

# **CITY OF ALBUQUERQUE**



## **ANNUAL INFORMATION STATEMENT**

**DATED JANUARY 26, 2011**

**IN CONNECTION WITH BONDS AND**

**OTHER OBLIGATIONS**

**CITY COUNCIL DISTRICTS**

# **CITY OF ALBUQUERQUE**

## **MAYOR**

Richard J. Berry

## **CITY COUNCIL**

Ken Sanchez (President)	District 1
M. Debbie O'Malley	District 2
Isaac Benton	District 3
Brad Winter	District 4
Dan Lewis	District 5
Rey Garduño	District 6
Michael D. Cook	District 7
Trudy Jones (Vice President)	District 8
Don Harris	District 9

## **ADMINISTRATION**

David S. Campbell, Chief Administrative Officer  
Darren White, Chief Public Safety Officer  
Amy Bailey, City Clerk

## **DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES**

Lou D. Hoffman, CCM, P.E., Director  
Cilia E. Aglialoro, CTP, Treasurer  
Susan Biernacki, Esq., Asst. City Attorney/Asst. City Treasurer  
Pamela Berry, CMA, Accounting Officer

## **OFFICE OF MANAGEMENT AND BUDGET**

Mark Sandoval, Budget Officer  
Jacques Blair, PhD., City Economist

## **LEGAL DEPARTMENT**

Rob Perry, Esq., City Attorney

## **BOND COUNSEL**

Brownstein Hyatt Farber Schreck, LLP, Albuquerque, New Mexico

## **DISCLOSURE COUNSEL**

Modrall, Sperling, Roehl, Harris & Sisk, P.A., Albuquerque, New Mexico

## **FINANCIAL ADVISOR**

RBC Capital Markets, LLC, Albuquerque, New Mexico

## **SPECIAL TAX COUNSEL**

Kutak Rock LLP, Denver, Colorado

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## INTRODUCTION

This “Annual Information Statement Dated January 26, 2011 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 is intended for use by existing holders of the City’s obligations and by investors in such obligations in the secondary market. 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.”

City Council (the “Council”) actions taken after January 1, 2011, including information relating to bonds, notes or other obligations of the City issued or incurred after that date, are not included in the Annual Statement. Other information contained in the Annual Statement is current as of January 1, 2011, 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 Agliadoro, 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](http://www.cabq.gov). A copy of the Annual Statement will be posted to the City’s web site as soon as the audited financial information for Fiscal Year 2010 is available.

## 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) Gross Receipts Tax Refunding Revenue Bonds, Series 1996;
- (2) Airport Refunding Revenue Bonds, Series 1997;
- (3) Refuse Removal and Disposal System Revenue Bonds, Series 1998;
- (4) Taxable Golf Course Net Revenue/Gross Receipts Tax Revenue Bonds, Series 2001;
- (5) Refuse Removal and Disposal System Revenue Bonds, Series 2001B;
- (6) General Obligation Storm Sewer Bonds, Series 2001B;
- (7) Airport Refunding Revenue Bonds, Series 2001;
- (8) General Obligation Storm Sewer Bonds, Series 2002C;
- (9) General Obligation General Purpose Bonds, Series 2003B;
- (10) General Obligation Storm Sewer Bonds, Series 2003C;
- (11) Airport Refunding and Improvement Revenue Bonds, Series 2004A and Taxable Series 2004B;
- (12) Gross Receipts/Lodgers' Tax Refunding Revenue Bonds, Series 2004A and Taxable Series 2004B;
- (13) General Obligation General Purpose Bonds, Series 2005A;
- (14) General Obligation Storm Sewer Bonds, Series 2005B;
- (15) General Obligation General Purpose Bonds, Series 2007B;
- (16) General Obligation Storm Sewer Bonds, Series 2007C;
- (17) Airport Refunding Revenue Bonds, Series 2008;
- (18) Airport Refunding Revenue Bonds, Series 2008B-C;
- (19) Gross Receipts Tax Refunding Revenue Bonds, Taxable Series 2008A;
- (20) General Obligation General Purpose Bonds, Series 2008A;
- (21) General Obligation Storm Sewer Bonds, Series 2008B;
- (22) Subordinate Lien Airport Refunding Revenue Bonds, Series 2008E;
- (23) Gross Receipts Tax Refunding Revenue Bonds (Beach, Bluewater and Manzano Vista Projects), Series 2008B;
- (24) General Obligation General Purpose Bonds, Series 2009A;
- (25) Gross Receipts Tax/Lodgers' Tax Refunding Revenue Bonds, Series 2009A; and
- (26) Gross Receipts Tax Refunding Revenue Bonds, Series 2009B.

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. In recent years, the City's year end audits have not been completed in time for the City to make filings within the time required by certain of its Disclosure Undertakings. Other than the delay in filing its audited financial statements, the City has been in compliance with the requirements of its Disclosure Undertakings.

#### **FISCAL YEAR 2010 FINANCIAL INFORMATION NOT AVAILABLE**

**Unaudited financial information for Fiscal Year 2010 is not currently included in this Annual Statement. In January 2009, the City brought on-line a complete replacement of its accounting and human resources system. This project is a major effort impacting City-wide financial processes. The City, over the past several months and in an ongoing effort, has sought to reconcile and verify all converted financial data.**

**As of the date of this Annual Statement, the City is unable to provide unaudited financial information for Fiscal Year 2010. The City's audited financial statements for Fiscal Year 2010 are not complete. As soon as the audit is complete and approved by the New Mexico State Auditor, the City will attach audited financial information to this Annual Statement and file its audited financial statement for Fiscal Year 2010 with the Municipal Securities Rulemaking Board.**

## **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, 2010 ("CAFR"), a portion of which will be attached hereto as Appendix A upon its completion and release from the State Auditor. Other information relating to the City's outstanding obligations, including information about debt service coverage ratios, can be obtained from the CAFR; the CAFR can be viewed at and downloaded from the City's website, [www.cabq.gov](http://www.cabq.gov) upon its completion and release from the State Auditor. Certain of these obligations are further secured by municipal bond insurance, letters of credit and other credit enhancement provided by various entities as described in "Credit Enhancement" under this caption. 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. The City presently has outstanding general purpose general obligation bonds in an outstanding aggregate principal amount of \$151,700,000, and storm sewer general obligation bonds in an outstanding aggregate principal amount of \$37,105,000.

In a regular municipal election held October 6, 2009, the issuance of \$146,103,000 general purpose general obligation bonds and \$13,837,000 storm sewer general obligation bonds was approved. It is expected that the City will issue general purpose general obligation bonds in the aggregate principal amount of \$135,000,000 in February 2011.

### CITY OF ALBUQUERQUE Outstanding General Obligation Bonds As of January 1, 2011

Issue	Principal Amount Of Original Issue	Currently Outstanding
<b><u>General Purpose G.O. Bonds:</u></b>		
July 2003	\$81,805,000	\$12,565,000
June 2005	90,595,000	33,830,000
September 2007	43,045,000	26,995,000
June 2008	39,000,000	29,450,000
June 2009	54,970,000	48,860,000
Total	<u>\$309,415,000</u>	<u>\$151,700,000</u>
<b><u>Water, Sewer and Storm Sewer G.O. Bonds:</u></b>		
September 2001	\$4,510,000	\$4,310,000
February 2002	5,600,000	2,700,000
July 2003	9,440,000	9,440,000
June 2005	11,575,000	11,575,000
September 2007	5,080,000	5,080,000
June 2008	4,000,000	4,000,000
Total	<u>\$40,205,000</u>	<u>\$37,105,000</u>
<u>Total General Obligation Bonds</u>	<u>\$349,620,000</u>	<u>\$188,805,000</u>

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 \$476,818,652, as shown below, and the City's outstanding general purpose general obligation debt of \$151,700,000, the City has the capacity to issue \$325,118,652 aggregate principal amount of general purpose general obligation bonds in the future.



**CITY OF ALBUQUERQUE**  
**Test for Maximum General Purpose G.O. Bonds**

4% of Assessed Value of \$11,920,466,310:	\$476,818,652
Outstanding (General Purpose subject to 4% limitation):	\$151,700,000
Available for Future Issues:	\$325,118,652

\* See the table below entitled "Assessed Valuation (County Tax Year 2010 - Fiscal Year 2011)."

**CITY OF ALBUQUERQUE**  
**Assessed Valuation**  
**(County Tax Year<sup>(1)</sup> 2010 - Fiscal Year 2011)**

Market Value of Property Assessed <sup>(2)</sup>	\$112,370,376,375
(1/3 Market Value)	36,689,842,145
Less Exemptions	(25,152,850,825)
Plus Centrally Assessed (Corporate)	<u>383,474,990</u>
Certified Net Tax Base <sup>(3)</sup>	<u>\$11,920,466,310</u>

- (1) The County Tax Year ("Tax Year") begins November 1 and ends October 31.
- (2) Reflects market values submitted to the State by the County Assessor prior to properties assessed late. Value shown was used to assess property taxes for the tax year. Current values could vary from value shown. A method of increasing assessed valuation for residential property upon change of ownership was declared unconstitutional under the New Mexico Constitution in an August, 2009 Second Judicial District Court decision. The effect of the Court decision on recent or future increases in residential property values is uncertain and the City makes no predictions in that regard.
- (3) This Certified Net Tax Base is based on information received from the County Assessor's Office.

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, 2011**

Gross G.O. Bonded Debt	\$188,805,000 <sup>(1)</sup>
Less G.O. Sinking Fund Balance	0
Net G.O. Bonded Debt	<u>\$188,805,000</u>

	G.O. Debt	Tax Year 2010 Assessed Valuation	% Applicable to City	Net Overlapping
City of Albuquerque	\$188,805,000	\$11,920,466,310	100.00%	\$188,805,000
Albuquerque Public Schools	562,075,000	14,270,967,249	83.53%	469,498,387
Albuquerque Metropolitan Arroyo Flood Control Authority <sup>(2)</sup>	33,825,000	13,804,761,655	86.35%	29,208,021
Central New Mexico Community College	52,825,000	14,297,609,852	83.37%	44,042,231
Bernalillo County	85,949,000	14,384,728,806	82.87%	71,224,990
State of New Mexico	398,580,000	50,423,881,858	23.64%	<u>94,224,312</u>
<b>Total Direct and Overlapping G.O. Debt</b>				<u><b>\$897,002,941</b></u>
<b>RATIOS</b>				
Direct and Overlapping G.O. Debt as Percent of Taxable Assessed Valuation				7.52%
Direct and Overlapping G.O. Debt as Percent of Actual Market Valuation				0.80%
Assessed Valuation Per Capita (2010 Estimated Population 536,098) <sup>(3)</sup>				\$ 22,235.61
Direct and Overlapping G.O. Debt Per Capita				\$ 1,673.21

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

(2) Statutory maximum of general obligation debt of \$80,000,000.

(3) Population estimated by City of Albuquerque Planning Department.

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**

<b>Fiscal Year</b>	<b>Population<sup>(1)</sup></b>	<b>Taxable Value(000s)<sup>(2)</sup></b>	<b>Total G.O. Debt (000s)</b>	<b>Debt Service Fund (000s)<sup>(3)</sup></b>	<b>Net G.O. Debt (000s)</b>	<b>Ratio of Net G.O. Debt To Taxable Value</b>	<b>Net G. O. Debt Per Capita</b>
2001	454,291	\$6,900,667	\$138,180	\$10,707	\$127,473	1.85%	\$280.60
2002	464,011	7,423,666	117,440	18,230	99,210	1.34%	213.81
2003	472,814	7,623,843	160,055	45,493	114,562	1.50%	242.30
2004	483,249	7,887,551	126,810	46,158	80,652	1.02%	166.90
2005	494,477	8,285,493	239,205	19,487	219,718	2.65%	444.34
2006	504,949	9,307,581	276,205	9,977	266,228	2.86%	527.24
2007	511,008	9,858,169	235,765	8,139	227,626	2.31%	445.45
2008	523,240	10,949,766	292,620	87,565	205,055	1.87%	391.89
2009	529,219	11,581,011	297,968	27,602	270,366	2.33%	510.88
2010	536,098	12,299,076	188,805	-0-	188,805	1.54%	352.18

- (1) Population is estimated for all years as provided by City of Albuquerque Planning Department.  
(2) Assessment made by County Assessor. The taxable ratio 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, 2011**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2011	\$ 41,930,000	\$ 7,733,300	\$ 49,663,300
2012	34,915,000	5,938,013	40,853,013
2013	34,915,000	4,532,788	39,447,788
2014	27,585,000	2,995,863	30,580,863
2015	16,230,000	1,895,600	18,125,600
2016	16,230,000	1,277,925	17,507,925
2017	10,910,000	669,450	11,579,450
2018	6,090,000	243,600	6,333,600
<b>TOTAL</b>	<b>\$ 188,805,000</b>	<b>\$ 25,286,539</b>	<b>\$ 214,091,539</b>

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**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Total General Fund Expenditures (Excluding G.O. Debt Service)<sup>(1)</sup></b>	<b>Debt Service as a % of Total General Fund Expenditures (Excluding G.O. Debt Service)</b>
2001	\$71,570,000	\$9,046,715	\$80,616,715	\$320,782,941	25.1%
2002	49,810,000	8,215,773	58,025,773	321,419,453	18.1%
2003	33,245,000	7,596,953	40,841,953	326,383,639	12.5%
2004	52,220,000	9,366,770	61,586,770	349,401,983	17.6%
2005	87,355,917	7,747,457	95,103,374	393,168,745	24.2%
2006	76,440,000	10,562,178	87,002,178	445,130,907	19.5%
2007	71,270,000	8,869,510	80,139,510	475,697,255	16.8%
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	N/A	N/A

(1) Includes transfers and other financing uses.

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 "Aa1 (negative outlook)" by Moody's Investors Service, Inc. ("Moody's"), "AAA" by Standard & Poor's Ratings Service ("S&P") and "AA+" by Fitch, Inc. ("Fitch"). The City's General Obligation Bonds, Series 2003B and Series 2003C have municipal bond insurance. However, the underlying ratings on these bonds are 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 bonds. See "Credit Enhancement" under this caption.

*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, 2011**

Issue	Principal Amt. of Original Issue	Outstanding Principal Amount
Gross Receipts Tax Refunding Revenue Bonds, Series 1996 (Old Lien Tax Obligation)	\$18,315,000	\$775,000
Taxable Golf Revenue/Gross Receipts Tax Bonds Series 2001 <sup>(1)</sup>	2,420,000	325,000
New Mexico Finance Authority Stadium Loan #1 (2002) <sup>(2)</sup>	6,000,000	4,889,602
New Mexico Finance Authority Stadium Loan #2 (2002) <sup>(3)</sup>	9,000,000	7,164,587
Gross Receipts Tax Refunding Revenue Bonds, Series 2008A	16,655,000	11,595,000
Gross Receipts Tax Refunding Revenue Bonds (Beach, Bluewater and Manzano Vista Projects), Series 2008B <sup>(4)</sup>	11,275,000	10,785,000
Gross Receipts Tax Refunding Revenue Bonds, Series 2009B	28,305,000	<u>27,865,000</u>
Total		<u>\$63,399,189</u>

- (1) These bonds are also payable from net revenues of the City's golf courses.
- (2) This loan is also payable from lease payments due to the City from the lessee of the baseball stadium.
- (3) This loan is also payable from surcharges imposed on ticket sales, concessions and other goods and services sold at the baseball stadium.
- (4) These Bonds are also payable from the net revenues of certain City housing projects.

