112	122	148	0.4	0.9
Construction	1,562	1,446	1,080	1,014	1,008	1,080	1,122	1,154	1,214	1,398	10.3	8.7
Educational Services	95	91	112	143	123	99	111	103	90	88	0.6	0.5
Finance and Insurance	149	126	108	104	107	115	120	119	123	140	1.0	0.9
Health Care	681	703	721	746	768	799	823	938	1,006	1,058	4.5	6.6
Information and Cultural Industries	395	375	509	596	777	759	767	797	771	791	2.6	4.9
Management of Companies	18	17	17	15	10	20	23	24	(15)	20	0.1	0.1
Manufacturing	312	264	218	262	283	289	333	350	335	334	2.1	2.1
Mining	0	0	(0)	1	1	1	5	8	7	8	0.0	0.1
Other Services	1,653	1,624	1,355	1,421	1,299	1,414	1,400	1,374	1,390	1,350	10.9	8.4
Professional Scientific and Technical Services	1,437	1,511	1,381	1,497	1,462	1,452	1,487	1,547	1,636	1,649	9.5	10.3
Public Administration	7	2	1	1	0	0	2	2	1	2	0.0	0.0
Real Estate & Leasing	219	186	177	194	232	249	276	310	384	350	1.4	2.2
Retail Trade	4,309	4,005	3,884	3,833	3,950	4,023	3,966	4,040	4,125	4,164	28.4	26.0
Transportation and Warehousing	120	99	104	107	119	114	110	115	102	107	0.8	0.7
Unclassified Establishments	165	97	67	47	39	51	93	138	106	122	1.1	0.8
Utilities	461	460	450	520	550	570	567	564	525	517	3.0	3.2
Wholesale Trade	671	557	484	469	384	386	372	384	380	395	4.4	2.5
Total Taxable Gross Receipts[3]	13,689	12,983	12,107	12,474	12,656	12,993	13,195	13,689	14,066	14,430	100.0%	100.0%
Food - Hold harmless Distribution	1,037	1,019	977	1,014	1,049	1,060	1,098	1,129	1,115	1,156		
Medical -Hold harmless Distribution	433	523	470	496	551	514	484	452	446	459		
Total Taxable Gross Receipts base[3]	15,156	14,524	13,548	13,977	14,245	14,550	14,756	15,271	$15,627	$16,045		
Total Gross Receipts	$28,742	$26,457	$24,728	$25,825	$26,327	$26,801	$27,316	$26,170	$28,165	$28,847		

(1) Albuquerque taxable gross receipts are according to distribution month, which lags reporting month by one month and activity month by two months. While taxable gross receipts is the reported tax base, the actual tax distributions may differ from those calculated by applying the tax and distribution rates to taxable gross receipts for any of a number of reasons (e.g., the filing taxpayer did not include a check or the check was returned; an adjustment was made for a previous over or under distribution to the City). Actual distributions average within 1-2% of computed tax due based on reported taxable gross receipts.

(2) North American Industrial Classifications System (NAICS) with exception of Food And Medical Hold Harmless.

(3) May not total due to rounding.

Source: City of Albuquerque, Department of Finance and Administrative Services.

Gasoline Tax

Generally

The rate of State tax on gasoline is $0.17 per gallon. The gasoline tax is imposed on registered distributors of gasoline in the State at the time the gasoline is received by a registered distributor. Gasoline is generally deemed to be "received" when delivered to a registered distributor for resale to a wholesaler or retailer in the State. The registered distributor is responsible for filing gasoline tax returns with, and paying the gasoline tax due to, the Department on or before the twenty-fifth day of the month following the month in which the gasoline is received in the State. Distributors are required to include the gasoline tax in the resale price of gasoline sold to a purchaser. Delinquent taxpayers may be required to file a surety bond in favor of the State to ensure prompt filing of reports and the payment of all taxes levied by the Gasoline Tax Act. "Registered tribal distributors" are permitted to deduct the tax from gasoline sold at the wholesale level. Each registered tribe is limited to total annual sales of 30 million gallons.

The amount of the distribution of gasoline tax receipts from the State ("State Shared Gasoline Tax Receipts") is 10.38%. See the table entitled "Historical State Gasoline Tax Receipts" under this caption.

Distribution of the Gasoline Tax

Net receipts are the amount paid to the Department in any month less any refunds. Ninety percent (90%) of the amount distributed by the Department is paid to treasurers of municipalities in the proportion that the taxable motor fuel sales in each of the municipalities bears to the aggregate taxable motor fuel sales in all municipalities in the State. The remaining 10% is distributed by the Department to counties in the State.

Historical Receipts

The following table sets forth the historical distributions of State Gasoline Tax Receipts for Fiscal Years 2008-2017.

CITY OF ALBUQUERQUE
Historical State Gasoline Tax Receipts

Fiscal Year	State Gasoline Tax Receipts
2008	$5,301,238
2009	5,177,825
2010	4,973,555
2011	4,765,348
2012	4,287,335
2013	4,835,671
2014	4,446,255
2015	4,605,282
2016	4,835,201
2017	4,402,551

Sources: City of Albuquerque, Department of Finance and Administrative Services.

Lodgers' Tax and Hospitality Fee

Lodgers' Tax

The lodgers' tax is levied pursuant to the Lodgers' Tax Act (Sections 3-38-13 through 3-38-24 NMSA 1978, as amended) and is imposed, with certain limited exceptions, on all revenues derived from the furnishing of lodging within the City. The tax rate imposed by the City is 5% and is imposed on the gross taxable rent paid for lodging (but not including state gross receipts tax or local gross receipts tax).

Lodgers' tax revenues are pledged to the payment of the City's gross receipts/lodgers' tax bonds in an amount equal to fifty percent (50%) of the revenues produced by the City's imposition of the lodgers' tax, less certain administrative costs. Under the Lodgers' Tax Act, a municipality located in a class A county, such as the City, imposing an occupancy tax (such as the lodgers' tax) of more than two percent (2%) is required to use not less than one-half of the proceeds derived from the tax for the purposes of advertising, publicizing, and promoting the convention center and certain other tourist facilities or attractions within the City. The City uses the 50% of the lodgers' tax revenues not pledged to the payment of bonds to satisfy this requirement.

Hospitality Fee

The State Legislature passed the Hospitality Fee Act (Sections 3-38A-1 through 3-38A-12 NMSA 1978) which became effective in June 2003. Under the Act, the City has authority to impose, without a referendum, a hospitality fee of up to 1% of the gross rent proprietors receive from tourist accommodations within the City. On April 19, 2004, the City enacted its ordinance imposing the hospitality fee. The Hospitality Fee Act includes a section which repeals the Act effective July 1, 2028. As required by the Hospitality Fee Act, twenty-five percent of the fees collected are to be used for advertising to publicize and promote tourist-related attractions, facilities and events, twenty-five percent of the fees collected are to be used to extinguish debt incurred by a municipality for a metropolitan court facility, and the remaining fifty percent is to be used to equip and furnish the City's convention center. Hospitality fee revenues, in an amount equal to fifty percent (50%) of the revenues produced by the City's imposition of the fee, less certain administrative costs, are pledged to the payment of the City's outstanding Hospitality Fee obligations.

Historical Lodgers' Tax Revenues and Hospitality Fee Revenues

The gross taxable rent, lodgers' tax revenues and hospitality fee revenues collected by the City for the last five fiscal years are as follows:

CITY OF ALBUQUERQUE
Historical Lodgers' Tax Revenues

Fiscal Year	Gross Taxable Rent(1)	Lodgers' Tax Revenues	Hospitality Fee Revenues
2013	$204,103,740	$10,205,187	$2,041,037
2014	215,798,301	10,789,915	2,157,983
2015	228,461,360	11,423,068	2,275,003
2016	237,347,900	11,867,395	2,373,479
2017	244,545,088	12,227,254	2,445,451

(1) Defined by the Lodgers' Tax Act to mean "the total amount of rent paid for lodging, not including the State Gross Receipts Tax or local sales taxes."

Source: City of Albuquerque, Department of Finance and Administrative Services.

The following table sets forth estimated spending and future confirmed convention bookings in the City by number of individuals and room nights for Fiscal Years 2015-2019. While the numbers of future delegates and room nights are estimates based on historical convention history and therefore may be variable within a particular booking, cancellation of such confirmed future bookings is unlikely.

Confirmed Convention Center Bookings
Fiscal Years 2016-2020(1)

Fiscal Year	Direct Spending	Attendance	Room Nights
2016	$29,652,882	49,993	61,904
2017	20,473,600	45,010	46,768
2018	21,071,397	36,932	42,846
2019	38,330,736	58,756	66,140
2020	22,742,885	28,100	41,565

(1) Represents all Convention Center meetings/conventions and sporting events as of February 14, 2018.

Sources: Visit Albuquerque.

Employee Contracts

There were 5,956 full-time employment positions budgeted by the City for Fiscal Year 2018. Approximately 84% of City employees are affected by union contracts. There are eight bargaining units within the City. The City's union contracts are as follows: Albuquerque Officers' Association (A.F.S.C.M.E. Local 1888, AFL-CIO); Clerical and Technical Employees (A.F.S.C.M.E. Local 2962, AFL-CIO); Transit Union (A.F.S.C.M.E. Local 624 AFL-CIO); Blue Collar Workers (A.F.S.C.M.E. Local 624, AFL-CIO); Albuquerque Area Firefighters Union; Albuquerque Police Officers' Association; Prisoner Transport Officers; and Management Union (A.F.S.C.M.E. Local 3022, AFL-CIO). All collective bargaining agreements are current at this time.

Retirement Plan

The City 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. The Plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. As required by State law, eligible employees are required to contribute between 7.75% and 18.15% of their gross salary, depending on the specific plan type, and the City is required to contribute between 7.40% and 21.65% of eligible employees' gross covered salary, depending on the specific plan type. The City's liability under the Plan is limited to the periodic employer contributions that it is required to make for its participating employees. The City's required contributions to PERA for the years ending June 30, 2017, 2016 and 2015 were $35,376,597, $33,311,341 and $32,575,247, respectively, which equal the legally required contributions for each year. The City's total contributions to PERA, including the employer required contributions and the portion the City pays for the employees for the years ending June 30, 2017, 2016 and 2015 were $63,864,670, $60,217,368 and $58,202,765, respectively. 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 cost-sharing employers, such as the City, 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 is effective for fiscal years beginning after June 15, 2014. As of June 30, 2017, the City reported a net pension liability of $717,983,547 for its proportionate share of the net pension liability.