Outstanding State Gross Receipts/Lodgers' Tax Bonds. The City has outstanding the following series of special limited obligations secured by a pledge of both state gross receipts tax revenues distributed to the City by the State as described in "FINANCIAL INFORMATION - Gross Receipts Taxes - State Gross Receipts Taxes" and 50% of the revenues received by the City from the 5% lodgers' tax levied, as described in "FINANCIAL INFORMATION - Lodgers' Tax and Hospitality Fee."

**CITY OF ALBUQUERQUE**  
**Outstanding State Gross Receipts/Lodgers' Tax Bonds**  
**As of January 1, 2011**

Issue	Principal Amt. Of Original Issue	Outstanding Principal Amt.
Gross Receipts/ Lodgers' Tax Refunding and Improvement Bonds, Series 1991B <sup>(1)</sup>	\$20,095,587	\$3,970,000
Tax-Exempt Gross Receipts Tax/Lodgers' Tax Refunding Revenue Bonds, Series 2004A	31,965,000	31,965,000
Taxable Gross Receipts Tax/Lodgers' Tax Refunding Revenue Bonds, Series 2004B	28,915,000	27,755,000
Gross Receipts/Lodgers' Tax Refunding Revenue Bonds, Series 2009A	10,535,000	<u>10,535,000</u>
Total Outstanding State Gross Receipts/Lodgers' Tax Obligations		<u>\$74,225,000</u>

(1) These bonds were issued as capital appreciation bonds. Principal maturity values shown.

Outstanding Hospitality Fee Obligations. The City presently has outstanding the following special limited obligation secured by Hospitality Fee revenues received by the City as described in "FINANCIAL INFORMATION – Lodgers' Tax and Hospitality Fee."

**City of Albuquerque**  
**Outstanding Hospitality Fee NMFA Loan**

Issue	Project Financed	Principal Amount of Original Issue	Outstanding Principal Amount	Reserve Fund Balances	Optional Redemption Provisions
New Mexico Finance Authority Hospitality Fee Loan (2004)	Convention Center Improvements	\$5,700,000	\$2,705,000	\$750,944	Callable on any interest payment date

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. The pledge securing the Old Lien Tax Obligations (the Series 1991B Bonds and Series 1996 Bonds) is made as to the tax revenues produced by the 1% portion of the 1.225% tax applied to gross receipts in the City and distributed to the City by the State. The pledge securing the New Lien Tax Obligations is made as to state gross receipts tax revenues the City receives from the entire 1.225% distribution from the State. See "FINANCIAL INFORMATION - Gross Receipts Taxes - State Gross Receipts Taxes."

## Total Combined Debt Service Outstanding State Gross Receipts Tax Obligations

Calendar Year	Series 1991B (1)	Series 1996	Series 2001	NMFA Stadium Lease Loan	NMFA Surcharge Stadium Loan	Series 2004A	Series 2004B	Series 2008A	Series 2008B	Series 2009A	Series 2009B	Combined Debt Service Requirements
2011	-	\$813,750	\$346,775	\$503,174	\$688,986	\$1,575,635	\$1,723,839	\$3,260,674	\$880,988	\$479,919	\$1,790,150	\$12,063,889
2012	\$560,000	-	-	502,721	688,261	1,575,635	1,740,079	3,259,490	877,588	479,919	1,797,550	11,481,242
2013	590,000	-	-	502,245	687,504	1,575,635	1,714,796	3,260,868	878,788	559,919	1,793,600	11,563,354
2014	585,000	-	-	501,741	686,711	1,575,635	1,729,779	3,259,940	879,388	621,719	2,164,600	12,004,512
2015	600,000	-	-	501,209	685,881	1,575,635	1,728,264	-	880,638	682,369	4,268,650	10,922,645
2016	540,000	-	-	500,646	685,012	1,575,635	1,795,059	-	880,888	745,019	4,303,900	11,026,157
2017	545,000	-	-	500,051	684,100	1,575,635	1,802,541	-	880,138	806,019	4,309,900	11,103,382
2018	550,000	-	-	499,420	683,143	1,575,635	1,803,676	-	878,388	873,269	4,302,650	11,166,181
2019	-	-	-	498,751	682,138	1,575,635	1,818,733	-	880,638	1,485,669	4,362,400	11,303,964
2020	-	-	-	498,044	681,084	1,575,635	1,816,904	-	881,638	1,562,169	4,375,400	11,390,873
2021	-	-	-	497,293	679,976	1,575,635	1,818,996	-	881,388	1,642,169	4,313,400	11,408,856
2022	-	-	-	496,496	678,810	1,575,635	1,809,741	-	879,888	1,725,169	874,650	8,040,389
2023	-	-	-	495,650	677,584	1,575,635	1,864,678	-	877,138	453,706	-	5,944,390
2024	-	-	-	494,751	676,294	1,575,635	1,820,302	-	877,413	1,936,806	-	7,381,200
2025	-	-	-	493,796	674,934	1,575,635	1,891,735	-	880,388	1,954,150	-	7,470,638
2026	-	-	-	492,781	673,503	1,575,635	4,131,833	-	876,525	-	-	7,750,277
2027	-	-	-	-	-	1,575,635	4,220,896	-	881,088	-	-	6,677,619
2028	-	-	-	-	-	1,575,635	4,306,109	-	877,656	-	-	6,759,400
2029	-	-	-	-	-	1,575,635	4,396,918	-	877,344	-	-	6,849,897
2030	-	-	-	-	-	3,875,635	2,182,215	-	879,881	-	-	6,937,731
2031	-	-	-	-	-	5,747,535	403,866	-	-	-	-	6,151,401
2032	-	-	-	-	-	5,841,375	403,866	-	-	-	-	6,345,241
2033	-	-	-	-	-	5,937,625	403,866	-	-	-	-	6,341,491
2034	-	-	-	-	-	3,592,625	2,838,866	-	-	-	-	6,431,491
2035	-	-	-	-	-	6,257,625	268,967	-	-	-	-	6,526,592
2036	-	-	-	-	-	1,502,375	5,123,967	-	-	-	-	6,626,342
2037	-	-	-	-	-	6,690,875	-	-	-	-	-	6,690,875
<b>Total</b>	<b>\$3,970,000</b>	<b>\$813,750</b>	<b>\$346,775</b>	<b>\$7,978,769</b>	<b>\$10,913,921</b>	<b>\$69,382,735</b>	<b>\$55,560,491</b>	<b>\$13,040,972</b>	<b>\$17,587,781</b>	<b>\$16,007,990</b>	<b>\$38,656,850</b>	<b>\$234,260,029</b>

(1) Final maturity values shown.

The State gross receipts tax revenues of the City attributable to the 1.225% levy for Fiscal Year 2010 were \$166,120,127 (unaudited). The maximum calendar year combined debt service requirements for the outstanding State Gross Receipts Tax Obligations of the City as shown in the preceding table are \$12,063,889 (occurring in calendar year 2011). The coverage ratio of the Fiscal Year 2010 State Gross Receipts Tax Revenues to such maximum calendar year combined debt service requirements is 13.77x.

Current Ratings of State Gross Receipts Tax Bonds. The City’s outstanding state gross receipts tax bonds are currently rated “Aa3” by Moody’s, “AAA” by S&P, and “AA” by Fitch.

*2010 Debt Calculations for Tax-Supported Obligations*

The following table summarizes (i) the total outstanding obligations of the City as of January 1, 2011 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, 2011**

<b>GENERAL OBLIGATION DEBT<sup>(2)</sup></b>	<b>Total Outstanding</b>	<b>Per Capita (Population of 536,098<sup>(1)</sup>)</b>
Net Direct G.O. Debt	\$188,805,000	\$352.18
Overlapping Jurisdiction G.O. Debt	<u>708,197,941</u>	<u>1,321.02</u>
Total Direct and Overlapping G.O. Debt	<u>\$897,002,941</u>	<u>\$1,673.20</u>
<b>SPECIAL TAX OBLIGATIONS</b>		
State Gross Receipts Tax Bonds <sup>(3)</sup>	\$63,399,189	\$118.26
Hospitality Fee Loan <sup>(4)</sup>	2,705,000	5.05
State Gross Receipts/Lodgers’ Tax Bonds <sup>(5)</sup>	<u>74,225,000</u>	<u>138.45</u>
Direct Special Tax Obligations	<u>\$140,329,189</u>	<u>\$261.76</u>
<b>TOTAL OVERALL TAX-SUPPORTED OBLIGATIONS</b>	<u>\$1,037,332,130</u>	<u>\$1,934.96</u>

- (1) Estimates provided by City Planning Department.
- (2) See table entitled “City of Albuquerque Direct and Overlapping General Obligation Debt as of January 1, 2011” under this caption.
- (3) See table entitled “City of Albuquerque Outstanding State Gross Receipts Tax Obligations as of January 1, 2011” under this caption.
- (4) See table entitled “City of Albuquerque Outstanding Hospitality Fee NMFA Loan” under this caption.
- (5) See table entitled “City of Albuquerque Outstanding State Gross Receipts/Lodgers’ Tax Bonds as of January 1, 2011” 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 Airport and Double Eagle II Airport. See “ENTERPRISE OPERATIONS - Albuquerque Airport.”

**CITY OF ALBUQUERQUE**  
**Outstanding Airport Revenue Bonds as of January 1, 2011**

Issue	Project Financed	Principal Amount of Original Issue	Outstanding Principal Amount	Reserve Fund Balances	Optional Redemption Provisions <sup>(1)</sup>
Airport Refunding Revenue Bonds, Series 1997 <sup>(2)</sup>	Refunding	\$33,310,000	\$3,740,000	Ambac surety	7/1/09 and thereafter @100%
Airport Revenue Bonds, Series 2001 <sup>(2)</sup>	Refunding	42,550,000	19,010,000	Ambac surety	7/1/11 @100%
Subordinate Lien Taxable Airport Refunding Revenue Bonds, Series 2004A <sup>(3) (4)</sup>	Refunding	20,610,000	14,115,000	MBIA surety	7/1/13 @100%
Senior Lien Airport Improvement Revenue Bonds, Series 2004B <sup>(4)</sup>	Fuel Facility, Terminal and Improvement	30,000,000	23,320,000	MBIA surety	7/1/13 @100%
Airport Refunding Revenue Bonds, Series 2008A <sup>(5)</sup>	Refunding	13,640,000	12,990,000	FSA surety	N/A
Airport Refunding Revenue Bonds, Series 2008B-C <sup>(5)</sup>	Refunding	21,290,000	15,875,000	FSA surety	7/1/19 @ 100%
Subordinate Lien Airport Refunding Revenue Bonds, Series 2008E <sup>(3)</sup>	Refunding	26,680,000	24,375,000	\$3,454,000	N/A
Airport Refunding Revenue Bonds, Series 2009A	Refunding	26,080,000	24,379,167	N/A	7/1/20 @100%
Commercial Paper Note	Communications, Fire Alarms, and Mechanical/Electrical	14,960,000	<u>5,983,000</u>	N/A	10/6/2010 @ 100%
Total Airport Revenue Bonds			<u>\$143,787,167</u>		

- (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) Ambac Assurance Corporation has provided its bond insurance policy in connection with these bonds. See "Credit Enhancement" under this caption.
- (3) 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.
- (4) National Public Finance Guaranty Co. (formerly MBIA Insurance Corporation) has provided its bond insurance policy in connection with these bonds. See "Credit Enhancement" under this caption.
- (5) Financial Security Assurance Inc. 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**

Calendar Year	Series 1997 Bonds	Series 2001 Bonds	Series 2004B Bonds	Series 2008A Bonds	Series 2008 B&C Bonds	Series 2009A Bonds	Total Senior Parity Obligations	Series 2004A Bonds	Series 2008E Bonds	Total Subordinate Obligations	Total Combined Requirements
2011	\$2,057,450	\$3,769,350	\$2,715,188	\$951,850	\$3,431,672	\$3,252,825	\$18,588,334	\$2,245,254	\$6,843,850	\$9,089,104	\$27,677,438
2012	2,065,613	3,770,463	2,665,088	949,950	3,619,617	3,250,525	18,801,254	2,208,474	6,882,850	9,091,324	27,892,578
2013	-	3,768,513	2,576,588	2,407,700	3,423,952	3,256,125	17,992,877	2,206,891	6,992,100	9,198,991	27,191,867
2014	-	3,768,231	2,493,338	2,414,000	3,614,926	3,254,325	18,179,820	2,214,338	6,814,500	9,028,838	27,208,658
2015	-	3,769,081	2,410,088	2,429,500	1,736,420	3,255,275	4,950,364	2,211,970	-	2,211,970	18,527,334
2016	-	3,760,525	2,326,838	2,429,500	493,213	3,253,825	4,508,900	2,173,466	-	2,173,466	17,232,366
2017	-	-	2,260,238	2,414,500	482,213	3,249,975	4,146,925	2,170,667	-	2,170,667	13,452,592
2018	-	-	2,193,638	2,415,000	556,013	3,254,975	3,959,625	1,881,469	-	1,881,469	13,296,094
2019	-	-	2,110,388	-	531,213	3,255,175	3,741,775	-	-	-	9,011,775
2020	-	-	2,027,138	-	501,000	-	383,138	-	-	-	2,528,138
2021	-	-	1,956,375	-	-	-	291,375	-	-	-	1,956,375
2022	-	-	1,885,613	-	-	-	220,613	-	-	-	1,885,613
2023	-	-	1,814,850	-	-	-	149,850	-	-	-	1,814,850
2024	-	-	1,739,925	-	-	-	74,925	-	-	-	1,739,925
<b>Total</b>	<b>\$4,123,063</b>	<b>\$22,606,163</b>	<b>\$31,175,287</b>	<b>\$16,412,000</b>	<b>\$18,390,236</b>	<b>\$29,283,025</b>	<b>\$146,569,774</b>	<b>\$17,312,528</b>	<b>\$27,533,300</b>	<b>\$44,845,828</b>	<b>\$191,415,602</b>

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 pay 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 Net Revenues of the Airport for Fiscal Year 2009 were \$35,856,000. The maximum calendar year combined debt service requirements for all outstanding Senior Parity Obligations are \$18,801,254 (occurring in calendar year 2012). With respect to Test No. 1, the coverage ratio of the Net Revenues for the Airport for Fiscal Year 2009 (\$35,856,000) to such maximum estimated calendar year debt service requirements is 1.91x. The maximum calendar year combined debt service requirements for all Outstanding Airport Obligations are estimated to be \$27,892,578 (occurring in calendar year 2012). With respect to Test No. 2, the coverage ratio of the net revenues of the Airport for Fiscal Year 2009, plus investment income from debt service funds (which is not included in Test No. 1) (\$36,449,000) to such maximum estimated calendar year debt service requirements is 1.31x.