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.pera.state.nm.us.

Actuarial information is shown below:

State of New Mexico Public Employees Retirement Fund
Summary Information as of June 30, 2017 (in thousands)

Membership[(1)]	103,130
Actuarial Information	
Accrued Liability[(2)]	$20,194,698
Actuarial Value of Assets[(3)]	$15,124,167
Unfunded Actuarial Accrued Liability	$5,070,530

(1) Includes both state and municipal divisions.
(2) Includes accrued liability of both the retired and active members.
(3) The valuation of assets is based on an actuarial value of assets whereby gains and losses relative to a 7.25% annual return for the first 10 years and 7.75% thereafter. Annual returns are smoothed in over a four-year period.

Source: Public Employees Retirement Association.

As of June 30, 2017, PERA has an amortization or funding period of 55 years, based on the employer and member contribution rates in effect as of July 1, 2017. Member and employer rates are established pursuant to Section 10-11-1 through 10-11-142 NMSA 1978. The funded ratio (ratio of the actuarial value of assets to accrued actuarial liability) was 74.9% as of June 30, 2017 and the UAAL of the PERA Fund increased $251 million to approximately $5.1 billion. The State's portion of the UAAL of the PERA Fund is 53.1%, or $2.7 billion. On a market value basis, PERA's funded ratio is approximately 73.1% as of June 30, 2017. Current 30-year projections indicate the PERA Fund will be 87.3% funded in 2043.

Other Post-Employment Benefits

In addition to pension benefits under a defined benefit contributory retirement plan through the PERA, the City provides certain health care and life insurance benefits for retired employees. Life insurance benefits are paid through premiums to an insurance company under an indemnity plan and historically the claims paid in any one year have not exceeded the premiums. Under GASB 45, the City financials now reflect the liability owed beyond the annual premium amounts paid to the carrier. The amount of the Other Post-Employment Benefit ("OPEB") liabilities and related annual OPEB expense vary under GASB 45 based on the funding policy. Prior to June 30, 2013, the City's funding policy was based on "Pay-As-You-Go" which resulted in a lower assumed interest rate, higher UAAL, and higher Annual Required Contribution ("ARC"). As of July 1, 2013, the City's funding policy was changed. The new policy is based on "prefunding" which allows for a higher assumed internal rate of return, lower UAAL, and lower ARC. As of June 30, 2017, the Albuquerque Pooled OPEB Trust has over $16.5 million is cash and a net position of $17.0 million. The Irrevocable Trust is managed by the City in conjunction with Wells Fargo Trust and Custody.

The State of New Mexico Retiree Health Care Act (the "Health Care Act") provides comprehensive core group health insurance for persons who have retired from certain public services in New Mexico. The purpose of the Health Care Act is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds deposited by the employer into the Retiree Health Care Fund (the "RHCF") and by co-payments or out-of-pocket payments of eligible retirees. Each participating retiree pays a monthly premium for the medical plus basic life plan. Each participating employer makes contributions to the Fund in the amount of 2.5% of each participating employee's annual salary. Each participating employee contributes to the Fund an employee contribution equal to 1.25% of the employee's annual salary. The City's contributions to the RHCF for the years ended June 30, 2017, 2016 and 2015 were $5,743,608, $5,526,285 and $5,394,698, respectively, which equal the required contributions for each year.

Capital Implementation Program

General

The City finances a substantial portion of its traditional municipal capital improvements with general obligation bonds. Historically, the City issues general obligation bonds annually to finance capital improvements. However, certain improvements are financed with revenue bonds. The City's Capital Implementation Program consists of a ten-year program, with a general obligation bond election held every odd-numbered year to approve the two-year capital budget portion of the program.

Albuquerque Rapid Transit

A portion of the City's Capital Improvement Program is dedicated to the design, construction and purchase of revenue vehicles for the Albuquerque Rapid Transit project (the "ART Project") which, upon completion, will be an approximately 9-mile transit corridor along Central Avenue. Funding for the ART Project includes approximately (a) $27 million of City funds already raised through bond financings and infrastructure tax, (b) $31 million in federal grants already committed to the ART project by the City, of which $9.6 million has been received, and (c) a $75 million Small Starts Capital Grant that has been recommended by the Federal Transportation Administration (the "FTA"), of which $50 million was placed in President Trump's budget in July 2017 and the remaining $25 million is expected to be placed in President Trump's budget in July 2018. Congress has not yet approved funds for the Small Starts Capital Grant. The City is advancing the amount of the Small Starts Capital Grant with the expectation that it will be reimbursed such amount upon receipt of such funds from the FTA. The City is cautiously optimistic that Congress will appropriate such funds and the FTA will award the funds to the City. However, if such funds are not received, the City anticipates that the amount originally attributable to the Small Starts Capital Grant will be provided through other legally available City funds.

Impact Fees

The City's impact fee ordinance was adopted by the Council on November 19, 2012 and implemented on December 8, 2012. Two lawsuits challenging the impact fee ordinance were filed in Bernalillo County District Court by developers in January 2013. The lawsuits allege that impact fee credits held by the developers under the City's previous impact fee ordinance were unlawfully devalued by the ordinance adopted on November 19, 2012. It is premature to speculate how the lawsuits might affect the City's impact fee ordinance or the collection of impact fees. The City is also involved in an administrative appeal regarding cash refunds requested by an impact fee credit holder. It is similarly premature to speculate how this administrative appeal might affect the City's impact fee ordinance or the collection of impact fees.

An impact fee is a one-time charge imposed on new development to help fund the costs of capital improvements that are necessitated by and attributable to new development. Impact fees may not be charged retroactively and may not be used for maintenance or repair. The cost calculation formulas recognize that new development in areas where major infrastructure already exists will have lower costs.

The seven types of new infrastructure that the City impact fees support are: (i) road, (ii) drainage, (iii) fire, (iv) police, (v) park, (vi) open space, and (vii) trail. Service areas have been identified for each type of infrastructure.

The program supplements the existing Capital Implementation Program. The funds from the impact fees are used to develop infrastructure on a pay-as-you go basis and will not affect the City's current general obligation bond program or the City's bonding capacity.

Total Impact Fees

Fiscal Year	Total Collected
2013(1)	$1,486,701
2014	1,050,649
2015	1,556,858
2016	2,067,078
2017	3,021,358

(1) In November 2012 City Council passed a new impact fee ordinance. These impact fees are phased in by calendar year: 20% in 2013, 40% in 2014, 60% in 2015, 80% in 2016 and 100% January 2017.

Source: City of Albuquerque, Planning Department.

Financial Statements

See Appendix A, Audited Financial Statements for Fiscal Year 2017.

ENTERPRISE OPERATIONS

Albuquerque Airport

Definitions

The following definitions are applicable to the discussion of the City's Airport System.

"ABQ Airport" is defined as the Albuquerque International Sunport, which is located five miles southeast of downtown Albuquerque and is adjacent to Kirtland Air Force Base, an active United States Air Force ("USAF") installation.

"Airport" is defined as any or all of the City's existing and future Airport Facilities, and any interest of the City therein, including, without limitation, the Airport System, all land, buildings, structures, roadways and facilities thereof or related thereto of whatsoever character and wheresoever situated, within or without the boundaries of the City, and all enlargements, additions, substitutions, improvements, extensions and equipment appertaining thereto, including, but not limited to, any parking facility for automobiles and other motor vehicles located at any Airport Facility and any industrial or commercial property located on land constituting a part of the Airport property; but excluding any special facility or related revenues until there has been defeasance of all special facilities obligations payable from such special facility or the lessees or operators thereof.

"Airport Facilities" is defined as the property comprising the Airport, including, without limitation, runways, terminals and other aircraft parking facilities, taxiways, aprons, approach and clear zones, safety areas, infield areas, landing and navigational aids, terminal and other buildings and any other facilities and land areas used in connection with the use and operation of any such facility.

"Airport Obligations" is defined as all bonds, notes or other instruments which evidence a borrowing payable from and secured by net revenues of the Airport, now outstanding or hereafter issued or incurred, including Airport bonds designated as Senior Parity Obligations and Subordinate Parity Obligations.

"Airport System" is defined as ABQ Airport and Double Eagle II Airport.

"Double Eagle II Airport" is defined as the general aviation reliever airport owned and operated by the City.

General

ABQ Airport is the principal air carrier airport serving the Albuquerque Metropolitan Area and the State, and provides the only major air carrier service to the State. ABQ Airport is owned by the City and operated by the City's Aviation Department.

ABQ Airport is classified as a "medium hub" airport by the FAA. In Fiscal Year 2017, origination and destination passengers comprised an estimated 96.3% of passengers enplaned at ABQ Airport. In addition to ABQ Airport, the City also owns and operates Double Eagle II

Airport. ABQ Airport has two principal runways for air carrier use and a 574,452 square foot main terminal complex (the "Terminal Building") with 22 major national airline gates and one commuter airline gate. The Terminal Complex area includes a two-level terminal loop roadway system, a 3,400 space automobile parking structure, a 357 space credit/debit card parking lot, and a 460 space surface parking lot.

The Terminal Building was built in 1965 and was expanded in 1987 to add a new concourse, security office, passenger screening area, baggage claim area, and additional restrooms. The City is undertaking certain projects to rehabilitate and modernize the Terminal Building with Terminal Optimization Phase One completed and Terminal Building Improvement Phase Two began in Fiscal Year 2013. (See following section "Airport System Capital Program.")

Deed and Agreements with the United States Air Force

Runways, taxiways, land and facilities at ABQ Airport (the "Airfield") were deeded to the City by the United States Air Force ("USAF") in 1962. The deed contains a reversion clause, which becomes effective if the City does not continue to use the Airfield as an airport. Further, the U.S. Government has a right of re-entry if the City does not comply with the covenants and restrictions in the deed. In 1962, the City entered into a 73 year lease (until 2035) with the United States Air Force (USAF), wherein the USAF pays the City $50,000 per year for use of the airfield. In 1999, the City entered into a 25 year lease with the USAF to pay the Air Force $34,164 per year until 2024 for use of property needed for a runway extension. Pending City Council approval, the Aviation Department and the USAF have reached a mutual agreement to modify these leases as follows:

a. 1962 Lease: For the five-year period of January 1, 2018 to December 31, 2022, the USAF will increase its payment to the City from $50,000 to $105,000 per year, and the lease will terminate in 2022. The parties will negotiate a modern lease going forward.

b. 1999 Lease: The USAF agrees to waive the City's remaining payment obligations to the USAF through 2024 ($219,194), and enter into a joint use agreement without charge to the City thereafter.

Airport Service Area

The ABQ Airport Service Area includes the Albuquerque MSA (Bernalillo, Sandoval, Valencia and Torrance Counties) and the Santa Fe MSA (Santa Fe and Los Alamos Counties). The ABQ Airport also serves a secondary area consisting of the remainder of the State. The ABQ Airport is the only medium hub airport in the State with scheduled mainline airline service.

Airlines Serving Albuquerque

ABQ Airport is currently served by six mainline airlines (the "Signatory Airlines") as well as two non-signatory airlines, and regional and commuter airlines. The Signatory Airlines are as follows:

American Airlines	Alaska Airlines[1]
Southwest Airlines	United Airlines
Delta Air Lines	
JetBlue	

(1) Alaska Airlines began serving the Airport in 2014 and became a signatory airline in August 2017, with daily service between Albuquerque and Seattle, Portland, San Francisco, San Diego and Los Angeles.

Each of the Signatory Airlines listed above have entered into a five-year Scheduled Airline Operating Agreement and Terminal Building Lease with the City with an effective term of July 1, 2016 through June 30, 2021 (the "Airline Agreements"). Please note: the City and Alaska Airlines are currently in the signature process for the remainder of the five-year Airline Agreement with an effective term of August 1, 2017 through June 30th 2021. Collectively, the Signatory Airlines lease approximately 82.3% of the available exclusive and preferential use space in the Terminal Building. Frontier and Allegiant Airlines have entered into a month to month Non-Signatory Airline Operating Agreement and Terminal Building Lease. Frontier Airlines began non-stop daily service between ABQ Airport and Denver in October 2017. Allegiant Airlines provides non-stop service from ABQ to Austin and Las Vegas, recently discontinuing a route to Los Angeles.

In addition to these mainline airlines and their affiliate regional carriers, the ABQ Airport has one commuter airline serving New Mexico. Boutique Air provides non-stop service to Alamosa, Colorado and Carlsbad and Silver City in New Mexico.

Two cargo airlines, Fed Ex and UPS (the "Cargo Airlines"), provide air cargo service at ABQ Airport. The Cargo Airline entered into a five-year Amended and Restated Scheduled Cargo Airline Operating Agreement and Cargo Building Lease with the City effective July 1, 2016 through June 30th 2021 (the "Cargo Airline Agreements") and both operate as Signatory Cargo Airlines.

Historical Aircraft Operations and Enplaned Passengers

During Fiscal Year 2017, there were 130,832 aircraft operations (landings and takeoffs) at the ABQ Airport, an increase of 0.8% from 129,827 in Fiscal Year 2016. Ending Fiscal Year 2017, 2,421,456 passengers enplaned at ABQ Airport, an increase of 1.2% from 2,391,648 in Fiscal Year 2016. The increase in enplaned passengers is reflective of an improving economy and additional service offerings at the ABQ Airport. The following table presents the number of enplaned passengers for major national, affiliate regional and commuter airlines at the ABQ Airport from Fiscal Year 2008 through Fiscal Year 2017.

Historical Airline Traffic Activity
ABQ Airport

Enplaned Passengers

Fiscal Year	Number	Percent Increase (Decrease)
2008	3,417,525	4.7%
2009	3,014,347	(11.8)
2010	2,933,346	(2.7)
2011	2,889,262	(1.5)
2012	2,835,744	(1.9)
2013	2,601,588	(8.3)
2014	2,492,480	(4.2)
2015	2,383,062	(4.4)
2016	2,391,648	0.4
2017	2,421,456	1.2

Source: City of Albuquerque, Department of Aviation.

The total number of enplaned passengers at ABQ Airport decreased at an average annual rate of 3.8% per year between Fiscal Years 2008 (the peak year) and 2017, and Airport management projects an increase of 2.4% in Fiscal Year 2018. For the nation as a whole, the number of enplaned passengers was roughly 11% higher in Fiscal Year 2017 than it was in Fiscal Year 2008.

In the second half of 2008 (Fiscal Year 2009), the financial crisis and economic recession deepened, depressing consumer spending and resulting in reduced demand for air travel. As a result airlines reduced departing seat capacity at airports across the country, including ABQ Airport. At the same time Southwest Airlines' strategy to reallocate departing seat capacity to large-hub airports disproportionately affected medium-hub airports such as ABQ Airport. Relatively weak economic growth and subsequent soft market demand led all of the airlines to reduce seat capacity at ABQ Airport between Fiscal Years 2010 and 2015. The combination of weak demand and reduced capacity resulted in a decrease in enplaned passenger numbers.

Enplaned passenger growth resumed, however, in Fiscal Year 2016 with enplanements 0.4% higher than Fiscal Year 2015. A decrease in Southwest enplanements was offset by increases on all other airlines, combined. Passenger numbers on Alaska Airlines alone increased over 50% with the addition of new routes from ABQ Airport. The number of enplaned passengers at ABQ Airport increased 1.2% in Fiscal Year 2017, and scheduled seat capacity increased 0.7% indicating a shift by airlines toward the use of larger aircraft.

Despite the decline in prior year enplanements the airport's finances remain solid and are supported by a healthy balance sheet with a low debt burden coupled with a strong liquidity position. These positive results are reflective of management's continuing efforts to contain costs and maximize non-airline revenue.

Airline Market Shares of Enplaned Passengers

During Fiscal Years 2013 through 2017, Southwest Airlines and American Airlines held the greatest percentage of market share. In Fiscal Year 2017, Southwest's market share in Albuquerque was 53.2% and American's was 19.8%. Combined, the two airlines accounted for at 73.0% of enplanements at the ABQ Airport during Fiscal Year 2017.

The following table presents the market shares of enplaned passengers by airline for Fiscal Years 2013 through 2017:

Historical Airline Market Shares of Enplaned Passengers

Operating Airline	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Southwest Airlines	**57.3%**	**55.6%**	**56.7%**	**54.4%**	**53.2%**
American Airlines [1]					
American	11.8%	14.4%	14.0%	17.3%	18.4%
US Airways	4.7	4.7	5.4	1.5	0.0
Envoy Air (formerly American Eagle)	2.5	1.4	1.3	1.3	1.4
Subtotal	**19.0%**	**20.5%**	**20.7%**	**20.0%**	**19.8%**
United Airlines					
United	1.4%	1.6%	0.3%	5.8%	5.6%
SkyWest	5.1	3.5	2.8	2.5	3.2
Shuttle America	1.9	1.2	1.6	0.6	0.6
ExpressJet	1.4	2.2	2.2	0.3	0.6
Republic	1.0	1.7	1.5	0.4	0.2
GoJet	0.0	0.0	0.6	1.0	0.8
Subtotal	**10.8%**	**10.2%**	**9.0%**	**10.7%**	**11.0%**
Delta Air Lines					
Delta	8.9%	7.7%	7.8%	8.8%	8.2%
SkyWest	0.9	2.7	2.6	1.9	2.0
Subtotal	**9.8%**	**10.4%**	**10.4%**	**10.6%**	**10.1%**
Frontier Airlines					
Frontier[2]	2.5%	1.5%	0.0%	0.0%	0.0%
Subtotal	**2.5%**	**1.5%**	**0.0%**	**0.0%**	**0.0%**
JetBlue Airways	0.3%	1.5%	1.6%	1.7%	1.7%
Alaska	0.0%	0.0%	1.4%	2.1%	2.4%
Allegiant[2]	0.0%	0.0%	0.0%	0.1%	1.5%
All Other	0.3%	0.3%	0.2%	0.3%	0.3%
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

(1) American and US Airways merged in December 2013 and will operate under American's name.
(2) Non-signatory airlines.

Source: City of Albuquerque Aviation Department.

Airport Administration

Ms. Nyika Allen, is the Director of the Aviation Department. Ms. Allen is the first millennial to lead a city department, and is the first woman to serve as Director of the Department of Aviation. Immediately prior to assuming her position with the Aviation Department, Ms. Allen served as President and Chief Executive Officer of the New Mexico Technology Council. Ms. Allen holds a BBA in International Management from the Anderson School of Management at the University of New Mexico and the UNM Honors Program.

Mr. James D. Hinde, C.M., is the Deputy Director of Aviation. Mr. Hinde served as Director from December 2009 until December 2017 and as Acting Director of Aviation from January 2007 to March 2007. He has worked for the City's Aviation Department for twenty-seven years, beginning in 1991, as Manager of Engineering, Manager of Engineering and Environmental Affairs, Planning Manager, and Director. Prior to his work with the City he was involved in design, project management, and inspection with several private engineering firms. Mr. Hinde is a certified member with the American Association of Airport Executives.

Ms. Natalie Howard M.P.A, is the Associate Director of Finance and is responsible for the Finance and Administration Division, consisting of airport revenue bonds, operating budget(s), accounts receivable, accounts payable, airport revenue, lease and agreement contract administration, performance-based measures, capital improvement program, debt service, PFC program, CFC programs, procurement, professional technical contracts, and landside operations. Ms. Howard has over twenty two years of experience in finance, administration and government accounting. Ms. Howard earned a Master of Public Administration degree and a BA in Sociology, both from the University of New Mexico.

Mr. Jack D. Scherer is the Associate Director of Planning and Development for the Aviation Department. In this role Mr. Scherer participates in all planning efforts for development of the Airport System, and works closely with architects, engineers and consultants through all phases of design and construction of facilities and infrastructure. In addition, Mr. Scherer is the point of contact for the City's Foreign Trade Zone located at the ABQ Airport, and he works closely with various economic development organizations to create additional opportunities for revenue generation within the Airport System. He has over 30 years of experience in real estate, land development and construction, and earned a Bachelor of Science degree from Fort Lewis College in Durango, Colorado.

The Associate Director of Operations position is currently vacant. The Aviation Deputy Director, James Hinde, is currently assuming the responsibilities and duties of this position. It is anticipated that this position will be filled in the spring of 2018.