Historical Debt Service Coverage. The following table sets forth historical debt service coverage for both Senior Lien Obligations and Subordinate Lien Obligations.

	2006	2007	2008	2009	2010 <sup>(3)</sup>
Airport Revenues <sup>(1)</sup>	\$66,397	\$67,969	\$74,339	\$66,023	
Less: Operation and Maintenance Expenses	25,601	27,618	29,931	30,166	
Net Airport Revenues	<u>\$40,796</u>	<u>\$40,352</u>	<u>\$44,408</u>	<u>\$35,856</u>	
Coverage Test One					
Senior Lien Debt Service Requirements	\$13,191	\$14,585	\$14,757	\$17,816	
Test One debt coverage ratio (1.2x)	3.09	2.77	3.01	2.01	
Coverage Test Two					
Interest income from Debt Service Funds	<u>\$706</u>	<u>\$825</u>	<u>\$736</u>	<u>\$593</u>	
Net Airport Revenues plus interest income	<u>\$41,503</u>	<u>\$41,177</u>	<u>\$45,144</u>	<u>\$36,449</u>	
Total Debt Service Requirements	\$21,166	\$25,257	\$25,875	\$26,856	
Test Two debt service coverage ratio (1.1x) <sup>(2)</sup>	1.96	1.63	1.74	1.36	

<sup>(1)</sup> Dollars in thousands.

<sup>(2)</sup> 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. Potential investors are advised to refer to the coverage calculations herein, not those appended to the CAFR, in making investment decisions.

<sup>(3)</sup> See "FISCAL YEAR 2010 FINANCIAL INFORMATION NOT AVAILABLE".

Source: City of Albuquerque

Current Ratings of the Airport Revenue Bonds. The majority 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: “Aa3” by Moody’s, “A+” by S&P and “A+” by Fitch. The following underlying ratings have been assigned to the Subordinate Parity Obligations: “A1” by Moody’s, “A” by S&P and “A” by Fitch.

#### *Joint Water and Sewer System Obligations*

The joint water and sewer system was owned by the City and operated by its Public Works Department until December 17, 2003 (the “Water/Sewer System”), and revenue bond debt relating to the Water/Sewer System continues to be outstanding. In 2003, the New Mexico Legislature adopted Laws 2003, Chapter 437 (Section 72-1-10, NMSA 1978) which created the Albuquerque Bernalillo County Water Utility Authority (the “Authority”) and provided that all functions, appropriations, money, records, equipment and other real and personal property pertaining to the Water/Sewer System would be transferred to the Authority. The legislation also provides that the debts of the City payable from net revenues of the Water/Sewer System shall be debts of the Authority and that the Authority shall not impair the rights of holders of outstanding debts of the Water/Sewer System. The City has transferred functions, appropriations, money, records, equipment and other real and personal property pertaining to the Water/Sewer System to the Authority and the policy-making functions of the Water/Sewer System have been transferred to the Authority. The Authority and the City entered into a Memorandum of Understanding dated July 1, 2007, under which the City provides certain administrative support to the Authority.

Information relating to outstanding Water/Sewer System obligations may be found in the Annual Information Statement of the Authority dated January 26, 2011 on file with the Municipal Securities Rulemaking Board.

#### *Refuse Removal and Disposal System Revenue Bonds*

Outstanding Refuse System Revenue Bonds. The City presently has outstanding the following special limited obligations secured by net revenues of the City’s refuse removal and disposal system. See “ENTERPRISE OPERATIONS - Refuse Removal and Disposal System.”

**CITY OF ALBUQUERQUE**  
**Outstanding Refuse Removal and Disposal Revenue Bonds**  
**As of January 1, 2011**

Issue	Project Financed	Principal Amt. Of Original Issue	Outstanding Principal Amt.	Reserve Fund Balances	Optional Redemption Provisions <sup>(1)</sup>
Refuse Removal and Disposal Revenue Bonds, Series 1998 <sup>(2)</sup>	System Improvements	\$10,170,000	\$2,600,000	Ambac surety	Callable at any time at par
Refuse Removal and Disposal Revenue Bonds, Series 2001B <sup>(3)</sup>	System Improvements and refunding	14,205,000	5,435,000	FSA surety	Not callable
NMFA – Refuse Removal and Disposal Loan (2004)	System Improvements	5,800,000	2,495,952	N/A	Callable on any interest payment date
NMFA – Refuse Removal and Disposal Loan (2008)	System Improvements	2,600,000	<u>1,920,326</u>	N/A	Callable on any date after March 14, 2009
<b>Total Refuse System Revenue Bonds</b>			<u>\$12,451,278</u>		

- (1) Certain of these bonds are also subject to mandatory sinking fund redemption at par on the dates and otherwise as described in the bond documents relating to such bonds.
- (2) Ambac Assurance Corporation has provided its municipal bond insurance in connection with these bonds. See “Credit Enhancement” under this caption.
- (3) Financial Security Assurance Inc. has provided its municipal bond insurance in connection with these bonds. See “Credit Enhancement” under this caption.

Combined Debt Service and Coverage Ratio. The following schedule shows, for each calendar year, the total combined debt service requirements payable for the City’s outstanding refuse and disposal system revenue bonds through their respective final maturity dates.

**CITY OF ALBUQUERQUE**  
**Total Combined Debt Service**  
**Outstanding Refuse and Disposal System Revenue Bonds**  
**As of January 1, 2011**

<b>Calendar Year</b>	<b>Series 1998 Bonds</b>	<b>Series 2001B Bonds</b>	<b>NMFA Loan (2004)</b>	<b>NMFA Loan (2008)</b>	<b>Combined Debt Service Requirements</b>
2011	\$949,213	\$2,933,700	\$677,837	\$412,275	\$4,973,025
2012	946,863	2,925,950	677,883	412,164	4,962,859
2013	946,856	--	677,932	412,049	2,036,837
2014	--	--	677,986	411,892	1,089,878
Total	<u>\$2,842,932</u>	<u>\$5,859,650</u>	<u>\$2,711,638</u>	<u>\$1,648,380</u>	<u>\$13,062,599</u>

In the ordinances pursuant to which the City’s refuse and disposal system obligations have been issued, the City has agreed to charge users of the system such reasonable rates as are sufficient to produce net revenues annually to pay 150% of the annual debt service requirements on all outstanding refuse and disposal system obligations. The audited net revenues of the City’s solid waste and refuse disposal system for Fiscal Year 2009 were \$12,438,000. See “ENTERPRISE OPERATIONS - Refuse Removal and Disposal System.” The maximum calendar year combined debt service requirements for the outstanding refuse and disposal system revenue bonds of the City (as shown above) are \$4,973,025 (occurring in calendar year 2011). The coverage ratio of the 2009 refuse and disposal system net revenues (\$12,438,000) to such maximum calendar year combined debt service requirements (\$4,973,025) is 2.50x. For Fiscal Year 2010, the ratio of Fiscal Year 2009 net revenues (\$12,438,000) to actual debt service (\$4,969,288) was equal to 2.50x.

Current Ratings of the Refuse System Revenue Bonds. A portion of the City’s outstanding refuse and disposal system revenue bonds are credit enhanced. However, in certain circumstances the underlying ratings on the respective bonds are currently higher than the ratings on the bond insurer. In those instances, the underlying ratings are applicable. See “Credit Enhancement” under this caption. The City’s outstanding refuse and disposal system revenue bonds have underlying ratings of “A1” by Moody’s, “AA-” by S&P, and “AA” by Fitch.

*Golf Course Obligations*

Outstanding Golf Course Bonds. The City presently has outstanding one series of special limited obligations secured by net revenues of the City’s golf courses as well as by a pledge of the State gross receipts tax. See “ENTERPRISE OPERATIONS - Golf Courses.”

**CITY OF ALBUQUERQUE  
Outstanding Golf Course Bonds  
As of January 1, 2010**

<b>Issue</b>	<b>Project Financed</b>	<b>Principal Amount Of Original Issue</b>	<b>Outstanding Principal Amount</b>	<b>Reserve Fund Balances</b>	<b>Optional Redemption Provisions</b>
Taxable Golf Course Net Revenue/Gross Receipts Tax Revenue Bonds, Series 2001 <sup>(1)(2)</sup>	Golf Course Facilities	\$2,420,000	\$325,000	N/A	Callable at any time at par

- (1) MBIA Insurance Corporation has provided its municipal bond insurance in connection with these bonds. See “Credit Enhancement” under this caption.
- (2) These bonds are also 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. State gross receipts tax revenues are used to pay debt service on these bonds only to the extent that net revenues from the City’s golf courses are not sufficient to pay such debt service.

Debt Service and Coverage Ratio. The following schedule shows the total debt service requirements payable for the City’s outstanding golf course bonds through their final maturity date.

**CITY OF ALBUQUERQUE  
Total Debt Service  
Outstanding Golf Course Bonds  
As of January 1, 2011**

<b>Calendar Year</b>	<b>Series 2001 Bonds</b>
2011	<u>\$346,775</u>
Total	<u>\$346,775</u>

In the ordinance pursuant to which the City’s golf course obligations have been issued, the City has agreed to charge users of the system reasonable rates sufficient to produce net revenues annually to pay (i) the annual operation and maintenance expenses of the City’s golf courses, and (ii) 150% of the maximum calendar year principal and interest requirements for the Series 2001 Bonds and any additional golf course obligations (excluding the accumulation of any reserves therefore but including any amounts coming due under mandatory sinking fund redemption provisions). The amount available in Fiscal Year 2009 that constituted the net revenues of the City’s golf courses was \$910,379. The coverage ratio of Fiscal Year 2009 net



revenues (\$910,379) to maximum annual debt service (\$346,775 in Fiscal Year 2011) is 2.63x. See “ENTERPRISE OPERATIONS - Golf Courses - Golf Course Financial Information.” The coverage ratio of Fiscal Year 2010 State gross receipts tax, which is also pledged toward payment of the golf course bonds, (\$166,120,127 to such maximum fiscal year debt service requirements of \$346,775) is 479.04x.

Current Ratings of the Golf Course Revenue Bonds. The City’s outstanding golf course bonds are credit enhanced. However, the underlying rating on the golf course bonds is currently higher than the current rating for the bond insurer and, therefore, the underlying rating, and not the credit-enhanced rating, should be considered the ratings on the golf course bonds.

## **Housing Obligations**

### *Collateralized Mortgage Obligations*

1988 CMO Bonds. On December 28, 1988, the City issued its Municipal Refunding Collateralized Mortgage Obligations, Series 1988A (the “1988 CMO Bonds”) in the aggregate principal amount of \$43,650,000. The 1988 CMO Bonds were outstanding as of January 1, 2011 in the aggregate principal amount of \$5,000,000. The only 1988 CMO Bonds currently outstanding are the Class A-4 Bonds which are zero coupon or capital appreciation bonds. Interest on the 1988 CMO Bonds is subject to federal income taxation.

The 1988 CMO Bonds were issued to provide funds for the purpose of refunding and defeasing the City’s Residential Mortgage Revenue Refunding Bonds, Series 1980. The 1988 CMO Bonds are secured by (i) mortgage loans (the “Mortgage Loans”) with liens on one-to-four family residences (including condominiums) in the City, originally owned by persons of low and moderate income, and (ii) moneys and securities held under the indenture relating to those Bonds. The Mortgage Loans currently are being serviced for the City by mortgage servicing institutions pursuant to certain agreements (collectively, each an “Agreement” and, together, the “Agreements”). Each Mortgage Loan bears interest at a rate of not less than 8.25% per annum, with an initial term of not less than 25 years. Certain scheduled payments on the 1988 CMO Bonds are unconditionally and irrevocably guaranteed pursuant to a bond insurance policy from Financial Guaranty Insurance Corporation.

The bond insurance policy, the Mortgage Loans, the Agreements, and certain payments received by the Trustee, together with amounts available in the reserve account, and certain other amounts held under the 1988 Indenture, constitute the security for the 1988 CMO Bonds.

### *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.

The Series 2008B Bonds 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 ordinance authorizing issuance of the Series 2008B Bonds. See “OTHER PROJECTS OF THE CITY - Housing Projects.”

A Project Revenue Stabilization Fund was established which, as of January 1, 2011, had a balance of \$500,130.58. Also in connection with the refunding, a Repair and Replacement Fund was established for the benefit of the three projects which, as of January 1, 2011, had a balance of \$500,537.25.

**Transit-Related Obligations**

On July 25, 2006, the City entered into a Lease-Purchase Agreement with BOSC, Inc. for the purchase of buses for the City’s Transit Department. The City pledged grant revenues it is scheduled to receive from the United States Federal Transit Authority (“FTA”) pursuant to 49 U.S.C. Section 5307 and FTA Regulations for repayment of the Lease-Purchase Agreement. The City has not pledged any ad valorem or gross receipts tax revenues toward repayment of the Lease-Purchase Agreement.

The following schedule shows, for each calendar year, the total debt service requirements payable for the City’s outstanding Transit Department Lease-Purchase Agreement through the anticipated final maturity date.

**CITY OF ALBUQUERQUE  
Debt Service Schedule  
Outstanding Transit Department Lease-Purchase Agreement  
As of January 1, 2011**

<b>Date</b>	<b>Payment</b>	<b>Prepayment Option</b>
1/1/2011	\$1,348,748	\$13,106,625
7/1/2011	1,348,748	12,036,393
1/1/2012	1,348,748	10,943,418
7/1/2012	1,348,748	9,827,217
1/1/2013	1,348,748	8,687,297
7/1/2013	1,348,748	7,523,154
1/1/2014	1,348,748	6,334,272
7/1/2014	1,348,748	5,120,127
1/1/2015	1,348,748	3,880,182
7/1/2015	1,348,748	2,613,887
1/1/2016	1,348,748	1,320,684
7/1/2016	1,348,748	0

## **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 <sup>(1)</sup>	Credit Enhanced Obligations
Ambac Assurance Corporation	\$21,610,000	S&P: CC Moody's: Caa2	<ul style="list-style-type: none"> <li>· Refuse Removal and Disposal Revenue Bonds, Series 1998<sup>(2)</sup></li> <li>· Airport Refunding Revenue Bonds, Series 2001<sup>(2)</sup></li> </ul>
Financial Guaranty Insurance Corporation	\$14,440,000	S & P: rating withdrawn Moody's: rating withdrawn	<ul style="list-style-type: none"> <li>· Municipal Refunding Collateralized Mortgage Obligations, Series 1988</li> <li>· General Obligation Bonds, Series 2003C<sup>(2)</sup></li> </ul>
Assured Guaranty Municipal Corp. (formerly Financial Security Assurance)	\$97,990,000	S & P: AA+ Moody's: Aa3	<ul style="list-style-type: none"> <li>· Gross Receipts/Lodgers' Tax Refunding and Improvement Revenue Bonds, Series 1991B</li> <li>· Refuse Removal and Disposal Refunding Revenue Bonds, Series 2001B</li> <li>· Tax-Exempt Gross Receipts Tax/Lodgers' Tax Refunding Revenue Bonds, Series 2004A</li> <li>· Taxable Gross Receipts Tax/Lodgers' Tax Refunding Revenue Bonds, Series 2004B</li> <li>· Airport Refunding Revenue Bonds, Series 2008A</li> <li>· Airport Refunding Revenue Bonds, Series 2008B-C</li> </ul>
National Public Finance Guaranty Co. (formerly MBIA Insurance Corporation)	\$51,100,000	S & P: A Moody's: Baa1	<ul style="list-style-type: none"> <li>· Gross Receipts Tax Refunding Revenue Bonds, Series 1996<sup>(2)</sup></li> <li>· Taxable Golf Course Net Revenue/ Gross Receipts Tax Revenue Bonds, Series 2001<sup>(2)</sup></li> <li>· General Obligation Bonds, Series 2003B<sup>(2)</sup></li> <li>· Subordinate Lien Taxable Airport Refunding Revenue Bonds, Series 2004A<sup>(3)</sup></li> <li>· Senior Lien Airport Improvement Revenue Bonds, Series 2004B<sup>(3)</sup></li> </ul>

(1) To the City's knowledge as of January 1, 2011.

(2) Denotes bonds which have underlying ratings higher than the current ratings from both S & P and Moody's of the municipal bond insurer for that series of bonds.

(3) Denotes bonds which have underlying ratings higher than the current Moody's rating of the municipal bond insurer of that series of bonds.

## ECONOMIC AND DEMOGRAPHIC INFORMATION

The statistics 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.

<b>CITY OF ALBUQUERQUE</b>	
<b>Area in Square Miles</b>	
	<b>Square Miles</b>
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
June 30, 2000	181.70
June 30, 2010	188.80

Source: City of Albuquerque Planning Department

### Population

The Albuquerque Metropolitan Statistical Area ("MSA") was re-defined on January 1, 1994 to include Bernalillo, Sandoval and Valencia Counties. The Census added Torrance County to the estimate of the MSA in the 2000 Census.

## POPULATION

Year	City	Bernalillo County	Albuquerque MSA	State
1960	201,189	262,199	292,500 <sup>(1)</sup>	951,023
1970	244,501	315,774	353,800 <sup>(1)</sup>	1,017,055
1980	332,920	420,262	485,500 <sup>(1)</sup>	1,303,303
1990	384,736	480,577	589,131	1,515,069
2000 April <sup>(2)</sup>	448,607	556,678	729,649	1,819,046
2000 <sup>(3)</sup>	450,372	557,133	731,674	1,820,704
2001 <sup>(3)</sup>	455,961	562,388	739,327	1,828,330
2002 <sup>(3)</sup>	466,455	573,387	753,210	1,848,986
2003 <sup>(3)</sup>	475,511	582,378	765,381	1,867,909
2004 <sup>(3)</sup>	486,319	593,734	779,751	1,889,266
2005 <sup>(3)</sup>	497,543	606,502	797,146	1,912,884
2006 <sup>(3)</sup>	508,486	618,048	815,979	1,937,916
2007 <sup>(3)</sup>	517,162	627,785	833,044	1,964,402
2008 <sup>(3)</sup>	523,240	635,139	845,913	1,984,356
2009 <sup>(3)</sup>	529,219	642,527	857,903	2,009,671
2010 <sup>(3)</sup>	N/A	713,020	N/A	2,059,179

- (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 Tarrant County, population of 16,911.
- (3) 2000 through 2010 data: U.S. Dept. of Commerce, Bureau of the Census, Population Division.

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 and 1.55% during the 1990s. 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 and 24.7% in 2000.

### Age Distribution

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

## 2010 Population by Age Group

Age	City	State	U.S.
0-17	25.1%	25.5%	24.4%
18-24	9.4%	10.0%	9.7%
25-44	27.4%	25.9%	27.0%
45-54	14.0%	13.7%	14.4%
55 and Older	24.1%	25.0%	24.5%
2010 Est. Median Age	35.9	35.8	37.0

Source: Claritas Inc., October 2010.

## Employment

### *General*

Employment in the Albuquerque area in the period from Fiscal Year 2000 to Fiscal Year 2009 grew at an average of 1.06% a year. This growth is limited due to declines in employment in calendar years 2002 and 2009. The economy posted strong growth in Fiscal Years 2006 and 2007 but growth slowed to 0.4% in Fiscal Year 2008 and declined by 2.2% in Fiscal Year 2009. The third quarter of calendar year 2009 shows further declines with employment down 4.8% compared to the same quarter of 2008. From Fiscal Year 2008 to 2009 the largest job losses occurred in construction, manufacturing, and trade transportation and utilities. Health services and government were the only sectors to have an increase in the number of jobs during that time period. According to the United States Department of Labor, the unemployment rate in Albuquerque as of September 2010 was 8.5%.

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 Labor. More detailed information on non-agricultural employment can be found in the table entitled "Estimated Non-Agricultural Wage and Salary Employment for the Albuquerque MSA Fiscal Years 2001-2010" under the heading "Major Industries" under this caption.

**Non-Agricultural Employment  
(000s Omitted)**

Calendar Year	ALBUQUERQUE MSA		NEW MEXICO		UNITED STATES	
	Employment	% Chg.	Employment	% Chg.	Employment	% Chg.
2000	352.0	2.1%	736.9	2.1%	130,597	2.1%
2001	361.8	2.8%	753.1	2.2%	132,252	1.3%
2002	361.2	(0.2)%	760.7	1.0%	130,876	(1.0)%
2003	362.4	0.4%	770.6	1.3%	130,116	(0.6)%
2004	366.1	1.0%	782.5	1.5%	130,474	0.3%
2005	373.5	2.0%	798.8	2.1%	132,475	1.5%
2006	385.2	3.1%	821.3	2.8%	135,016	1.9%
2007	394.4	2.4%	838.5	2.1%	136,970	1.4%
2008	396.0	0.4%	847.2	1.0%	137,762	0.6%
2009	387.2	(2.2)%	831.8	(1.8)%	134,629	(2.3)%

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

**Civilian Employment/Unemployment Rates**

Calendar Year	ALBUQUERQUE MSA			UNEMPLOYMENT RATES		
	Civilian Labor Force	Number Employed	Number Unemployed	Albuquerque MSA	New Mexico	United States
2000	372,306	357,484	14,822	3.98%	5.20%	4.08%
2001	374,600	359,375	15,225	4.06%	4.88%	4.15%
2002	375,725	357,817	17,908	4.77%	5.23%	5.48%
2003	378,677	358,587	20,090	5.31%	5.75%	5.90%
2004	382,496	361,483	21,013	5.49%	5.93%	5.80%
2005	388,795	368,664	20,131	5.18%	5.50%	5.30%
2006	398,624	381,090	17,534	4.40%	4.66%	4.82%
2007	406,593	391,876	14,717	3.62%	3.74%	4.53%
2008	410,541	395,383	15,158	3.69%	3.67%	4.94%
2009	410,117	379,809	30,308	7.40%	7.20%	9.30%

Sources: U.S. Department of Labor and New Mexico 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 2010. Albuquerque Public Schools, University of New Mexico, Kirtland Air Force Base, Sandia National Laboratories, the City and Presbyterian Healthcare Services were the largest employers in the Albuquerque area.



**MAJOR EMPLOYERS IN THE ALBUQUERQUE AREA<sup>(1)</sup>**  
**By Number of Employees – 2010**

ORGANIZATION	EMPLOYEES	DESCRIPTION
Kirtland Air Force Base (Civilian) <sup>(2)</sup>	26,960	Air Force Material Command
University of New Mexico	15,435	Educational Institution
Albuquerque Public Schools	14,000	Public School District
Sandia National Labs	8,730	Science-Based Technologies that Support National Security
Presbyterian Healthcare Services	7,315	Hospital/Medical Services
City of Albuquerque	6,500	Government
State of New Mexico	5,605	Government
Kirtland Air Force Base (Military Active Duty)	4,860	Air Force Material Command
UNM Hospital	4,595	Hospital/Medical Services
Lovelace	3,400	Hospital/Medical Services
Intel Corporation	3,300	Semiconductor Manufacturer
Bernalillo County	2,300	Government
Central New Mexico Community College	1,870	Educational Institution
Rio Rancho Public Schools	1,835	Educational Institution
New Mexico Veterans Affairs Healthcare Sys.	1,805	Hospital/Medical Services

- (1) For a discussion regarding major employers and certain changes which may impact their number of employees, see "Major Industries" under this caption.
- (2) Kirtland's employment figures include civilian federal employees and contractors on and off base, including Sandia National Labs. However, Sandia National Labs is also shown separately since Sandia and Kirtland publish data in different cycles.

Source: Albuquerque Economic Development, Inc.

### Major Industries

The following narrative discusses the trends in each major sector of the Albuquerque economy. The latest information available to the City in calendar year 2010 is provided 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 table in this section entitled "Estimated Non-Agricultural Wage and Salary Employment for the Albuquerque MSA, Fiscal Years 2001-2010" provides detailed information regarding employment growth within key sectors of the economy for that period.

Trade, Transportation and Utilities. This sector is composed of retail trade, wholesale trade, transportation and utilities and constitutes approximately 17% of Albuquerque MSA employment. As a whole, employment in this sector decrease by an annual average of (0.71%) from Fiscal Year 2001 to Fiscal Year 2010. Wholesale trade, retail trade and utilities lost employment in this period. Retail is an important sector for the City, and retail trade makes up approximately 36% of gross receipts tax revenues. Gross receipts tax from retail trade was hard hit in this recession, with several layoffs in this sector and closures of several chain stores. Employment in the sector as a whole declined nearly 5% in Fiscal Year 2009 and an additional 5% in Fiscal Year 2010. After suffering some monthly declines of around 10% at the beginning of Fiscal Year 2011, there have been several months with positive growth.

Health Services and Education. Albuquerque is a major regional medical center. Presbyterian Healthcare Services is one of the largest employers in the area. This is one of the fastest growing categories in the Albuquerque MSA economy. From Fiscal Year 2001 to Fiscal Year 2010, the average annual growth was 4.0%. The sector now makes up 14.4% of non-agricultural employment. Much of this growth is due to a change in Medicare policy that allows payment for home healthcare. The educational sector is small in comparison to health services. Exact numbers are not available, but the educational sector has also grown substantially in the past several years. In Fiscal Year 2010, the educational and health services sector was relatively unaffected by the recession and employment increased over 3%.

Leisure and Hospitality. This category includes eating and drinking establishments as well as hotels and other tourist-related facilities. Albuquerque has sought to benefit from the interest in the Southwest and has promoted the City to increase interest in the City's convention center. Employment for the sector showed average annual growth of 1% from Fiscal Year 2001 to Fiscal Year 2010. Gross receipts in the Leisure and Hospitality Sector have recovered after a decline in Fiscal Year 2009 and were flat in Fiscal Year 2010. However, as of September 2010, eight of the last eleven months were positive with average growth of 3%.

The hotel stock in the City of Albuquerque has increased substantially in the past few years. Occupancy has averaged around 60% for the past five years. In Fiscal Year 2005 there was growth in lodgers' tax revenues of 3.3%, 10.7% in Fiscal Year 2006, 7.3% in Fiscal Year 2007 and 7.4% in Fiscal Year 2008. As a result of the economic recession, lodgers' tax revenues in Fiscal Year 2009 decreased 11.2% compared to Fiscal Year 2008. Fiscal Year 2010 lodgers' tax revenues showed an additional decline of 2%, but the last four months of Fiscal Year 2010 showed positive growth and this continues into Fiscal Year 2011.

Professional and Business Services. This category includes temporary employment agencies, back-office operations, Sandia National Labs ("Sandia") and other scientific and research facilities. This sector had average annual growth of only 0.04% from Fiscal Year 2001 to Fiscal Year 2010. In Fiscal Year 2009, employment declined by 2.3% and an additional decline of 5.7% occurred in Fiscal Year 2010. Much of this decline is due to reductions in engineering and architectural services as construction slowed dramatically. The size of the budget for Sandia has remained about \$2.2 billion for Fiscal Years 2008 to 2010. While the primary mission of Sandia is to design and maintain nuclear weapons components, it has expanded its work for other federal agencies. The first phase of a \$450 million project called Microsystems and Engineering Sciences Applications facility ("MESA") started in 2003. Historically, this is the largest project at Sandia and met its goal to be fully functional in 2008. The project has the basic purpose of helping modernize safety, security, and reliability functions of the United States nuclear deterrent and contributes to other national security missions. The Center for Integrated Nanotechnologies ("CINT") officially opened its doors at Sandia in August 2006. CINT is one of five new nanoscale science research centers being created by the Office of Science of the United States Department of Energy. The Sandia Science and Technology Park was created to house research facilities and/or manufacturing that benefit from the expertise available from Sandia.

Manufacturing. This sector accounted for 8.6% of City employment in Fiscal Year 1996, declining to 4.7% in Fiscal Year 2010. Employment in this sector peaked in Fiscal Year

1998 at 28,342, declining to 17,492 in Fiscal Year 2010, a loss of 10,850 jobs. In Fiscal Year 2010 alone there was a loss of 2,756 jobs.

The City has provided the basic infrastructure for a 300 acres aerospace tech park near the City's Double Eagle II Airport. The bulk of the major infrastructure for the project has been completed.

Tempur-Pedic Inc., a mattress manufacturer, is estimated to employ approximately 300 workers. In 2009, General Mills, which has been in the City since 1991, underwent a \$100 million dollar expansion project which added 160,000 square feet to their facility and 60 additional jobs.

Schott Solar has built a manufacturing plant at Mesa Del Sol and is currently building its workforce for operations. They currently employ 350 and have long range plans to employ 1,200 workers.

General Electric closed its Albuquerque jet engine plant in the third quarter of Fiscal Year 2010, which resulted in a loss of approximately 400 jobs.

Information. This sector includes businesses in publishing, broadcasting, telecommunications and internet service establishments. The sector had an average annual decline of 2.5% from Fiscal Year 2001 to Fiscal Year 2010. The slow down includes closures of MCI and QWEST call centers in 2004 and Comcast's closure of its call center, which resulted in the layoff of 160 people, in 2009. The film industry is also included in this sector and there has been significant activity in this sector in recent years. The City estimates the film industry generated \$83 million in Fiscal Year 2007, \$130 million in Fiscal Year 2008 and \$112 million in the first 6 months of Fiscal Year 2009 for the local economy. In addition to movies being filmed in Albuquerque, a large sound studio (Albuquerque Studios) has been built at Mesa del Sol.