Airport Financial Information; Airport Fund

<u>General</u>. The Airport Fund is an enterprise fund of the City and is self-sustaining. This proprietary type fund provides services which are intended to be financed primarily through user charges or activities where periodic determination of net income is appropriate.

Historical Financial Results. The following tables compare historical financial results of the Airport System.

Historical Airport Revenues
(Fiscal Year 2013-2017)
($000s)

	2013	%	2014	%	2015	%	2016	%	2017	%
Airline Revenue	$23,738	32.4	$23,245	33.0	$19,655	29.9	$20,730	31.3	$18,067	28.3
Non-Airline Revenue Terminal Bldg.	15,090	20.6	14,690	20.8	14,670	22.3	15,108	22.9	15,493	24.3
PFCs	9,932	13.6	9,227	13.1	8,905	13.5	8,939	13.5	9,058	14.2
CFCs	7,993	10.9	6,560	9.3	5,584	8.5	4,053	6.1	4,024	6.3
Passenger Parking Area	7,591	10.4	7,482	10.6	7,547	11.5	7,826	11.8	7,956	12.5
Miscellaneous	8,828	12.1	9,319	13.2	9,415	14.3	9,492	14.4	9,170	14.4
TOTAL	$73,172	100.0	$70,523	100.0	$65,776	100.0	$66,148	100.0	$63,768	100.0

Source: City of Albuquerque.

Airline Revenues. Airline revenues include revenues from the Signatory Airlines, Affiliate Airlines, Commuter Airlines, Air Cargo Airlines and Non-Signatory Airlines. Components of airline revenues include Terminal Building space rentals, loading bridge fees, baggage claim device charges, landing fees, cargo building rentals, and cargo apron rentals. See "Agreements with the Airlines" under this caption.

Amounts to be paid by the Signatory/Affiliate Airlines pursuant to the Airline Agreements constitute a major source of revenues to the Airport. As a whole, the Signatory Airlines represented approximately 98.2% of commercial enplaned passengers at ABQ Airport in Fiscal Year 2017. Airline revenues constituted 28.3% of Gross Airport Revenues in Fiscal Year 2017.

Passenger Facility Charges. The City has had four applications to collect Passenger Facility Charges ("PFC"). In March 1996, the FAA approved the City's application to collect a total of $49,638,000 over a period of approximately six years by imposing a $3.00 PFC on each enplaning revenue passenger at ABQ Airport. The closeout amendment for this application increased the collection authority by $135,870. This FAA approval closed in May 2003. In February 2002, the FAA approved the City's second PFC application which allowed the City to impose a $3.00 PFC at ABQ Airport for a total collection amount of $44,483,079. The closeout amendment for this application amended the total collections to $41,844,636 to reflect actual collections and uses of PFC revenues. This FAA approval closed in May 2009. In June 2006, the FAA approved a third PFC application ("PFC #3") in the amount of $66,066,726. In October 2009, the FAA approved Amendment One to increase PFC #3 to $68,885,899. In May 2011, the FAA approved Amendment Two to increase PFC #3 to $78,203,803. Effective July 2011, the

FAA approved an increase to the PFC #3 charge from $3.00 to $4.50. The airport has begun the process to amend PFC#3 to actual expenses; PFC#4 was approved for $14,163,797 by FAA to impose and use September 2016. The expiration date for PFC#4 was extended to July, 2018; PFC#5 was submitted to FAA for approval in December 2017.

PFC revenues are available to pay Airport Obligations issued to finance eligible projects, such as runway and terminal building improvements, and have been and will be used to reimburse the City for investments made by the City in eligible projects. PFC revenues are included by the City as part of Gross Airport Revenues to the extent available to pay Airport Obligations, as directed by a designated officer of the City.

The following table sets forth the annual collections of PFCs from Fiscal Year 2012 through Fiscal Year 2017.

PFC Revenues ($000s)

Fiscal Year	PFCs Collected(1)
2012	$10,741
2013	9,932
2014	9,227
2015	8,905
2016	8,940
2017	9,058

(1) PFCs received by the City net of collection and handling fees retained by airlines. The airlines are permitted to retain a portion of each PFC collected (currently $0.11 of each PFC collected) as compensation for collecting and handling PFCs.

Non-Airline Revenues. Non-airline revenues include the rental car privilege fees; leased building rental fees; land rental fees and operating fees; non-airline terminal building space rentals; terminal building food and beverage concessions; terminal building retail concessions; terminal building advertising program; and other miscellaneous agreements. The largest component of non-airline revenues in Fiscal Year 2017 was the rental car privilege fees.

Rental Car Facility Revenues. The City currently operates under a five year agreement with eight rental car companies; all parties have agreed to exercise the option to extend for an additional five years (expiration July 1, 2021). The agreement with the eight rental car companies is for the use and lease of counter space at the customer service building as well as 1,390 parking spaces in the ready/return parking area. Pursuant to these agreements, the City receives: (a) privilege fees in the amount of 10% of gross revenues against a minimum annual guarantee, (b) a monthly fee for use of ready/return parking spaces and (c) monthly fees for exclusive use and common use space in the customer service building. Under the agreements, the on-airport rental car companies are required to collect a Customer Facility Charge ("CFC") per rental car contract day to be used for the operation of the rental car shuttle bus system and to pay debt allocated to the Rental Car Facility and associated roadways. CFC revenues and all rentals, fees and charges imposed by the City and collected from the rental car companies accounted for approximately 25.8% of Gross Airport Revenues in Fiscal Year 2017. (See "Customer Facility Charge" below). In addition, the City has 20-year leases with the on-airport rental car companies for use and lease of the service center facilities and vehicle storage areas which expires in 2021.

Customer Facility Charges. The Rental Car Facility is located on approximately 76 acres on the west side of ABQ Airport. The City currently has agreements with eight rental car companies operating from the Rental Car Facility ("On-Airport Rental Car Companies"). All rental car companies serving ABQ Airport are required to transport their customers between the Terminal Building and the Rental Car Facility on a common rental car shuttle bus system. There are 1,390 ready/return spaces at the Rental Car Facility.

Customer Facility Charges ("CFC") are calculated to recover: (i) the costs of providing, operating and maintaining the common rental car shuttle bus system, which transports rental car customers to and from the Terminal Building and Rental Car Facility; (ii) certain debt service requirements on Airport Obligations issued to finance the Rental Car Facility and related improvements; and (iii) other allocable costs associated with common areas at the customer service building and access roadways. In 2017, the City Council granted CFC eligibility to include capital improvements to the Facility.

The City may recalculate the fee at least annually based on these costs and the projected number of rental car transaction days. The CFC is currently $2.25 per contract day and is expected to be the same in the next preceding fiscal year.

In the event that the projected CFC revenues in any year are less than the costs described above, the On-Airport Rental Car Companies are required to pay the City additional rent equal to the shortfall in CFC revenues. Excess revenues from the CFC in any year may be used to pre-pay debt service requirements or Airport Obligations issued to finance the Rental Car Facility, to pay any allowable Airport cost, or to reduce the CFC rate for the following year.

Terminal Building Concession Revenues. Non-airline Terminal Building food and beverage concession revenues are generated under agreements with Fresquez Concessions, Inc. and Black Mesa Coffee Company (purchased by Fresquez in 2017) to provide food and beverage services within the Terminal Building (the "Food and Beverage Concession Agreements"). In addition there are three retail concession operators (the "Retail Concession Agreements"), including Avila Retail Development & Management, El Mercado del Sol, Inc. and Hudson-Garza Albuquerque JV. These three retail concession operators offer a variety of retail merchandise including newspapers, magazines, books, Native American art and jewelry, southwest apparel and New Mexico souvenirs. Under the initial terms of the agreements, each operator was required to pay the City the greater of (a) a percentage of gross revenues or (b) a minimum monthly guarantee ("MMG") amount. The MMG amount was to be adjusted each year to a sum of money representing one-twelfth (1/12) of 85% of each company's prior year's percentage of gross revenues paid to the City, but in no event would the MMG for any month be less than the initial MMG. The Airport concessionaires requested a rent accommodation due to passenger enplanement reductions. During 2014 City Council approved a temporary suspension of the MMG until passenger enplanements reach 2,850,000 annually.

Parking Area Revenues. The public parking facilities include a two-level terminal loop roadway system, a 3,400 space, 4-level parking garage, a 357 space uncovered surface parking lot, called the Credit Card Lot, and a 460 space covered surface parking lot, called the Economy Lot. Other parking facilities at ABQ Airport include three employee lots, which together provide approximately 600 spaces.

Public parking rates are $1.00 for the first half hour. The maximum rates are as follows: short term lot parking garage is $10.00 per day, the Economy Lot is $7.00 per day, and the Credit Card Lot is $7.00 per day. The public parking facilities generated revenues totaling $8,038,374 ($7,955,591 in public parking revenues plus $82,783 in employee parking revenues) in Fiscal Year 2017. The City also receives revenues from commercial vehicle lane fees and taxicab permits, which together totaled $433,025 in Fiscal Year 2017.

Revenues from Other Areas. Revenues from other areas at ABQ Airport principally include land and building rentals. Included are other governmental agency facilities, aircraft hangers, manufacturing and production facilities and various other property leases. Major sources of leased site rental revenues include the Sheraton Albuquerque Airport Hotel, general aviation fixed base operators and air cargo building rentals. The Sheraton pays a percentage of gross revenues for food, alcoholic beverages, room rentals and other miscellaneous categories against a minimum monthly guarantee.

Double Eagle II Airport Revenues. The City has two agreements with a fixed base operator to provide services to the general aviation community at Double Eagle II Airport. The City also maintains various land and building leases, including a lease for a 15,000 square foot hangar facility, a 10,000 square foot hangar facility, and a 41,585 square foot office building, all of which are owned by the City. In February 2012, the City leased the office building to a charter school known as Southwest Aeronautics, Mathematics, and Science Academy Charter School (the "SAMS Academy"). The SAMS Academy provides an educational opportunity in a state-of-the-art facility with an emphasis on an aeronautics and aviation curriculum designed to produce pilots, aircraft mechanics, and future engineers and mathematicians. The SAMS Academy lease is for a 15-year term (5-year lease with two renewal 5-year options). The lease has the potential of generating approximately $4,500,000 during the 15 year term. Beginning April 2014, SAMS began leasing 185,111 square feet of land for a sports complex which generates approximately $37,000 in revenue for the airport annually.