Government. Over the past ten years government employment (comprised of federal, state and local employees) has increased its share slightly from 19.2% to 22.1%. "Government" (as defined by the U.S. Department of Labor for purposes of reporting non-agricultural employment) does not include military employment; military employment in the Albuquerque MSA represents approximately 4,860 jobs. In addition, "government" does not include employment at Sandia. Sandia is operated by a private contractor, although funded by the federal government (primarily the Department of Energy), and its approximately 8,730 jobs are counted in the business services sector. Several of the largest employers in the Albuquerque area are in the government sector, including Albuquerque Public Schools, the University of New Mexico, Kirtland Air Force Base, and the City.

Kirtland AFB is a major military installation and home to over 150 different operations. The University of New Mexico's Bureau of Business and Economic Research has estimated that total military employment in the Albuquerque MSA has declined from 6,946 in 1998 to approximately 4,860 in 2010. The general downtrend of military jobs since 1998 reflects the decision of the military to replace military jobs with civilians where possible.

Federal government employment in Albuquerque increased by approximately 1,800 jobs from Fiscal Year 2001 to Fiscal Year 2010. Many of these jobs are with the U.S. Forest Service. The Forest Service is currently constructing a new facility that could add another 400 jobs. The increase of 748 jobs in Fiscal Year 2010 is mostly accounted for by the addition of temporary jobs for the 2010 census, which are now concluded. Local government employment during this time period increased by 8,430 jobs, in large part because of the inclusion of Indian casinos in this sector. Since early 1995, when gaming compacts were signed with the State, Indian casinos have grown substantially and have undertaken significant capital improvements. This represents the efforts of certain Indian Pueblos to make their casinos into destination resorts.

Financial Activities. This sector includes finance, insurance, including credit intermediation, and real estate. Employment in the sector remained relatively flat with a slight average decline of 1.02% from Fiscal Year 2001 to Fiscal Year 2010. Since Fiscal Year 2006, the sector has lost approximately 1,700 jobs; 1,075 of those in Fiscal Years 2009 and 2010. The job losses result primarily from the slowdown in the real estate market and the problems of the financial sector in general.

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 large decreases upon completion of such projects. Fiscal Year 2007 had employment of 31,150, a new maximum for this sector and an increase of 7,600 jobs from Fiscal Year 2003. Employment fell to 22,967 in Fiscal Year 2010 as the sector lost 8,183 jobs between Fiscal Year 2007 and Fiscal Year 2010, largely as a result of the slowdown in single family and commercial construction.

Single family housing permits in the City averaged around 5,000 permits in Fiscal Years 2003, 2004 and 2005. They began slowing in 2006 and then fell to only 436 permits in Fiscal Year 2009. In Fiscal Year 2010 building permits increased to 836. While single family housing seems to have reached bottom, growth remains subdued. Multifamily permitting has been very limited with only 198 and 168 units permitted in Fiscal Years 2009 and 2010, respectively. The value of new commercial permits has declined in every fiscal year since 2006, declining by 75% in Fiscal Year 2010 compared to Fiscal Year 2009. Some of these declines were offset by public construction. Fiscal Years 2008 and 2009 were record or near record levels of public construction. Much of this increase was due to construction of new school facilities by Albuquerque Public Schools. Also helping is the value of additions and alterations, which are predominately non-residential construction. They increased in Fiscal Year 2009 when all other categories of construction slowed. Several larger commercial construction projects, including office buildings for the Forest Service and the Department of Homeland Security, will increase values of construction permits in the near term.

## BUILDING PERMITS ISSUED IN THE CITY OF ALBUQUERQUE

Fiscal Year	Single Family		Multi-Family		Commercial		Public		Additions & Alterations	Total Permits
	Permits	\$ Value	Units	\$ Value	Permits	\$ Value	Permits	\$ Value	\$ Value	\$ Value
2001	3,793	354,568,471	766	34,928,141	126	115,070,656	16	36,320,856	180,763,349	721,651,473
2002	4,043	396,462,204	1,002	42,290,037	115	117,199,504	3	5,400,000	192,031,344	753,383,089
2003	4,869	517,823,614	493	23,066,626	100	75,466,812	2	12,500,000	187,014,838	815,871,890
2004	5,046	575,455,103	1,000	60,496,038	120	127,369,680	10	29,698,218	131,866,466	924,885,505
2005	4,967	720,890,242	470	25,206,921	131	113,672,827	16	58,844,052	166,695,983	1,085,310,025
2006	4,373	731,846,449	389	32,917,627	156	213,525,989	9	43,710,103	154,431,159	1,176,431,317
2007	2,490	467,022,842	1,083	103,574,132	125	206,558,035	4	14,681,069	268,512,462	1,060,348,540
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
Growth 2009 to 2010	100.9%	81.8%	-15.2%	-20.4%	-58.0%	-74.6%	-60.0%	-69.1%	-10.1%	-16.6%

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
Units Permitted (2001-2010)	38,314	32,107	6,207	NA
Estimated Units as of July 2010	237,028	158,750	69,492	8,786

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

*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 2001-2010  
(\$000 omitted)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2009 to 2010	Annual Average Growth 2001-2010
Total Nonagricultural	361,783	361,150	362,417	366,058	373,467	385,200	394,367	396,042	387,188	375,817	-2.97%	0.42%
Natural Resources/Mining/Constr.	24,875	24,058	23,500	24,783	27,200	30,417	31,150	29,617	25,856	22,967	-11.17%	-0.88%
Manufacturing	28,058	25,567	24,133	22,783	22,742	23,433	24,133	22,883	20,248	17,492	-13.61%	-5.11%
Trade Transportation and Utilities	66,500	65,642	65,924	65,858	66,425	67,183	68,176	69,133	65,773	62,375	-5.17%	-0.71%
• Wholesale Trade	14,075	13,592	13,233	12,908	12,808	13,083	13,292	13,367	12,506	12,008	-3.98%	-1.75%
• Retail Trade	41,800	41,492	42,083	42,425	43,225	43,683	44,167	44,833	43,057	41,050	-4.66%	-0.20%
• Transportation, Warehousing and Utilities	10,625	10,558	10,608	10,525	10,392	10,417	10,717	10,933	10,210	9,317	-8.75%	-1.45%
Information	11,233	11,400	10,542	9,900	8,992	9,008	9,375	9,200	9,136	8,925	-2.31%	-2.52%
Financial Activities	19,625	19,117	18,850	18,950	19,192	19,375	19,167	18,983	18,360	17,908	-2.46%	-1.01%
<b>PROFESSIONAL &amp; BUS. SVCS</b>	59,083	57,958	57,658	58,067	59,992	61,992	63,492	64,342	62,867	59,275	-5.71%	0.04%
Educational and Health Services	38,025	40,392	42,042	43,758	45,708	47,108	48,542	49,850	52,606	54,275	3.17%	4.03%
Leisure and Hospitality	34,025	34,392	35,308	36,200	36,017	37,408	39,158	39,392	37,882	37,625	-0.68%	1.12%
Other Services	11,050	11,242	11,608	11,733	11,808	11,992	12,183	12,325	12,289	11,783	-4.12%	0.72%
Government	69,308	71,383	72,850	74,025	75,392	77,283	78,992	80,317	82,171	83,192	1.24%	2.05%
<b>LOCAL GOVERNMENT</b>	33,175	34,792	35,567	36,133	37,067	38,075	39,067	40,208	41,589	41,658	0.17%	2.56%
<b>STATE GOVERNMENT</b>	22,333	22,658	23,133	23,850	24,258	24,800	25,375	25,625	25,654	25,858	0.80%	1.64%
<b>FEDERAL GOVERNMENT</b>	13,800	13,933	14,150	14,042	14,067	14,408	14,550	14,483	14,927	15,675	5.01%	1.43%

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

## 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” as including 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
2000	\$25,845	\$22,752	\$30,318
2001	27,989	24,796	31,149
2002	27,859	25,063	31,470
2003	28,276	25,773	32,284
2004	29,488	27,300	33,899
2005	30,880	28,931	35,447
2006	32,364	30,587	37,728
2007	33,305	32,163	39,430
2008	35,415	33,389	40,166
2009	35,165	32,992	39,138

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

## FINANCIAL INFORMATION

### General

#### *Taxes and Revenues*

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 sixty (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 Revenues*

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.

The latest five-year forecast for Fiscal Years 2011-2015 was presented to the Council in January 2010. This forecast was used to help develop the Fiscal Year 2011 budget. The City is currently working on the five-year forecast for Fiscal Years 2012-2016 and the Fiscal Year 2012 budget. Based on its internal work on the five-year forecast and Fiscal Year 2012 budget, the City projects continued operating challenges, including a budget gap in Fiscal Year 2012 of approximately \$40 million. The City Administration is developing a recovery plan to produce a balanced budget for Fiscal Year 2012 by April 1, 2011.

### *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 are 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 sixty (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 amounts 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 2010 and proposed budget for Fiscal Year 2011.

### *Fiscal Year 2010*

The approved Fiscal Year 2010 budget had revenues estimated at \$472.3 million. These revenues included a shift of two mills in property tax from the Debt Program to General Fund Operations. It also assumed that the gross receipts tax revenues would remain flat. The estimated actual Fiscal Year 2010 revenues prepared in March 2010 were \$455.5 million, \$16.7 million below the original budget. Gross receipts which were originally estimated to remain flat, were re-estimated to decline \$22.9 million or down 6.5%. This decline was partially offset by additional transfers of \$6.7 million, including \$1.5 million from the vehicle replacement fund, \$847,000 from the photo enforcement fund and \$3.5 million from the risk management fund. As of October 2010, the unaudited estimated revenues were \$328,000 above the estimated revenues of \$455.5 million as of March 2010. Gross receipts tax revenues and franchise fees were slightly better than expected while property tax revenues were slightly weaker. The final value for other revenues such as charges for service could diverge from these estimates. It is also expected that expenditures will be less than this estimate.

### *Fiscal Year 2011 Approved Budget*

The Fiscal Year 2011 approved budget of \$455.5 million is a decrease from the Fiscal Year 2010 budget of \$472.3 million and \$16.8 million below the estimated Fiscal Year 2010 level. The Fiscal Year 2011 budget appropriation is 1.04% or \$4.8 million below the estimated Fiscal Year 2010 expenditure level. There are significant decreases in the Fiscal Year 2011 budget. These include a \$7.5 million reduction in labor costs, a \$1.2 million reduction in the City's share of employee benefits, the elimination of 158 permanent vacant positions for

savings of \$7.8 million and the twelve month delay in filling an additional 88 vacant positions for savings of \$4.8 million. There is an overall increase in the cost of benefits of \$4.8 million.

Gross Receipts Taxes. The approved Fiscal Year 2011 Budget projected base growth in gross receipts tax revenues of 3.5%. In total there is an estimated smaller increase of 2.6% due to an anticipated change in the food and medical hold harmless distributions from the State to the City's General Fund. The economy in Fiscal Year 2011 has been weaker than anticipated at preparation of the Fiscal Year 2011 budget. In the first five months of Fiscal Year 2011, gross receipts tax revenues increased 2.2%. Revenues are being closely watched and expenditures closely monitored.

Local Tax Revenues. Property tax revenue is expected to show limited growth due to weakness in values of property and resolution of certain issues related to “tax lightning.” See “FINANCIAL INFORMATION – Property Taxes – *Generally*” herein.

Licenses and Permits. Building permits were budgeted to remain flat following declines since Fiscal Year 2006.

Charges for Services. These revenues are expected to increase about 6.1% from Fiscal Year 2010 levels. The increase is due to increases in legal charges to the risk management fund, gains in construction related charges and increases in indirect overhead.

Other Transfers. Transfers from other funds are expected to decrease to \$6.7 million, a reduction of \$7.9 million. Most of the reduction is elimination of one-time transfers from the risk management fund, vehicle replacement fund and the special assessment district fund. A transfer from the special assessment district fund of \$2.9 million in Fiscal Year 2011 is a reduction from the \$4.4 million transfer from the same fund in Fiscal Year 2010.

**GENERAL FUND (000s omitted)**

(\$000's)	FY/10 Original Budget	FY/10 Estimated <sup>(1)</sup>	Change	% Change	FY/11 Approved Budget	Change Est. Actual FY/10 & Approved FY/11	% Change
<b>Revenue</b>							
Recurring	\$466,040	\$443,639	\$(22,401)	-4.8%	\$452,687	\$ 9,048	2.04%
Non-Recurring	<u>6,232</u>	<u>11,869</u>	<u>5,637</u>	<u>90.5%</u>	<u>2,721</u>	<u>(9,148)</u>	<u>-77.07%</u>
<b>TOTAL</b>	<u>\$472,272</u>	<u>\$455,508</u>	<u>\$(16,764)</u>	<u>-3.5%</u>	<u>\$455,408</u>	<u>\$(100)</u>	<u>-0.02%</u>
<b>Expenditure</b>							
Recurring	\$466,013	\$450,336	\$(15,677)	-3.4%	\$452,319	\$1,983	0.44%
Non-Recurring	<u>8,860</u>	<u>9,995</u>	<u>1,135</u>	<u>12.8%</u>	<u>3,215</u>	<u>(6,780)</u>	<u>-67.83%</u>
<b>TOTAL</b>	<u>\$474,873</u>	<u>\$460,331</u>	<u>\$(14,542)</u>	<u>-3.1%</u>	<u>\$455,534</u>	<u>\$(4,797)</u>	<u>-1.04%</u>
<b>Recurring Balance</b>	<u>\$27</u>	<u>\$(6,697)</u>			<u>\$368</u>		

- (1) City compiled the Estimated Actual figures for Fiscal Year 2010 in relation to the preparation of the Fiscal Year 2010 Budget.

Details on the City's budgets through the Fiscal Year 2011 approved budget are available on the City website at <http://www.cabq.gov/budget/>

*General Fund Balances*

The following table shows actual revenues, expenditures and fund balances for the General Fund in Fiscal Years 2006-2010, and approved budget for Fiscal Year 2011. The financial numbers under "Estimates 2010" are unaudited.

## General Fund Revenues, Expenditures and Fund Balances Fiscal Years 2006-2011 (\$000s omitted)

REVENUES	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Approved Budget 2010	Estimated 2010	Approved Budget 2011	Annual Chg Estimated 10 to Approved 11	Average Annual Chg 06-11
Taxes:									
Property Tax	\$28,605	\$30,883	\$34,232	\$46,505	\$72,717	\$72,631	\$75,043	3.2%	21.3%
Gross Receipts Tax	147,742	152,823	143,202	120,048	123,232	113,182	113,775	0.5%	-5.1%
Other Taxes	18,752	18,909	19,508	18,907	20,079	18,990	18,827	0.9%	0.1%
Water Authority PILOT/Franchise	5,203	5,112	4,999	4,922	5,064	5,064	5,115	1.0%	-0.3%
Payment in lieu of taxes	1,465	1,609	1,679	1,532	1,526	1,526	1,722	12.8%	3.3%
<b>TOTAL TAXES</b>	<b>201,766</b>	<b>209,337</b>	<b>203,620</b>	<b>191,914</b>	<b>222,618</b>	<b>211,392</b>	<b>214,482</b>	<b>1.4%</b>	<b>1.2%</b>
Licenses & Permits	15,203	13,253	10,769	7,860	9,357	7,563	7,203	-4.8%	-13.9%
Intergovernmental Revenue:									
State and Federal Grants	1,060	216	583	835	194	99	99	0.0%	-37.8%
State Shared Revenue:									
Gross Receipts Tax	173,955	188,323	187,007	178,397	179,738	168,486	173,664	3.1%	0.0%
Other State Shared	4,868	4,747	5,043	5,065	5,153	4,668	5,093	9.1%	0.9%
County	562	385	314	133	283	331	326	-1.5%	-10.3%
<b>TOTAL INTERGOVERNMENTAL REVENUE</b>	<b>180,444</b>	<b>193,671</b>	<b>192,946</b>	<b>184,430</b>	<b>185,368</b>	<b>173,584</b>	<b>179,182</b>	<b>3.3%</b>	<b>-0.1%</b>
Charges for Services	41,680	39,591	40,319	42,444	44,657	44,148	45,376	2.8%	1.7%
Miscellaneous	6,059	14,118	4,556	2,519	2,450	4,582	2,496	-45.5%	-16.3%
Other Transfers	2,140	3,024	3,615	9,112	7,822	14,567	6,669	-54.2%	25.5%
<b>TOTAL REVENUES</b>	<b>447,293</b>	<b>472,993</b>	<b>455,824</b>	<b>438,279</b>	<b>472,272</b>	<b>455,836</b>	<b>455,408</b>	<b>0.1%</b>	<b>0.4%</b>
Beginning Fund Balance	85,424	87,350	84,646	58,686	46,502	43,132	38,638		
<b>TOTAL RESOURCES</b>	<b>\$532,718</b>	<b>\$560,343</b>	<b>\$540,470</b>	<b>\$496,965</b>	<b>\$518,774</b>	<b>\$498,969</b>	<b>\$494,046</b>	<b>-1.0%</b>	<b>-1.5%</b>
<b>EXPENDITURES</b>									
General government	\$62,600	\$70,772	\$70,126	65,692	61,681	NA	NA		
Public safety	203,897	207,679	210,509	213,975	218,226	NA	NA		
Cultural and recreation	65,591	67,767	59,788	58,358	68,783	NA	NA		
Municipal Development	24,800	27,314	26,788	27,020	30,462	NA	NA		
Health	9,951	12,751	14,032	13,230	14,057	NA	NA		
Human services	28,409	31,047	40,426	39,812	34,602	NA	NA		
Other transfers out	50,118	58,367	60,116	35,746	47,062	NA	NA		
<b>TOTAL EXPENDITURES</b>	<b>445,367</b>	<b>475,697</b>	<b>481,785</b>	<b>453,833</b>	<b>478,873</b>	<b>460,331</b>	<b>455,534</b>	<b>-1.0%</b>	<b>0.5%</b>
ENDING FUND BALANCE	87,350	84,646	58,685	43,132	43,901	38,638	38,512		
<b>TOTAL ADJUSTMENTS<sup>(1)</sup></b>	<b>(5,645)</b>	<b>(8,368)</b>	<b>(4,797)</b>	<b>(1,080)</b>	<b>(1,174)</b>	<b>(48)</b>	<b>(48)</b>		
Reserves	47,411	49,084	46,668	38,436	41,310	38,361	38,461		
AVAILABLE FUND BALANCE	\$34,294	\$27,194	\$7,220	\$3,616	\$1,417	\$229	\$3		
Ending fund balance as percent of total expenditure <sup>(2)</sup>	19.6%	17.8%	12.2%	9.5%	9.2%	8.4%	8.5%		
Recurring revenues	\$438,531	\$454,756	\$435,917	\$428,982	\$466,040	\$443,967	\$452,687	6.9%	3.1%
Recurring expenditures	\$413,212	\$414,704	\$426,297	\$432,405	\$466,014	\$450,336	\$452,319	7.0%	4.6%

- (1) Adjustments reflect changes in reserves for encumbrances and other accounting adjustments.
- (2) The reserve policy requires 8.33% of total expenditures. In prior years the reserve policy was 5% of recurring revenues

## 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 and cigarette taxes and of motor vehicle fees.

### *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.

Local Option Gross Receipts Taxes. 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, 2011 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 and a 0.25% municipal capital outlay gross receipts tax for municipal infrastructure and other purposes, but has declined to impose these taxes. If the City becomes a member of a regional transit district, upon request from the district, the City, after an election approving the tax, shall impose a municipal regional transit gross receipts tax of up to 0.50% for a public transit system, public transit projects or services for the district.

Real Property Tax. The City is authorized to impose a maximum levy of 7.650 mills for City operations. In Fiscal Year 2010, 6.389 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.

Charges for Services. 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 the following: engineering services, patching and paving, filings of plats and subdivisions, photocopying, sales of maps and publications, biopark, 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, 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 Statutory Valuation Cap has been recently challenged in a number of venues. Paragraph 3 of Section 7-36-21.2, NMSA 1978, was declared unconstitutional under the New Mexico Constitution in the case of Dzur vs. Bernalillo County Protests Board, No. CV-2008-12410, filed in Second Judicial District Court on August 12, 2009. The Court held that the substantially higher increase allowed upon sale of a residential property over similar residential properties protected by the 3% annual valuation increase violated the uniformity clause. The Bernalillo County Assessor stated an intention not to appeal the District Court decision to the New Mexico Court of Appeals and the time period for filing an appeal in that case has expired. Another case in the Second Judicial District, Wang vs. Bernalillo County Assessor, No. CV-2007-10109, reached a similar holding. Cases have been filed seeking a class action certification as to this issue. Currently, the New Mexico

Court of Appeals has placed on its general docket two cases that raise the constitutionality of the Statutory Valuation Cap. The Legislature considered various bills dealing with the Statutory Valuation Cap in the 2010 special legislative session, but no bills were enacted into law. To the extent that court 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 2010 (Fiscal Year 2011) are 11.365 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 2010 (Fiscal Year 2011) is 4.976 mills and the operational levy is 6.389 mills residential and 6.544 mills non-residential.

<b>Purpose of Property Tax</b>	<b>Total Taxing Authority</b>	<b>Levy Imposed</b>	<b>Unused Authority</b>
Operations: Residential Commercial	7.650 mills	6.389 mills 6.544 mills	1.261 mills 1.106 mills
Debt Service: <sup>(1)</sup> Residential Commercial	12.000 mills <sup>(2)</sup>	4.976 mills 4.976 mills	7.024 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, 2011**

<b>GENERAL OBLIGATION BONDS:</b>	<b>CURRENTLY OUTSTANDING</b>
General Purpose G. O. Bonds (Subject to 4% debt limitation)	\$151,700,000
Storm Sewer G.O. Bonds (Secured by Ad Valorem taxes)	37,105,000
<b>TOTAL GENERAL OBLIGATION BONDS</b>	<u>\$188,805,000</u>
<b>REVENUE BONDS:</b>	
State Shared GRT	\$63,399,189
State Shared GRT/Lodgers	74,225,000
State Shared GRT/Golf	325,000
Airport Revenue	143,787,167
Transit Bus Lease	13,106,625
Refuse Removal and Disposal	12,451,278
Hospitality Fee	2,705,000
<b>TOTAL REVENUE BONDS</b>	<u>\$309,999,259</u>
<b>TOTAL G.O. AND REVENUE BONDS</b>	<u>\$498,804,259</u>

*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**

<b>Tax Year<sup>(1)</sup></b>	<b>Real Property</b>	<b>Corporate Property</b>	<b>Personal Property</b>	<b>Net Taxable Valuation</b>	<b>Percent (%) Growth Per Year</b>
2001	\$6,657,461,354	\$347,858,674	\$413,809,882	\$7,419,129,910	7.51%
2002	6,880,088,229	361,189,032	378,149,519	7,619,420,780	2.70%
2003	7,132,035,544	332,740,564	419,057,494	7,883,833,602	3.47%
2004	7,582,619,605	314,998,373	387,875,178	8,285,493,156	5.09%
2005	8,602,349,098	324,655,661	380,575,833	9,307,580,592	12.34%
2006	9,133,223,501	342,401,308	382,543,969	9,858,168,778	5.92%
2007	10,175,391,552	367,219,331	407,155,155	10,949,766,038	11.07%
2008	10,767,888,832	374,068,647	439,054,344	11,581,011,823	5.76%
2009	11,413,962,162	396,512,766	465,397,605	12,275,872,532	6.00%
2010	11,125,742,820	383,474,990	411,248,499	11,920,466,310	(2.90%)

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

Source: Bernalillo County Treasurer's Office.

### Top 15 Ad Valorem Taxpayers for Tax Year 2008 (Fiscal Year 2009)<sup>(1)</sup>

Name of Taxpayer	Taxable Value <sup>(2)</sup> 2009 Assessed	Tax Amount <sup>(3)</sup>	Percentage of Total City Assessed Valuation
Qwest Corp.	\$83,386,020	\$4,312,058	0.720%
PNM Electric	83,585,450	4,037,081	0.722%
New Mexico Gas Co.	26,148,288	1,257,613	0.226%
Southwest Airlines	23,890,766	1,116,941	0.206%
Mesa Del Sol LLC	23,040,098	1,077,171	0.199%
Comcast Cablevision of New Mexico	17,498,511	818,090	0.151%
Simon Property Group Ltd (Cottonwood Mall)	15,960,737	746,196	0.138%
HUB Albuquerque LLC/HRPT Properties	14,261,573	701,639	0.123%
Verizon Wireless (VAW) LLC	14,771,926	690,028	0.128%
Coronado Center LLC	13,946,530	652,028	0.120%
Ardent Health Service Inc.	13,823,319	646,268	0.119%
T-Mobile Texas LP	13,622,457	645,098	0.118%
Pacifica Mesa Studios LLC	12,147,972	567,942	0.105%
AHS Albuquerque Regional Medical Center	12,049,803	563,352	0.104%
GEM Lobos LLC	10,932,490	555,591	0.094%
	<u>\$379,065,940</u>	<u>\$18,387,096</u>	<u>3.273%</u>

- (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 (PNM), 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 15 taxpayers for Tax Year 2008 represents only 3.3% of the total net taxable value of the City for 2009. See the following table entitled "City of Albuquerque History of Property (Ad Valorem) Tax Levy and Collection."
- (3) The tax amounts shown include assessments by jurisdictions other than the City.

Source: Bernalillo County Treasurer's Office.

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

Fiscal Year	Total Current Tax Levy <sup>(1)</sup>	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
2001	\$76,929,102	\$72,563,755	94.33%	\$4,365,348	\$76,929,102	100.00%	\$63,496,146	82.5%
2002	82,074,357	78,096,507	95.15%	800,726	78,897,233	96.13%	62,709,843	76.4%
2003	85,014,269	81,327,454	95.66%	4,084,547	85,412,001	100.46%	67,971,422	79.9%
2004	87,976,148	84,534,873	96.09%	3,674,088	88,208,961	100.26%	63,153,644 <sup>(2)</sup>	71.8%
2005	92,559,948	88,965,021	96.12%	3,234,797	92,199,818	99.61%	66,046,681	71.4%
2006	102,290,447	99,100,903	96.88%	3,189,545	102,290,447	100.00%	75,054,147	73.4%
2007	109,792,820	106,845,546	97.32%	2,374,766	109,220,312	99.48%	77,749,060	70.8%
2008	121,288,852	117,075,560	96.53%	4,107,018	121,182,578	99.91%	86,949,406	71.7%
2009	128,353,335	123,524,371	96.24%	4,828,964	128,353,335	100.00%	89,078,618	69.4%
2010	135,374,474	129,018,014	95.30%	6,356,460	135,374,474	100.00%	N/A	N/A

- (1) Includes both operating and debt service levies. Reported each January by the County Treasurer based on tax bills, including those under protest.  
(2) Since debt service mill levy decreased from 8.976 mills in Fiscal Year 2003 to 7.976 mills in Fiscal Year 2004, City debt service collections decreased slightly.

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

**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
2001	43.701	11.166	8.558	1.529	8.527	3.179	0.962	4.184	5.596
2002	45.571	11.161	8.635	1.765	8.503	2.628	0.943	6.500	5.436
2003	44.701	11.153	8.532	1.123	7.883	3.174	0.937	6.500	5.399
2004	46.668	11.154	9.549	1.520	8.497	3.175	0.936	6.500	5.337
2005	46.160	11.149	9.536	1.028	8.493	3.174	0.934	6.500	5.346
2006	44.367	11.080	8.369	1.234	8.415	3.069	0.920	6.317	4.963
2007	44.766	11.148	8.575	1.291	8.489	3.489	0.936	6.487	4.655
2008	46.169	11.112	8.464	1.250	10.582	3.151	0.926	6.429	4.255
2009	46.535	11.180	8.697	1.150	10.637	3.187	0.937	6.500	4.247
2010	46.958	11.410	8.500	1.530	10.656	3.271	0.931	6.400	4.260

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 which is levied by the State for the privilege of doing business in the State and is collected by the Department of Taxation and Revenue (the “Department”). The state gross receipts tax is 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% is 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, 2011 is 7.00%.

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 value of other consideration received from selling property in the State (including tangible personal property handled on consignment in the State), from leasing property employed in the State, from selling certain research and development services performed outside the State the product of which is initially used in the State and from performing services in the State. The definition excludes cash discounts allowed and taken, the state gross receipts tax payable on transactions for the reporting period and any county gross receipts tax, county fire protection excise tax, county and municipal gross receipts tax, any type of time-price differential and certain gross receipts or gross receipts taxes imposed by an Indian tribe or pueblo. Unlike most other states, the State taxes sales and services, including legal services and certain medical services. For a description of the percentages of gross receipts tax revenues that have been historically received in various other sectors, see “Gross Receipts Taxes - Historical Taxable Gross Receipts” under this caption.

Exemptions. Some activities and industries are exempt from the state gross receipts tax, many by virtue of their taxation under other laws. Exemptions include but are not limited to receipts of governmental agencies and certain organizations (some of which are taxable by the State, with no local distribution), receipts from the sale of vehicles, occasional sales of property or services, wages, certain agricultural products, dividends, receipts from the sale of prescription drugs and certain federal government paid medical expenses and interest and receipts from the sale or leasing of natural gas, oil or mineral interests. Various deductions are also 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 processing certain agricultural products, receipts from certain publication sales, certain receipts from interstate commerce transactions and receipts from the sale of certain food and certain medical services. See “Imposition of Tax” under this caption. In spite of the numerous specified exemptions and deductions from gross receipts taxation, the general presumption is that all receipts of a person engaging in business in the State are subject to the state gross receipts tax.