Federal Grants. The City receives annual federal grant monies from the FAA through the Airport Improvement Program ("AIP"). These funds are not included in the calculation of Gross Airport Revenues. AIP grants received by the City are either entitlement (determined by formula) or discretionary (determined by FAA prioritization of projects across the nation as a whole). Between Fiscal Year 2012 and Fiscal Year 2018, the City received a total of $31.4 million in AIP grants and entitlement/discretionary funds. Albuquerque Sunport received $31.1 million for projects related to the rehabilitation and/or reconstruction of aprons, taxiways and runways; other grants received were the Sunport Master Plan Update and Wildlife Assessment. Double Eagle II received $315K in funding for Wildlife Assessment, Taxiway A1 and Taxiway A1-B1 Redesign.

There can be no assurance as to the amount of such funding the Airport will receive in future years. The City's financial plan for funding its Capital Program assumes that the City will receive AIP grants to fund the eligible portions of certain projects. In the event that AIP grants are not available, the City would either elect to delay, cancel, or fund the projects with airport funds and/or other sources.

Airline Agreements

Signatory Passenger Airline Agreements. The existing five-year Scheduled Airline Operating Agreement and Terminal Building Leases ("Signatory Passenger Airline Agreement") has a five year term expiring on June 30, 2021.

Signatory Passenger Airlines and Signatory Cargo Airlines pay the City landing fees per 1,000-pound unit of maximum certified gross landing weight for the use of ABQ Airport. The landing fee rate is calculated according to a cost center residual methodology, whereby the City recovers 100% of the costs allocable to the Airfield.

Under the Signatory Passenger Airline Agreement, Terminal Building rental rates are calculated according to a commercial compensatory method based on rentable space. An annual Terminal Building concession revenue credit is distributed to the airlines, based on a defined methodology in the Signatory Passenger Airline Agreement. Ticket counter, airline operations, and certain other space is leased on a per square foot basis. Holdrooms are leased on a per holdroom basis. The baggage claim area and the passenger circulation area are used jointly, the cost of which is fully recovered from the airlines. Loading bridge charges are calculated to recover all associated costs from the airlines.

Each Signatory Passenger Airline has priority in using gates assigned to it on a preferential use basis to accommodate its scheduled flights. However, the City may assign a preferential gate for use by others in periods when not in use by the renting Signatory Airline. The City has the right, but not the obligation, to reassign a Signatory Passenger Airline's preferentially assigned gate to another Signatory Passenger Airline, if the renting Signatory Passenger Airline's average scheduled gate utilization falls below four flights per gate per day, and the City determines that there is a reasonable need for the preferential use of such gate by another Signatory Passenger Airline.

Signatory Cargo Airline Agreements. The existing five-year Scheduled Cargo Airline Operating Agreement and Cargo Building Leases (the "Cargo Airline Agreement") has a five year term expiring on June 30, 2021. Under the Cargo Airline Agreement, rates and charges are established for the Cargo Building and the Cargo Apron. A rate per square foot is established each year by the City to lease space in the Cargo Building. That rental rate is subject to adjustment each year. The rates and charges for the Cargo Apron is established according to a commercial compensatory methodology, whereby a rate per square foot of rentable space is established each year by the City; cargo airlines pay the rate per square foot for their leased Cargo Apron space.

Affiliate Airline Operating Agreements. Affiliate Airlines are passenger airlines operating as regional affiliates of Signatory Passenger Airlines. Service provided by these airlines is marketed and sold by Signatory Passenger Airlines under capacity purchase agreements and not by the Affiliate Airline. Therefore, the City has no direct agreement with Affiliate Airlines.

Under the terms of the Signatory Passenger Airline Agreement, Affiliate Airlines pay the same landing fee rate as the Signatory Passenger Airlines and participate in the year-end recalculation of airline rates and charges. Rents and fees for the use of the Terminal Building, where applicable, are paid by the Signatory Passenger Airline on behalf of the Affiliate Airline.

Commuter Airline Agreements. The City maintains Commuter Airline Lease and Operating Agreements with airlines providing commuter service throughout New Mexico and Alamosa, Colorado. The Commuter Airline Lease and Operating Agreements are on a month-to-month basis. Under the terms of the Commuter Airline Lease and Operating Agreements, commuter airlines pay the same landing fee rate as the Signatory Passenger Airlines, but do not participate in the year-end recalculation of airline rates and charges. The agreements also allow the commuter airlines to pay fixed rates to rent space in the Terminal Building.

Non-Signatory Airline Agreements. The City maintains Non-Signatory Airline Operating Agreements and Terminal Building Leases (the "Non-Signatory Airline Agreement") with certain airlines providing service at ABQ Airport on both a scheduled and non-scheduled basis. The Non-Signatory Airline Agreements allow airlines to occupy space in the Terminal Building or air cargo facilities on a month-to-month basis. Additionally, the Non-Signatory Airline Agreements specify the fees to be paid for the use of Airport facilities, generally higher than the applicable Signatory Passenger Airline rate. Non- Signatory Airlines do not participate in the year-end recalculation of airline rates and charges.

Air Service Incentive Programs. The City instituted an Airline Competition Incentive Program (the "ACIP") and Airline Cooperative Marketing Program (the "ACMP") in April 2013 to encourage new air service by incumbent and new-entrant airlines. The ACIP provides for credits of 100% of allocable landing fees and 75% of allocable terminal rentals and use fees for qualifying service to airports not served nonstop from ABQ Airport. The ACMP provides for subsidies for qualifying marketing activities related to ACIP-eligible service. ACIP and ACMP credits and subsidies are in effect for a maximum of two years for each qualifying service. The programs expire in June 2021. In April 2015 JetBlue Airways completed its two years of qualifying service and currently is operating as a signatory airline. In September 2016, Alaska Airlines completed its two years of qualifying service, and became a signatory airline in 2017. Allegiant Airlines began operations effective June 2, 2016, and will be in the incentive program for two years. Frontier Airlines began service in October 2017, and will be in the incentive program for 2 years.

Airport System Capital Program

The City maintains a rolling five-year Capital Improvement Program (CIP). The current CIP extends to Fiscal Year 2023 and anticipates $158 million in capital improvements. This CIP program has been pre-approved by the Signatory Airlines as part of the new Airline Agreement(s) with a 5 Year term expiring June 30, 2021. Capital improvements other than those identified in the pre-approved capital plan exceeding certain cost thresholds and not subject to other limitations are subject to the capital project review and approval provisions of the Airline Agreements.

Of the $158 million CIP, $151.3 million would improve ABQ Airport and $6.7 million to the Double Eagle II Airport. The funding plan for the CIP is a mixture of grants, "pay-as-you-go" Passenger Facility Charges (PFC's), Customer Facility Charge (CFC's) and Airport equity. The City plans to issue no new debt to fund projects.

The majority of the CIP projects are for the renewal and/or replacement of aging elements of airport infrastructure. The CIP reflects the lack of a need for significant expansion of airfield or terminal capacity.

At the ABQ Airport, the large completed projects were: new snow barn, Police Suite, IT Office, restrooms, Family Assistance Area, Badging Office, Rental Car restrooms, Parking Structure Lighting, and Parking Administrative/Booth renovation. Other large projects include the rehabilitation/reconstruction of Taxiways B, E, and the perimeter road, continued improvements to the Terminal Building, and upgrading the Access Control System. Improvements scheduled in the Terminal Building will include: architectural features and finishes, wayfinding signage, identified building code upgrades, illuminated signage, refurbished bag carousels, seating, new meditation room, HVAC System, fire alarm upgrades, curbside enhancements, and updated ticket counters.

Additional projects include a master plan update, the purchase of new fire and rescue equipment if needed, adding a turnout from Runway 3-21 and upgrading the mechanical and electric systems in the Terminal Building. At Double Eagle II Airport, the largest projects are the airfield lighting, master plan update, and the rehabilitation of the north access road.

OTHER PROJECTS OF THE CITY

Public Improvement Districts

The Public Improvement District Act was enacted by the State Legislature in 2001 and codified in Sections 5-11-1 through 5-11-27 NMSA 1978, as amended and supplemented (the "PID Act"). The PID Act provides procedures for local governments to create public improvement districts ("PIDs") through a petition and hearing process, followed by approval through an election of property owners and qualified resident electors. PIDs are authorized to finance various infrastructure and improvements, including water and sewer systems, streets and trails, parks, electrical, gas and telecommunications systems, public buildings, libraries and cultural facilities, school facilities, equipment and related costs of operation and administration.

The PID Act provides for financing based on levying property taxes on land within a PID, imposing special levies based on benefit to property, front footage, acreage, cost of improvements (or other factors apart from assessed valuation), and by providing for use charges for improvements or revenue-producing projects or facilities. PID taxes, levies and charges may be pledged to pay debt service on bonds issued by a PID. Under the Act, PID bonds are not obligations of the State of New Mexico or the local government jurisdiction in which the PID is located, but are obligations solely of the PID issuing the bonds. The Council adopted the Albuquerque Public Improvement District Policy Ordinance (the "PID Policy Ordinance") in February 2003, which enacts policies and procedures for processing and approving applications for approval of PIDs within the City's boundaries.

The Council has approved nine public improvement districts within the City; Ventana West Public Improvement District, Montecito Estates Public Improvement District, Saltillo

Public Improvement District, The Trails Public Improvement District, The Boulders Public Improvement District, Volterra Public Improvement District, Mesa del Sol Public Improvement Districts, Lower Petroglyphs Public Improvement District and Juan Tabo Hills Estates Public Improvement District. Many of the public improvement districts have issued special levy revenue bonds to finance construction of certain public infrastructure.

Housing Projects

Beach Apartments Project

The Beach Apartments Project was acquired by the City from the Resolution Trust Corporation ("RTC") in July 1991 with proceeds of its $1,265,000 Multifamily Mortgage Revenue Bonds (Beach Apartments Project), Series 1991. The complex was conveyed subject to a land use restriction agreement between the City and RTC which stipulates that not less than 35% of the units in the property be made available to households with incomes less than 65% of the area median income, adjusted for family size. The Beach Apartments Project consists of 74 units located in six two and three-story buildings, and the apartment building complex includes a swimming pool and on-site security personnel. The table below shows the number and types of units of the Beach Apartments.

NUMBER AND TYPES OF UNITS

Number of Units	Types of Units
13	Studio
8	One Bedroom
49	Two Bedroom
4	Three Bedroom

Annual occupancy rates for the Beach Apartments Project have ranged between 93% and 98% from Fiscal Year 2010 through Fiscal Year 2017. For Fiscal Year 2017, the Beach Apartments Project generated total revenues of $559,275 and incurred $445,838 in operating and other expenses, resulting in net income of $113,438 for that period.

Manzano Vista Apartments Project

The Manzano Vista Apartments Project, purchased by the City in January 1994 with proceeds of its $3,030,000 Multifamily Mortgage Revenue Bonds (Manzano Vista, formerly Dorado Village Apartments, Project), Series 1994, consists of 178 units. The complex was purchased at foreclosure auction and was conveyed by foreclosure deed subject to a use agreement between the City and the U.S. Department of Housing and Urban Development ("HUD"). The use agreement has expired. Although Manzano Vista has no deed restrictions, the City provides 25% of the units in this complex as affordable housing. The table below shows the number and types of units of the Manzano Vista Apartments.

NUMBER AND TYPES OF UNITS

Number of Units	Types of Units
24	One Bedroom
104	Two Bedroom
50	Three Bedroom

Annual occupancy rates for the Manzano Vista Apartments Project have ranged between 93.4% and 95% from Fiscal Year 2010 through Fiscal Year 2017. For Fiscal Year 2017, the Manzano Vista Apartments Project generated total revenues of $1,452,412 and incurred $1,181,560 in operating and other expenses, resulting in a net income of $270,812 for that period.

Bluewater Village Apartments Project

The Bluewater Village Apartments Project is a 200-unit multi-family building and was acquired by the City with proceeds of its $11,245,000 Affordable Housing Project/Gross Receipts Tax Subordinate Lien Revenue Bonds, Series 1996. The Bluewater Village Apartments are operated as a mixed-income community, i.e., a portion of the units will be occupied by low and moderate-income families. The table below shows the number and types of units.

NUMBER AND TYPES OF UNITS

Number of Units	Types of Units
50	One Bedroom
80	Two Bedroom
60	Three Bedroom
10	Four Bedroom

Annual occupancy rates for the Bluewater Village Apartments Project have ranged between 92% and 97.1% from Fiscal Year 2010 through Fiscal Year 2017. For Fiscal Year 2017, the Bluewater Village Apartments Project generated total revenues of $1,728,466 and incurred $988,335 in operating and other expenses, resulting in net income of $740,131 for that period.

INVESTMENT PROGRAM, POLICIES AND PROCEDURES

The City holds significant cash balances, arising from capital project borrowings and operational revenues, and awaiting expenditure for purposed needs. It is imperative that the City forecast its daily, weekly, monthly, and annual net cash flow needs to ensure adequate liquidity is available. Aligning with the liquidity necessity is the requirement to protect these financial assets from material loss by minimizing market, interest rate, credit, liquidity, and other risks. Finally, once sufficient liquidity is ensured and risk minimized, the City seeks to maximize total return on invested assets, subject to risk tolerance constraints. This mandate of optimizing safety, liquidity, and return helps to ensure the citizens of the City that the investment program is protecting and enhancing the public’s resources.

Governance

The City’s Investment Oversight Committee (the “IOC”) is responsible for formulating and implementing the investment policy. The IOC is provided with this authority by the Chief Administrative Officer via Chapter 4, Article 1.9 of the Fiscal Agent Ordinance, which states that the IOC is responsible for:

a. Establishing, maintaining and amending general policy and procedures for investing city monies;

b. Establishing collateral requirements for city deposits;

c. Establishing specific parameters and/or limitations on particular types of investments; and

d. Ensuring proper internal controls are established and maintained to prohibit unauthorized investment activities.

Portfolio Structure

Although the City accounts for its financial assets in various governmental Funds and general ledger accounts, and investment income and market value changes are apportioned accordingly, the assets are managed as two sub-portfolios:

1. the Liquidity Component; and

2. the Core Investment Component.

The primary purpose of the Liquidity Component is to provide daily liquidity to the City while controlling the risk factors described above. The return objective for this portfolio, measured in yield terms, is secondary. However, by deploying cash forecasting models the City strives to minimize the Liquidity Component level so that more cash may be deployed as earning assets in the Core Investment Component.

The purpose of the Core Investment Component is to convert excess cash, over and above the required Liquidity Component level, to earning assets. Performance is measured on a total return basis. As this portfolio consists of operating reserves and bond proceeds awaiting eventual expenditure, a longer term focus is appropriate. However, principal preservation remains a primary objective, as the Core Investment Component's funds may be utilized to meet debt service, capital project, and operational requirements. As such, strict duration management is in order to manage acceptable principal value change.

Permissible Investments

The City's authorized asset classes and investment types are prescribed by New Mexico State Statute, NMSA Chapter 6, Articles 10-10, 10-16, and 10-17, and affirmed in the City of Albuquerque Code of Ordinances, Chapter 4, Article 1-10.

Portfolio Management Approach

The standard of prudence to be used by the City for managing its cash assets is the Uniform Prudent Investor Act (UPIA). This standard raises the level of care to which the City is to be held accountable, from that of "a businessman of ordinary prudence" (Prudent Man standard) to that of the UPIA, an expert standard incorporated into New Mexico statute in 2005. A major difference between the two standards is that, under the Prudent Man standard, each investment is analyzed separately. Conversely, the UPIA recognizes Modern Portfolio Theory and analyzes investments as components of a diversified portfolio. Asset classes and investment types such as corporate fixed income mutual funds, considered too risky for municipal portfolios on a standalone basis, are considered for use under the UPIA because of their risk-adjusted return enhancement capabilities in a portfolio context.

In alignment with the UPIA, the City has adopted a Strategic Asset Allocation (SAA) approach to the construction and management of its Core Investment Component portfolio. As opposed to the traditional yield or absolute total return approaches to public funds investment management, the City's strategy recognizes the inherent risk of various investments and adjusts for it. Further, the City's approach factors in how the returns of various asset classes vary relative to one another (correlate) through various periods. The overall goal of the approach, using a time-tested quantitative methodology known as Mean-Variance Optimization (MVO), is to manage the Core portfolio with the goal of providing the City the highest return for the level of risk exposure assumed.

Reporting

The Investment Officer is required to provide a comprehensive investment report to the IOC at least quarterly.

Investment Procedures

The City Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the financial assets of the City are protected from loss, theft or misuse. Further, detailed guidelines are required to carry out the City's investment program. Specifics for the internal controls and procedures are documented in an investment procedures manual utilized by the Investment Officer.

The manual addresses the following points:

- Control of collusion;
- Separation of transaction authority from accounting and recordkeeping;
- Custodial safekeeping;
- Broker/dealer listing approval, transactional processing compliance;
- Asset allocation compliance procedures;
- IOC reporting details;
- Avoidance of physical delivery securities;
- Clear delegation of authority to subordinate staff members;
- Written confirmation of transactions for investments and wire transfers;
- Dual authorizations of wire transfers;

- Staff training; and
- Review, maintenance and monitoring of security procedures both manual and automated.

FORWARD-LOOKING STATEMENTS

This Annual Information Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Annual Information Statement, the words "estimate," "forecast," "intend," "expect," "project," "budget," "plan" and similar expressions identify forward-looking statements.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

LEGAL MATTERS

Litigation

General

There is no action, suit, proceeding, inquiry, investigation or controversy of any nature pending, or to the City's knowledge threatened, involving the City (i) in any way questioning (A) the authority of any officer of the City to exercise the duties and responsibilities of his or her office or (B) the existence, powers or authority of the City; or (ii) which, except as and to the extent disclosed below may result, either individually or in the aggregate, in final judgments against the City materially adversely affecting its financial condition.

APD Settlement Agreement with Department of Justice

In response to the Department of Justice's (the "DOJ") 2014 finding of excessive use of force by the Albuquerque Police Department ("APD"), the City of Albuquerque has entered into a settlement agreement with the DOJ that enumerates specific agreed upon deliverables. Full implementation of the settlement agreement is expected to occur in approximately four years. The cost of both compliance and monitoring together are expected to be less than $6 million per year.

New Mexico Tort Claims Act Limitations

The New Mexico Tort Claims Act limits liability to (i) $200,000 for damage to or destruction of property arising out of a single occurrence, (ii) $300,000 for all past and future medical and medically-related expenses arising out of a single occurrence, (iii) $400,000 to any person for any number of claims arising out of a single occurrence for all damages other than property damage and medical and medically-related expenses, as permitted under the New Mexico Tort Claims Act, and (iv) $750,000 for all claims other than medical or medically-related expenses arising out of a single occurrence. In two consolidated cases, the City had two judgments entered against it that exceeded these caps on damages under the New Mexico Tort Claims Act. In August 1998, the New Mexico Supreme Court declared the cap on damages unconstitutional as to these two cases only. However, the Court changed the standard from an "intermediate scrutiny" standard to a "rational basis" standard by which the constitutionality issue will be determined in future cases. Since the "rational basis" standard is a lesser standard of scrutiny, the City expects that the cap will be upheld, if challenged in the future. The City has not experienced a material adverse financial impact on claims as a result of the decision in these cases.

Risk Management

The City is exposed to various risks of loss related to torts and civil rights claims (including law enforcement and employment related exposures); theft, damage and destruction of its real and personal assets; workers compensation losses; errors and omissions of City officers and officials; and natural disasters. The City uses the Risk Management Fund to account for and finance its uninsured risks of loss. Under this program, the Risk Management Fund provides coverage for up to a maximum of $2,000,000 for public safety employees and $1,500,000 for all other employees each workers' compensation incident, $1,050,000 for each tort liability claim, and $50,000 for each City real and contents damage claim. Losses in other categories and catastrophic losses in the mentioned categories are the subject of insurance and/or actuarially reviewed retentions. Whenever a risk exposure is insured, the City continues to benefit from case coverage on claims that were incurred during the insured claim year.