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 Taxation and Revenue Department of the State (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 36 months. Interest is due on any delinquent tax from the first day following the day on which it is due at the rate of 1.25% per month until paid, without regard to any installment agreement. However, if the state gross receipts tax is paid within 10 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 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
2006	\$172,886,999
2007	187,099,929
2008	187,006,638
2009	176,702,867
2010 <sup>(1)</sup>	166,120,127

(1) Calculated based on reports from the New Mexico Department of Taxation and Revenue. (unaudited)

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

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-16 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. 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 0.25% municipal capital outlay gross receipts tax for municipal infrastructure and other purposes, with a positive referendum; and a 0.0625% municipal environmental services gross receipts tax without a referendum. If the City becomes a member of a regional transit district, upon request from the district, the City, after an election approving the tax, is required to impose a municipal regional transit gross receipts tax of up to 0.5% for a public transit system or public transit projects or services for the district. The tax may be imposed in increments of 0.0625%.

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. The Districts' obligations are not the obligations of the City.

On October 6, 2008, the City formed tax increment development districts for Winrock and Quorum at ABQ Uptown. The City dedicated 70% of certain local option gross receipts tax increment and 75% of property tax increment generated within the two districts. These tax increment revenues that the City has dedicated to the Districts will be pledged to tax increment revenue bonds that the District intends to issue for 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
2006	\$180,818,933
2007	188,585,429
2008	177,868,928
2009	154,156,616 <sup>(1)</sup>
2010 <sup>(2)</sup>	131,990,026 <sup>(3)</sup>

(1) Reduction in 2009 revenues due to a decrease in gross receipts tax rate by 0.125% and economic recession.

(2) Calculated based on reports from the New Mexico Department of Taxation and Revenue. (unaudited)

(3) Reduction in 2010 revenues due to economic recession and decrease in the gross receipts tax rate of 0.25% for five months.

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

*Taxing Authority and Payments*

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



**Fiscal Year 2011 Gross Receipts Tax Rate  
(as of January 1, 2011)**

Type of Tax & Purpose	Percentage Imposed
Municipal GRT	1.0000%
Municipal Infrastructure GRT	0.0625
Bernalillo County GRT	0.8125
State-Shared GRT	1.2250
State GRT	<u>3.9000</u>
<b>Total</b>	<u><b>7.0000%</b></u>

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 2011 Taxing Authority and Gross Receipts Tax Imposed  
For the Benefit of the City of Albuquerque (as of January 1, 2011)**

Type of Tax & Purpose	Total Taxing Authority	Percentage Imposed	Unused Authority
Municipal GRT			
General Purposes <sup>(1)</sup>	0.5000%	0.5000%	--
General Purposes	0.5000%	0.0000%	0.5000%
Transportation	0.2500%	0.2500%	--
Public Safety	0.2500%	0.2500%	-
<i>Total Municipal GRT</i>	<u>1.5000%</u>	<u>1.0000%</u>	<u>0.5000%</u>
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%	0.0000%	0.2500%
Regional Transit GRT	0.5000%	0.0000%	0.5000%
<i>Total Other GRT</i>	<u>1.0625%</u>	<u>0.0625%</u>	<u>1.0000%</u>
Total Impositions by the City		<u>1.0625%</u>	
State-Shared GRT		1.2250%	
Total Distribution to the City		<u>2.2875%</u>	

(1) Represents the municipal gross receipts tax pledged by the City to secure certain outstanding bonds.

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 2001.

**CITY OF ALBUQUERQUE  
Taxable Gross Receipts by Sector and Total Gross Receipts <sup>(1)</sup>  
Fiscal Years 2001-2010 (\$000 omitted)**

	2001	2002	2003	2004 <sup>(3)</sup>	2005	2006	2007	2008	2009	2010	2001	2010
Construction	\$1,307.60	\$1,250.60	\$1,213.50	\$1,354.50	\$1,543.20	\$1,797.40	\$1,934.40	\$1,561.70	\$1,446.50	\$1,080.43	12%	8%
Manufacturing	308.60	283.70	233.70	275.00	266.50	278.00	319.10	312.30	263.70	217.95	3%	2%
Wholesale Trade	608.00	630.50	738.00	855.45	867.70	806.90	857.00	671.30	556.90	484.06	6%	4%
Retail Trade	4,367.60	4,345.00	4,652.60	5,036.70	5,126.70	5,484.80	5,948.40	6,352.60	6,025.80	5,864.96	40%	43%
Finance, Insurance & Real Estate	292.70	270.40	269.40	284.75	284.60	308.30	386.70	368.70	312.40	285.36	3%	2%
All Other Sectors	4,131.60	4,189.80	4,365.80	4,696.13	4,978.60	5,312.10	5,650.00	5,891.90	5,994.70	5,615.23	<u>38%</u>	<u>41%</u>
Total Taxable Gross <sup>(2)</sup> Receipts	\$11,016.10	\$10,970.00	\$11,473.00	\$12,502.52	\$13,067.20	\$13,987.50	\$15,095.50	\$15,158.50	\$14,599.90	\$13,548.00	<u>100%</u>	<u>100%</u>
Total Gross Receipts Reported	\$20,836.90	\$20,708.30	\$20,153.40	\$22,406.90	\$24,598.90	\$26,521.30	\$28,111.70	\$28,753.40	\$26,625.63	\$24,865.63		

- (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) Totals may not add due to rounding.
- (3) The groupings by Standard Industrial Classification are not available after Fiscal Year 2003 with the exception of Construction and Retail Trade.

Source: New Mexico Taxation and Revenue Department.

### *Manner of Collection and Distribution*

Businesses must make their payments of gross receipts taxes on or before the twenty-fifth day of each month for taxable events in the prior month. Collection of the state gross receipts tax and municipal gross receipts taxes is administered by the Department, pursuant to Section 7-1-6 NMSA 1978, as amended. 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 above-described disbursements to the municipalities and counties in the State and less required distributions to pay debt service on certain State bonds.

### *Remedies for Delinquent Taxes*

The Department may assess gross receipts taxes to a taxpayer who has not paid the taxes due to the State. If any taxpayer to whom gross receipts taxes have been assessed does not make payment (or protest the assessment or furnish security for payment) before 30 days after the date of assessment, the taxpayer becomes a delinquent taxpayer. A delinquent taxpayer remains delinquent until payment of all the taxes due, including interest and penalties, or until security is furnished for the payment. The Department 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 taxes from the first day following the day on which it is due at the rate of 15.0% per year, computed on a daily basis until paid, without regard to any installment agreement. However, if the gross receipts taxes are paid within 10 days after demand is made, no interest accrues.

The Department 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.

## **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 Shared Gasoline Tax Receipts for Fiscal Years 2001-2010.

**CITY OF ALBUQUERQUE  
Historical State Gasoline Tax Receipts**

Fiscal Year	State Gasoline Tax Receipts
2001	\$4,661,581
2002	4,431,007
2003	4,293,636
2004	4,476,207
2005	4,686,513
2006	4,883,012
2007	5,500,512
2008	5,301,238
2009	5,177,825
2010	4,973,555

Sources: City of Albuquerque Comprehensive Annual Financial Reports for 2000 to 2008.

**Lodgers' Tax and Hospitality Fee**

*Generally*

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.

*Historical Lodgers' Tax Revenues*

The gross taxable rent and the lodgers' tax revenues derived from the 5% lodgers' tax and collected by the City for the last five Fiscal Years are as follows:

**CITY OF ALBUQUERQUE  
Historical Lodgers' Tax Revenues**

<b>Fiscal Year</b>	<b>Gross Taxable Rent<sup>(1)</sup></b>	<b>Lodgers' Tax Revenues</b>
2006	\$199,914,580	\$9,995,729
2007	215,953,560	10,797,678
2008	230,047,005	11,502,350
2009	204,211,780	10,210,589
2010 <sup>(2)</sup>	199,899,460	9,994,973

- (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."
- (2) Unaudited.

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

*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 Hospitality Fee New Mexico Finance Authority loan dated September 9, 2004 in the principal amount of \$4,270,000. Fees collected under the Hospitality Fee Act were \$2,300,470 in Fiscal Year 2008, \$2,042,120 in Fiscal Year 2009 and \$1,998,995 in Fiscal Year 2010.

## **Employee Contracts**

There were 6,072 full-time employment positions funded by the City for Fiscal Year 2010. As of January 1, 2010, of the filled positions, approximately 84% of City employees are affected by union contracts. There are seven 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) (expires June 30, 2012); Clerical and Technical Employees (A.F.S.C.M.E. Local 2962, AFL-CIO) (expired June 30, 2009; operating under expired agreement); United Transportation Union (A.F.S.C.M.E. Local 624 AFL-CIO) (expires June 30, 2011); Blue Collar Workers (A.F.S.C.M.E. Local 624, AFL-CIO) (expired June 30, 2010, operating under expired agreement); Albuquerque Area Firefighters Union; Albuquerque Police Officers' Association; and Management Union (A.F.S.C.M.E. Local 3022, AFL-CIO) (expires June 30, 2011).

The City of Albuquerque cut most City employees' pay approximately 2% in 2010 to help balance the budget. The pay cut affected several unions whose contracts with the City had expired. The unions filed suit against the City on June 7, 2010, asserting the New Mexico Public Employee Bargaining Act required that the City maintain salary levels at pre-cut levels until a new contract was executed. *See American Federation of State, County and Municipal Employees, et al. v. City of Albuquerque*, CV-2010-07003. On November 9, 2010, the judge ruled in favor of the City, finding that the expired contracts are subject to the appropriation and availability of funds, and therefore the City can decrease the union employees' pay. The court also ruled that the City's ordinance requiring non-binding mediation, rather than the statute providing for binding arbitration, applied. The State District Court ruling is subject to potential appeal.

## **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 City contributes to the plan amounts which vary from 7.0% to 21.25% of eligible employees' salaries. 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 has no unfunded liabilities with respect to the availability of funds to cover the obligations of the retirement plan.

PERA issues a publicly available financial report that includes financial statements and additional information. A copy of this report can be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123.

Actuarial information is shown below:

**State of New Mexico Public Employees Retirement Fund  
Summary Information as of June 30, 2010**

Membership <sup>1</sup>	84,528
Actuarial Information	
Actuarial Accrued Liability <sup>2</sup>	\$15,601,461,460
Actuarial Value of Assets	12,243,712,850
Unfunded Actuarial Accrued Liability	3,357,748,610

Source: PERA Annual Actuarial Valuation

<sup>1</sup> Includes active and retired members from all divisions.

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

The Plan suffered as a result of volatility in the financial markets and economic recession from late 2007 into 2009. The Plan lost approximately 30% of its value as of February 2009 and closed Fiscal Year 2009 with a loss of 24.27%. The Plan experienced positive gains in Fiscal Year 2010 with a total fund return of 15.02%. The balance of the fund as of September 30, 2010 was approximately \$11.125 billion dollars. The 12-month return for the 12 month period ending September 30, 2010 was 11.66%, primarily attributable to good market conditions and performance of the fund. There are approximately 49,097 active members of PERA, 8,342 inactive members of PERA and approximately 27,089 retirees and beneficiaries receiving benefits from PERA as of June 30, 2010. The State legislature has made significant changes to the existing system, which changes impact future members, in order to address the potential future insolvency of the retirement plan. Under current law, the City is not responsible for any future deficiencies in the retirement plan.

### **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.

#### *Impact Fees*

The City of Albuquerque's impact fee ordinances were adopted by the Council on November 15, 2004 and implemented on June 10, 2005. The Council currently has imposed a moratorium on the continued imposition 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 four types of new infrastructure that the City of Albuquerque impact fees support are: public safety facilities, drainage facilities, park, recreation, trails and open space facilities and roadway facilities. Service areas have been identified for each type of infrastructure.

The program supplements the existing Capital Implementation Program. The funds from the impact fees will be 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
2006	\$3,791,949
2007	8,210,661
2008	10,935,135
2009	3,242,428

Source: City of Albuquerque, Planning Department.

**Financial Statements**

The audited financial statements of the City at June 30, 2010 and for the year then ended will be attached hereto in Appendix A upon release from the State Auditor. See Appendix A, Audited Financial Statements for Fiscal Year 2010.

**ENTERPRISE OPERATIONS**

**Albuquerque Airport**

*Generally*

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, Subordinate Parity Obligations and Junior Lien Obligations, including Third Lien 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 2010, origination and destination passengers comprised an estimated 88.7% of passengers enplaned at ABQ Airport. In addition to ABQ Airport, the City also owns and operates Double Eagle II Airport, a general aviation reliever airport. ABQ Airport has two principal runways for air carrier use and a 543,000 square foot main terminal complex (the “Terminal Building”) with 22 aircraft gates, one commuter gate, and three aircraft parking positions. The Terminal Complex area includes a two-level terminal loop roadway system, a 3,400 space automobile parking structure, and a 534 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 and expects Phase One to be completed by September 2011 and Phase Two to begin in September 2012. (See following section “Airport System Capital Program.”)

#### *Agreement 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 (the “USAF”) in 1962. The USAF currently shares the use of the Airfield with the City under a lease agreement obligating the USAF to make an annual rental payment of \$50,000. 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 and the lease agreement. The agreement also requires the USAF to provide aircraft rescue and fire fighting services at ABQ Airport.

*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.

*Airlines Serving Albuquerque*

ABQ Airport is served by seven mainline airlines (the “Signatory Airlines”) as well as regional and commuter airlines. Continental Airlines and United Airlines have merged; however, they will continue to operate separately at ABQ Airport until receiving a single operating certificate from the Federal Aviation Administration, which the airlines expect by the end of Calendar Year 2011. The Signatory Airlines are as follows:

American Airlines	US Airways
Continental Airlines	Southwest Airlines
Delta Air Lines	United Airlines
Frontier Airlines	

Each of the Signatory Airlines listed above has entered into a five-year Scheduled Airline Operating Agreement and Terminal Building Lease with the City with an effective date of July 1, 2006 (the “Airline Agreements”). ABQ Airport is currently in negotiations for new Airline Agreements with the Signatory Airlines which will be effective July 1, 2011; the City expects to have substantially the same provisions as the current airline agreements. Collectively, the Signatory Airlines lease approximately 85% of the available exclusive and preferential use space in the Terminal Building.

In addition to these major national airlines and their affiliate regional carriers, Great Lakes Aviation and Pacific Wings d/b/a New Mexico Airlines provide commuter flights throughout New Mexico. Two cargo airlines, Fed Ex and UPS (the “Air Cargo Airlines”), provide air cargo service at ABQ Airport. The Air Cargo Airlines have both entered into a Scheduled Air Cargo Airline Operating Agreement and Air Cargo Building Lease with the City (the “Air Cargo Airline Agreements”) and both operate as signatory Air Cargo Airlines.

*Additional Baggage Screening Requirements*

Under ATSA, all checked baggage must be screened for explosives by the TSA. At ABQ, the screening of bags is performed using a combination of explosive detection system (“EDS”) and explosive trace detection equipment.