The Risk Management Fund tracks claims on a fund by fund basis and assesses charges to each fund based on historical claims experience and the need to establish a reserve for unanticipated catastrophic losses. That reserve was $71.9 million at June 30, 2017, and is included in the unrestricted net position of the Risk Management Fund. The claims liabilities reported in the Risk Management Fund are based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic factors. The estimate of the claims liability also includes amounts for incremental claim adjustments expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

In the fiscal year ended June 30, 2013, the City conducted a review of both its philosophy for reserving funds and the tools used to analyze the reported claims liability. As a result of this review, and based on information pertaining to existing claims, the City determined that a higher reserve liability was needed. Beginning in fiscal year 2015, the City began funding a "Risk Recovery" plan through an allocation to the respective departments. The original goal was to recover $36.3 million over ten years. In Fiscal Years 2015, 2016 and 2017, $8.3 million was collected under the plan. It should be noted that these allocation amounts are subject to annual appropriations by the City Council.

Finally, the City has reserve amounts created by the City's policy to reserve one-twelfth of the General Fund budgeted amount. See Note IV.O to the Audited Financial Statements for Fiscal Year 2017, attached hereto as Appendix A.

APPROVAL OF ANNUAL STATEMENT

This Annual Statement and its distribution and use for the purposes herein have been authorized and approved by the City.

Submitted for Approval by:	**Approved by:**
Department of Finance and Administrative Services	Chief Administrative Officer
/s/ Sanjay Bhakta	/s/ Sarita Nair

APPENDIX A

Independent Auditors' Report,
Management's Discussion and Analysis,
Audited Basic Financial Statement,
and Notes to Financial Statements

As of and for the Fiscal Year ended June 30, 2017

APPENDIX B

CUSIP Numbers for Outstanding City Bonds

BOND ISSUE NAME	D/S MONTH & YEAR	CUSIP	PRINCIPAL
Airport Refunding 2004A	July 2018	013538HB2	$1,790,000
Airport Refunding Revenue Bonds 2008A	July 2018	013538JF1	$2,300,000
Airport Refunding Revenue Bonds 2008C	July 2018	013538JY0	$495,000
Airport Refunding Revenue Bonds 2008C	July 2019	013538JZ7	490,000
Airport Refunding Revenue Bonds 2008C	July 2020	013538KA0	480,000
Airport Refunding 2014A	July 2018		$1,735,000
Airport Refunding 2014A	July 2019		1,700,000
Airport Refunding 2014A	July 2020		1,660,000
Airport Refunding 2014A	July 2021		1,630,000
Airport Refunding 2014A	July 2022		1,605,000
Airport Refunding 2014A	July 2023		1,575,000
Airport Refunding 2014A	July 2024		1,540,000
General Obligation General Purpose 2009A	July 2018	013518Y90	$6,090,000
General Obligation General Purpose 2011A	July 2018	013518Z99	$10,700,000
General Obligation General Purpose 2011A	July 2019	0135182A2	10,700,000
General Obligation General Purpose 2011A	July 2020	0135182B0	10,700,000
General Obligation General Purpose 2011A	July 2021	0135182C8	10,700,000
General Obligation General Purpose 2011A	July 2022	0135182D6	10,700,000
General Obligation General Purpose 2011A	July 2023	0135182E4	10,700,000
General Obligation General Purpose 2012A	July 2018	0135182L8	$5,700,000
General Obligation General Purpose 2012A	July 2019	0135182M6	5,700,000
General Obligation General Purpose 2012A	July 2020	0135182N4	5,700,000
General Obligation General Purpose 2012A	July 2021	0135182P9	5,700,000
General Obligation General Purpose 2012A	July 2022	0135182Q7	5,700,000
General Obligation General Purpose 2012A	July 2023	0135182R5	5,700,000
General Obligation General Purpose 2012A	July 2024	0135182S3	3,445,000
General Obligation General Purpose 2013A	July 2018	0135182Z7	$6,040,000
General Obligation General Purpose 2013A	July 2019	0135183A1	6,040,000
General Obligation General Purpose 2013A	July 2020	0135183B9	6,040,000
General Obligation General Purpose 2013A	July 2021	0135183C7	6,040,000
General Obligation General Purpose 2013A	July 2022	0135183D5	6,040,000
General Obligation General Purpose 2013A	July 2023	0135183E3	6,050,000
General Obligation General Purpose 2013A	July 2024	0135183F0	6,050,000
General Obligation General Purpose 2013A	July 2025	0135183G8	6,050,000
General Obligation General Purpose 2013A	July 2026	0135183H6	1,075,000

General Obligation General Purpose 2014A	July 2018	0135183N3	$4,805,000
General Obligation General Purpose 2014A	July 2019	0135183P8	4,805,000
General Obligation General Purpose 2014A	July 2020	0135183Q6	4,805,000
General Obligation General Purpose 2014A	July 2021	0135183R4	4,800,000
General Obligation General Purpose 2014A	July 2022	0135183S2	4,800,000
General Obligation General Purpose 2014A	July 2023	0135183T0	4,800,000
General Obligation General Purpose 2014A	July 2024	0135183U7	4,800,000
General Obligation General Purpose 2014A	July 2025	0135183V5	4,800,000
General Obligation General Purpose 2014A	July 2026	0135183W3	4,230,000
General Obligation General Purpose 2015A	July 2018	0135184B8	$3,285,000
General Obligation General Purpose 2015A	July 2019	0135184C6	3,285,000
General Obligation General Purpose 2015A	July 2020	0135184D4	3,285,000
General Obligation General Purpose 2015A	July 2021	0135184E2	3,285,000
General Obligation General Purpose 2015A	July 2022	0135184F9	3,285,000
General Obligation General Purpose 2015A	July 2023	0135184G7	3,285,000
General Obligation General Purpose 2015A	July 2024	0135184H5	3,285,000
General Obligation General Purpose 2015A	July 2025	0135184J1	3,285,000
General Obligation General Purpose 2015A	July 2026	0135184K8	3,285,000
General Obligation General Purpose 2015A	July 2027	0135184L6	1,840,000
General Obligation General Purpose 2016A	July 2018	0135184Q5	$6,000,000
General Obligation General Purpose 2016A	July 2019	0135184R3	6,000,000
General Obligation General Purpose 2016A	July 2020	0135184S1	6,000,000
General Obligation General Purpose 2016A	July 2021	0135184T9	6,000,000
General Obligation General Purpose 2016A	July 2022	0135184U6	6,000,000
General Obligation General Purpose 2016A	July 2023	0135184V4	6,000,000
General Obligation General Purpose 2016A	July 2024	0135184W2	6,000,000
General Obligation General Purpose 2016A	July 2025	0135184X0	6,000,000
General Obligation General Purpose 2016A	July 2026	0135184Y8	6,000,000
General Obligation General Purpose 2016A	July 2027	0135184Z5	6,000,000
General Obligation General Purpose 2016A	July 2028	0135185A9	5,500,000
General Obligation General Purpose 2017A	July 2018	0135185D3	$1,760,000
General Obligation General Purpose 2017A	July 2019	135185E1	1,760,000
General Obligation General Purpose 2017A	July 2020	135185F8	1,760,000
General Obligation General Purpose 2017A	July 2021	135185G6	1,760,000
General Obligation General Purpose 2017A	July 2022	135185H4	1,760,000
General Obligation General Purpose 2017A	July 2023	135185J0	1,760,000
General Obligation General Purpose 2017A	July 2024	135185K7	1,760,000
General Obligation General Purpose 2017A	July 2025	135185L5	1,760,000
General Obligation General Purpose 2017A	July 2026	135185M3	1,760,000
General Obligation General Purpose 2017A	July 2027	135185N1	1,760,000
General Obligation General Purpose 2017A	July 2028	135185P6	1,760,000
General Obligation General Purpose 2017A	July 2029	135185Q4	1,760,000
General Obligation General Purpose 2017A	July 2030	135185R2	1,730,000
General Obligation Storm Sewer 2012B	July 2024	0135182T1	$2,255,000
General Obligation Storm Sewer 2012B	July 2025	0135182U8	5,780,000

General Obligation Storm Sewer 2013B	July 2026	0135183J2	$4,980,000
General Obligation Storm Sewer 2014B	July 2026	0135183X1	$575,000
General Obligation Storm Sewer 2014B	July 2027	0135183Y9	4,800,000
General Obligation Storm Sewer 2015B	July 2027	0135184M4	$1,441,000
General Obligation Storm Sewer 2015B	July 2028	0135184N2	3,285,000
General Obligation Storm Sewer 2016B	July 2028	0135185B7	$500,000
General Obligation Storm Sewer 2016B	July 2029	0135185C5	6,000,000
Gross Receipts Tax Refunding 2008B	July 2018	01354PCZ5	$455,000
Gross Receipts Tax Refunding 2009B	July 2018	01354PDR2	$3,505,000
Gross Receipts Tax Refunding 2009B	July 2019	01354PDS0	3,740,000
Gross Receipts Tax Refunding 2009B	July 2020	01354PDT8	3,940,000
Gross Receipts Tax Refunding 2009B	July 2021	01354PDU5	4,075,000
Gross Receipts Tax Refunding 2009B	July 2022	01354PDV3	840,000
Gross Receipts Tax Series 2013	July 2018	01354PEA8	$1,455,000
Gross Receipts Tax Series 2013	July 2019	01354PEB6	1,500,000
Gross Receipts Tax Series 2013	July 2020	01354PEC4	1,560,000
Gross Receipts Tax Series 2013	July 2021	01354PED2	1,620,000
Gross Receipts Tax Series 2013	July 2022	01354PEE0	1,685,000
Gross Receipts Tax Series 2013	July 2023	01354PEF7	1,760,000
Gross Receipts Tax Series 2013	July 2024	01354PEG5	1,835,000
Gross Receipts Tax Series 2013	July 2025	01354PEH3	1,930,000
Gross Receipts Tax Series 2013	July 2026	01354PEJ9	2,025,000
Gross Receipts Tax Series 2013	July 2027	01354PEK6	2,125,000
Gross Receipts Tax Series 2013	July 2028	01354PEL4	2,235,000
Gross Receipts Tax Series 2013	July 2031	01354PEM2	2,000,000
Gross Receipts Tax Series 2013	July 2031	01354PER1	5,310,000
Gross Receipts Tax Series 2013	July 2033	01354PEN0	5,355,000
Gross Receipts Tax Series 2013	July 2035	01354PEP5	4,540,000
Gross Receipts Tax/Lodger Refunding 2004B	July 2018	01354MDR9	$370,000
Gross Receipts Tax/Lodger Refunding 2004B	July 2019	01354MDR9	405,000
Gross Receipts Tax/Lodger Refunding 2004B	July 2020	01354MDR9	425,000
Gross Receipts Tax/Lodger Refunding 2004B	July 2021	01354MDR9	450,000
Gross Receipts Tax/Lodger Refunding 2004B	July 2022	01354MDR9	465,000
Gross Receipts Tax/Lodger Refunding 2004B	July 2023	01354MDR9	545,000
Gross Receipts Tax/Lodger Refunding 2004B	July 2024	01354MDR9	530,000
Gross Receipts Tax/Lodger Refunding 2004B	July 2025	01354MDS7	630,000
Gross Receipts Tax/Lodger Refunding 2004B	July 2026	01354MDS7	2,905,000
Gross Receipts Tax/Lodger Refunding 2004B	July 2027	01354MDS7	3,155,000
Gross Receipts Tax/Lodger Refunding 2004B	July 2028	01354MDS7	3,415,000
Gross Receipts Tax/Lodger Refunding 2004B	July 2029	01354MDS7	3,695,000
Gross Receipts Tax/Lodger Refunding 2004B	July 2030	01354MDS7	1,685,000
Gross Receipts Tax/Lodger Refunding 2004B	July 2034	01354MDS7	2,435,000
Gross Receipts Tax/Lodger Refunding 2004B	July 2036	01354MDS7	4,855,000

Gross Receipts/Lodgers 2009A	July 2018	01354MEN7	$440,000
Gross Receipts/Lodgers 2009A	July 2019	01354MEP2	1,070,000
Gross Receipts/Lodgers 2009A	July 2020	01354MEQ0	1,200,000
Gross Receipts/Lodgers 2009A	July 2021	01354MER8	1,340,000
Gross Receipts/Lodgers 2009A	July 2022	01354MES6	1,490,000
Gross Receipts/Lodgers 2009A	July 2023	01354MET4	280,000
Gross Receipts/Lodgers 2009A	July 2024	01354MEU1	1,775,000
Gross Receipts/Lodgers 2009A	July 2025	01354MEV9	1,870,000
Gross Receipts/Lodgers Refunding 2014A	July 2018	01354MEZ0	$210,000
Gross Receipts/Lodgers Refunding 2014A	July 2019	01354MFA4	215,000
Gross Receipts/Lodgers Refunding 2014A	July 2020	01354MFB2	225,000
Gross Receipts/Lodgers Refunding 2014A	July 2021	01354MFC0	230,000
Gross Receipts/Lodgers Refunding 2014A	July 2022	01354MFD8	235,000
Gross Receipts/Lodgers Refunding 2014A	July 2023	01354MFE6	245,000
Gross Receipts/Lodgers Refunding 2014A	July 2024	01354MFF3	255,000
Gross Receipts/Lodgers Refunding 2014A	July 2025	01354MFG1	265,000
Gross Receipts/Lodgers Refunding 2014A	July 2026	01354MFH9	275,000
Gross Receipts/Lodgers Refunding 2014A	July 2027	01354MFJ5	285,000
Gross Receipts/Lodgers Refunding 2014A	July 2028	01354MFK2	290,000
Gross Receipts/Lodgers Refunding 2014A	July 2029	01354MFL0	300,000
Gross Receipts/Lodgers Refunding 2014A	July 2030	01354MFM8	2,610,000
Gross Receipts/Lodgers Refunding 2014A	July 2031	01354MFN6	1,000,000
Gross Receipts/Lodgers Refunding 2014A	July 2031	01354MFS5	3,570,000
Gross Receipts/Lodgers Refunding 2014A	July 2032	01354MFP1	4,840,000
Gross Receipts/Lodgers Refunding 2014A	July 2033	01354MFQ9	5,105,000
Gross Receipts/Lodgers Refunding 2014A	July 2037	01354MFR7	16,285,000
Gross Receipts Tax Series 2015A	July 2018	01354PEU4	$1,360,000
Gross Receipts Tax Series 2015A	July 2019	01354PEV2	1,410,000
Gross Receipts Tax Series 2015A	July 2020	01354PEW0	1,470,000
Gross Receipts Tax Series 2015A	July 2021	01354PEX8	1,525,000
Gross Receipts Tax Series 2015A	July 2022	01354PEY6	90,000
Gross Receipts Tax Series 2015A	July 2023	01354PEZ3	95,000
Gross Receipts Tax Series 2015A	July 2024	01354PFA7	1,510,000
Gross Receipts Tax Series 2015A	July 2025	01354PFB5	1,585,000
Gross Receipts Tax Series 2015A	July 2026	01354PFC3	1,665,000
Gross Receipts Tax Series 2015A	July 2027	01354PFD1	1,750,000
Gross Receipts Tax Series 2015A	July 2028	01354PFE9	1,835,000
Gross Receipts Tax Series 2015A	July 2029	01354PFF6	1,890,000
Gross Receipts Tax Series 2015A	July 2030	01354PFG4	1,985,000
Gross Receipts Tax Series 2015A	July 2031	01354PFH2	2,065,000
Gross Receipts Tax Series 2015A	July 2031	01354PFJ8	2,150,000
Gross Receipts Tax Series 2015A	July 2032	01354PFK5	2,235,000
Gross Receipts Tax Series 2015A	July 2033	01354PFL3	2,345,000
Gross Receipts Tax Series 2015A	July 2037	01354PFM1	2,465,000
Gross Receipts Tax Series 2015A	July 2038	01354PFN9	2,560,000

Gross Receipts Tax Series 2015B (Taxable)	July 2018	01354PFS8	$1,230,000
Gross Receipts Tax Series 2015B (Taxable)	July 2019	01354PFT6	1,250,000
Gross Receipts Tax Series 2015B (Taxable)	July 2020	01354PFU3	1,275,000
Gross Receipts Tax Series 2015B (Taxable)	July 2021	01354PFV1	1,305,000
Gross Receipts Tax Series 2015B (Taxable)	July 2022	01354PFW9	1,335,000
Gross Receipts Tax Series 2015B (Taxable)	July 2023	01354PFX7	1,375,000
Gross Receipts Tax/Lodgers' Tax Improvement Revenue Taxable 2016	July 2018	01354MFV8	$185,000
Gross Receipts Tax/Lodgers' Tax Improvement Revenue Taxable 2016	July 2019	01354MFW6	315,000
Gross Receipts Tax/Lodgers' Tax Improvement Revenue Taxable 2016	July 2020	01354MFX4	445,000
Gross Receipts Tax/Lodgers' Tax Improvement Revenue Taxable 2016	July 2021	01354MFY2	585,000
Gross Receipts Tax/Lodgers' Tax Improvement Revenue Taxable 2016	July 2022	01354MFZ9	725,000
Gross Receipts Tax/Lodgers' Tax Improvement Revenue Taxable 2016	July 2023	01354MGA3	2,090,000
Gross Receipts Tax/Lodgers' Tax Improvement Revenue Taxable 2016	July 2024	01354MGB1	850,000
Gross Receipts Tax/Lodgers' Tax Improvement Revenue Taxable 2016	July 2025	01354MGC9	925,000
Gross Receipts Tax/Lodgers' Tax Improvement Revenue Taxable 2016	July 2026	01354MGD7	805,000
Gross Receipts Tax/Lodgers' Tax Improvement Revenue Taxable 2016	July 2027	01354MGE5	885,000
Gross Receipts Tax/Lodgers' Tax Improvement Revenue Taxable 2016	July 2028	01354MGF2	975,000
Gross Receipts Tax/Lodgers' Tax Improvement Revenue Taxable 2016	July 2029	01354MGG0	1,060,000
Gross Receipts Tax/Lodgers' Tax Improvement Revenue Taxable 2016	July 2030	01354MGH8	1,160,000
Gross Receipts Tax/Lodgers' Tax Improvement Revenue Taxable 2016	July 2031	01354MGJ4	1,255,000
Gross Receipts Tax/Lodgers' Tax Improvement Revenue Taxable 2016	July 2032	01354MGK1	1,365,000
Gross Receipts Tax/Lodgers' Tax Improvement Revenue Taxable 2016	July 2033	01354MGL9	1,480,000
Gross Receipts Tax/Lodgers' Tax Improvement Revenue Taxable 2016	July 2034	01354MGM7	1,605,000
Gross Receipts Tax/Lodgers' Tax Improvement Revenue Taxable 2016	July 2035	01354MGN5	1,740,000
Gross Receipts Tax/Lodgers' Tax Improvement Revenue Taxable 2016	July 2038	01354MGP0	5,100,000
Gross Receipts Tax Improvement Revenue 2016C	July 2018	01354PFZ2	$735,000
Gross Receipts Tax Improvement Revenue 2016C	July 2019	01354PGA6	760,000
Gross Receipts Tax Improvement Revenue 2016C	July 2020	01354PGB4	780,000
Gross Receipts Tax Improvement Revenue 2016C	July 2021	01354PGC2	805,000
Gross Receipts Tax Improvement Revenue 2016C	July 2022	01354PGD0	830,000
Gross Receipts Tax Improvement Revenue 2016C	July 2023	01354PGE8	860,000
Gross Receipts Tax Improvement Revenue 2016C	July 2024	01354PGF5	895,000
Gross Receipts Tax Improvement Revenue 2016C	July 2025	01354PGG3	940,000

Gross Receipts Tax Improvement Revenue 2016C	July 2026	01354PGH1	990,000
Gross Receipts Tax Improvement Revenue 2016C	July 2027	01354PGJ7	1,040,000
Gross Receipts Tax Improvement Revenue 2016C	July 2028	01354PGK4	1,080,000
Gross Receipts Tax Improvement Revenue 2016C	July 2029	01354PGL2	1,120,000
Gross Receipts Tax Improvement Revenue 2016C	July 2030	01354PGM0	1,165,000
Gross Receipts Tax Improvement Revenue 2016C	July 2031	01354PGN8	1,215,000
Gross Receipts Tax Improvement Revenue 2016C	July 2032	01354PGP3	1,265,000
Gross Receipts Tax Improvement Revenue 2016C	July 2033	01354PGQ1	1,315,000
Gross Receipts Tax Improvement Revenue 2016C	July 2034	01354PGR9	1,365,000