Even though the City is in compliance with the ATSA requirements for baggage screening, it has installed an in-line EDS for Southwest, which has been the largest carrier at ABQ as measured by enplaned passengers for over fifteen fiscal years. The in-line baggage system for Southwest was necessary to mitigate existing operational inefficiencies in the processing of checked baggage. The installation provides additional space and equipment to

meet estimated future demand. The TSA operates non-in-line EDS and explosive trace detection equipment to screen checked baggage for other airlines in their baggage make-up areas on the west side of the Terminal Building. The City believes that these installations are adequate to meet existing and estimated future demand. The City has performed various studies on integrating an in-line EDS on the west side of the Terminal Building which may be needed in the future, if justified by demand and substantial grant funding is received.

*Historical Aircraft Operations and Enplaned Passengers*

During Fiscal Year 2010, there were 151,134 aircraft operations (landings and takeoffs) at the ABQ Airport, a decrease of 10.6% from 175,670 in Fiscal Year 2009. In Fiscal Year 2010, 2,933,346 passengers enplaned at ABQ Airport, a decrease of 2.7% from 3,014,347 in Fiscal Year 2009. The decrease in airline traffic is attributable primarily to the national economic recession. The following table presents the number of airline enplaned passengers for major national, affiliate regional and commuter airlines at the ABQ Airport from Fiscal Year 2001 through Fiscal Year 2010.

**Historical Airline Traffic Activity  
ABQ Airport**

**Enplaned Passengers**

<b>Fiscal Year</b>	<b>Number</b>	<b>Percent Increase (Decrease)</b>
2001	3,151,608	(0.3)
2002	3,043,775	(3.4)
2003	3,010,471	(1.1)
2004	3,121,162	3.7
2005	3,191,906	2.3
2006	3,299,021	3.4
2007	3,263,210	(1.1)
2008	3,417,525	4.7
2009	3,014,347	(11.8)
2010	2,933,346	(2.7)

Source: City of Albuquerque, Department of Aviation.

The total number of enplaned passengers at ABQ Airport decreased at an average annual rate of 0.79% per year between Fiscal Years 2001 and 2010. For the nation as a whole, the number of enplaned passengers was virtually the same in Fiscal Year 2010 as it was in Fiscal Year 2001.

As the financial crisis and economic recession deepened in the second half of 2008, airlines reduced departing seat capacity at airports including ABQ Airport. Southwest's strategy to reallocate departing seat capacity to large-hub airports disproportionately affected medium-hub airports such as ABQ Airport. The economic downturn started later in Albuquerque than most U.S. cities; it depressed consumer spending and resulted in reduced

demand for air travel. Combined, these factors resulted in an 11.8% reduction in enplaned passenger traffic in Fiscal Year 2009. Throughout Fiscal Year 2010, airlines continued reducing seats at ABQ Airport although the rate of decrease slowed. The end result was a 2.7% decline in enplaned passengers in Fiscal Year 2010.

Airline Market Shares of Enplaned Passengers.

During Fiscal Years 2006 through 2010, Southwest Airlines and American Airlines held the greatest percentage of market share. In Fiscal Year 2010, Southwest’s market share in Albuquerque was 55.5% and American’s was 12.5%. Combined, the two airlines accounted for at least 68% of enplanements at the ABQ Airport during Fiscal Year 2010.

The following table presents the market shares of enplaned passengers by airline for Fiscal Years 2006 through 2010:

**Historical Airline Market Shares of Enplaned Passengers**

	<u>FY2006</u>	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>
	<u>% Share Enplaned Passengers</u>	<u>% Share Enplaned Passengers</u>	<u>% Share Enplaned Passengers</u>	<u>% Share Enplaned Passengers</u>	<u>% Share Enplaned Passengers</u>
Major/National:					
Southwest Airlines	51.4	51.6	50.6	54.4	55.5
American Airlines	12.3	12.0	11.1	11.9	12.5
Delta Air Lines	7.4	6.3	5.8	5.1	4.7
US Airways (America West)	6.4	6.3	5.5	5.3	5.2
United Airlines	4.3	4.3	4.9	3.7	2.5
Continental Airlines	5.1	5.6	4.0	2.2	1.3
ExpressJet <sup>(1)</sup>	-	0.3	3.4	0.7	.0
Northwest Airlines <sup>(2)</sup>	2.6	2.5	2.5	2.9	2.8
Frontier Airlines <sup>(3)</sup>	1.8	1.6	2.3	3.9	3.8
Subtotal	<u>91.3</u>	<u>90.5</u>	<u>90.1</u>	<u>90.1</u>	<u>88.3</u>
Regional and Commuter:					
Mesa Airlines	0.9	0.6	0.2	.0	-
SkyWest	5.5	6.1	4.9	5.8	7.0
Other	2.3	2.8	4.8	4.1	4.7
Subtotal	<u>8.7</u>	<u>9.5</u>	<u>9.9</u>	<u>9.9</u>	<u>11.7</u>
TOTAL	<u>100.0%</u>	<u>100.0%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

<sup>(1)</sup> ExpressJet ceased operations as a Signatory Airline at ABQ Airport as of September 2, 2008.

<sup>(2)</sup> Delta and Northwest merged in 2008 and now operate under Delta’s name and operating certificate.

<sup>(3)</sup> Filed for bankruptcy protection (Chapter 11) on April 10, 2008. Frontier successfully emerged from Chapter 11 bankruptcy on October 1, 2009.

Note: Columns may not add to totals shown because of rounding.

Source: City of Albuquerque, Aviation Department.

*Airport Administration*

**Mr. James D. Hinde, C.M.**, is the Director of Aviation. Mr. Hinde was appointed to this position by Mayor Richard J. Berry in December 2009. He previously served as Acting Director of Aviation from January 2007 to March 2007 under Mayor Chavez’ administration. He has worked for the City’s Aviation Department for nineteen years as Manager of

Engineering, Manager of Engineering and Environmental Affairs, and Planning Manager. Prior to his work with the City he was involved in design, project management, and inspection with several private engineering firms.

**Mr. N. David Norman** is the Associate Director of Operations, responsible for the Operations Division, consisting of Airfield Operations, Airport Communications Center, Facilities Maintenance, Custodial Services, Aviation Police, Airfield Maintenance and the Double Eagle II Airport. Following retirement from the United States Air Force in 1996, Mr. Norman joined the City's Aviation Department as an Airfield Operations Duty Officer until 2005, at which time he left the City's Aviation Department and was employed as an Airport Operations Duty Manager with Metropolitan Washington Airports Authority. Mr. Norman returned to Albuquerque and assumed his current position in November 2006.

**Ms. Pam White, C.M.**, is the Associate Director of Finance and is responsible for the Finance and Administration Division, consisting of airport revenue bonds, operating budget(s), capital improvement program, debt service, PFC program, as well as the Finance Division, Contract Administration, Landside Operations, Business Development, and Environment. Ms. White has twenty-one years experience in finance, administration and government accounting. Prior to joining the Aviation Department, Ms. White was employed with the New Mexico Department of Transportation in accounting and finance. In her last six years with the Department she was the Finance and Business Manager for the Aviation Division. Ms. White has a Bachelor of Science in Business Administration/Accounting and is currently enrolled in the American Association of Airport Executives certification program.

*Airport Financial Information; Airport Fund*

General. The Airport Fund is a separately maintained enterprise fund of the City. The general policy of the City has been to impose charges at the ABQ Airport for services that can be measured and that benefit specific persons, including users of the Airport System. The charges are designed to pay for the cost of the service.

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

**Historical Airport Revenues<sup>(1)</sup>  
(Fiscal Year 2006-2010)  
(\$000)**

	2006		2007		2008		2009		2010 <sup>(2)</sup>	
Airline Revenues	\$29,303	44.1%	\$26,352	38.6%	\$28,887	38.3%	\$ 26,654	37.8%	\$27,385	38.9%
Nonairline Revenues:										
Terminal Building	11,855	19.1	13,771	20.2	15,337	20.4	12,909	18.3%	13,946	19.8%
PFCs	8,230	12.3	8,303	12.1	8,559	11.4	7,380	10.4%	7,444	10.6%
CFCs	4,354	6.5	5,375	7.9	6,308	8.4	7,145	10.1%	6,680	9.5%
Parking Area Passengers	7,694	11.6	7,997	11.7	8,272	11.0	7,423	10.5%	7,130	10.1%
Miscellaneous	5,106	6.4	6,399	9.5	7,994	10.5	9,135	12.9%	7,803	11.1%
TOTAL	\$66,542	100.0	\$68,197	100.0	\$75,357	100.0	\$ 70,646	100.0	\$70,388	100%

(1) The financial statements for Fiscal Year 2010 are not completed and will be provided upon their completion and approval of the State Auditor. Source: City of Albuquerque General Ledgers (unaudited)

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 88.4% of commercial enplaned passengers at ABQ Airport in Fiscal Year 2010. Airline revenues constituted 38.9% of Gross Airport Revenues in Fiscal Year 2010 (unaudited).

*Passenger Facility Charges.* 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. The closeout amendment for this application increased the collection authority by \$135,870. In June 2002, the FAA approved the City’s second PFC application which allows the City to impose a \$3.00 PFC at ABQ for a total collection amount of \$44,483,079. A closeout amendment to this application was approved by the FAA in April 2008. The total collection amount was amended to \$41,844,636 to reflect actual collections and uses of PFC revenues. The FAA approved a third PFC application in the amount of \$66,066,726. PFCs collected under the third application are being used to fund certain Terminal Building modernization and roadway projects. In October 2009, the City submitted an amendment to the third PFC which requested an increase by \$2,819,173. The amendment identified an increase to projects such as terminal rehabilitation, upgrades to flight and baggage information systems, and mechanical/electrical/fire safety upgrades. The amendment also identified a decrease to projects such as the communication center upgrade, the federal inspection station, and passenger checkpoint. In November 2009, the FAA approved and amended the third PFC in the amount of \$68,885,899 with an expiration date of July 2016.

PFC revenues are available to pay Airport Obligations issued to finance eligible projects 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 2006 through Fiscal Year 2010.

**PFC Revenues**  
(**\$000s**)

Fiscal Year	PFCs Collected <sup>(1)</sup>
2006	\$8,230
2007	8,303
2008	8,559
2009	7,380
2010	7,444

<sup>(1)</sup> 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.

Nonairline Revenues. Non-airline revenues include the rental car facility fees and concessions, nonairline terminal building space rentals, terminal food and beverage concessions, terminal news and gift stores, advertising program, and other miscellaneous agreements. The largest component of nonairline revenues in Fiscal Year 2010 was the rental car privilege fees.

*Rental Car Facility Revenues.* In connection with the March 2001 opening of the Rental Car Facility, eight on-airport rental car companies entered into five-year lease agreements with the City, which have been extended an additional five years, for the use and lease of counter space at the customer service building and parking spaces in the ready/return parking area. The City successfully renegotiated these agreements for an additional five year term (effective July 1, 2011), with an option for the City to extend the agreements an additional five years. 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) reimbursement for any Airport operating expenses allocated to the Rental Car Facility. In addition, the City has executed 20-year leases with the on-airport rental car companies for use and lease of the service center facilities and vehicle storage areas. 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 24.8% of Gross Airport Revenues in Fiscal Year 2010. (See following section “Customer Facility Charge”).

*Terminal Building Concession Revenues.* Non-airline Terminal Building concession revenues are generated under agreements with Fresquez Concessions, Inc., and Black Mesa Coffee Company to provide food and beverage services within the Terminal Building (the “Food and Beverage Concession Agreements”). In addition there are five retail concession operators (the “Retail Concession Agreements”) including Avila Retail Development & Management, El Mercado del Sol, Inc., Page Industries, Hudson-Garza, and Sweet Tooth, LLC. These five 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 terms of the agreements, each operator is required to pay the City the greater of (i) a percentage of gross revenues or (ii) a minimum annual guarantee (“MAG”) amount. The MAG amount is to be adjusted each year to equal 85% of each company’s prior year’s percentage of gross revenues paid to the City, but the MAG amount in any year will not be less than the first full contract year.

*Parking Area Revenues.* Public parking facilities include a garage with 3,400 spaces for short-term parking and a surface lot north of the parking garage with 534 spaces for long-term parking. The City anticipates opening an additional parking lot in the third quarter of Calendar Year 2011 with approximately 400 parking spaces. Other parking facilities at ABQ Airport include three employee lots, which together provide approximately 600 spaces.

Public parking rates in the short-term lot are \$1.00 for the first half-hour, increasing to a maximum rate of \$10.00 per day. Rates in the long-term lot are \$1.00 for the first half hour and thereafter a maximum of \$7.00 per day. The public parking facilities generated revenues totaling \$7,211,551 (\$7,129,703 in public parking revenues plus \$81,848 in employee parking revenues), in Fiscal Year 2010. Public parking revenues decreased by 4.7% from Fiscal Year 2009 to Fiscal Year 2010 as a result of decreased passenger traffic. The City also receives revenues from commercial vehicle lane fees and taxicab permits.

*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 minimum annual guarantees.

Double Eagle II Airport Revenues. The City has two agreements with a fixed base operator to provide services to general aviation operators 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 owned by the City.

Federal Grants. The City receives annual federal grant moneys 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 the prioritization by FAA of projects across the nation as a whole). Between Fiscal Year 1996 and Fiscal Year 2009, the City received a total of \$73,153,599 in AIP grants and entitlement/discretionary funds. In Fiscal Year 2009, the City received \$5.5 million for the rehabilitation of Taxiway E and \$9.4 million for Terminal Apron – Phase 2/Taxiway E Centerline Lights at ABQ and \$5.5 million for Runway 4-22 reconstruction at Double Eagle II Airport, \$2.9 million of which was from the American Recovery and Reinvestment Act. In addition, a \$12.1 million project to reconstruct and widen the highway from 2 lanes to 4 lanes from Interstate 40 to Double Eagle II Airport is currently underway. The road project is funded primarily by Federal Highway Administration grants.

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 or cancel certain projects or seek to fund the project with other sources, possibly including additional debt.

## **Airline Agreements**

Signatory Airline Agreements. The Signatory Passenger Airlines have each entered into Amended and Restated Scheduled Airline Operating Agreement and Terminal Building Leases (“Signatory Passenger Airline Agreements”) with the City for the use and lease of certain facilities at ABQ Airport. The following is only a brief summary of certain provisions of the Signatory Passenger Airline Agreements.



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 Agreements, Terminal Building rental rates are calculated according to a commercial compensatory method based on rentable space and include a credit of certain concession revenues generated in the Terminal Building. 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 leased jointly, with allocable rentals recovered by formula. The credit is also distributed among the Signatory Passenger Airlines by formula. Loading bridge charges are calculated using a modified residual methodology and consist of a combination of a fixed fee charged per loading bridge to recover allocable capital costs and an operating fee charged per departing flight to recover allocable operating costs.

Each Signatory Airline has priority in using gates assigned to it on a preferential 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 Airline's preferentially assigned gate to another Signatory Airline, if the renting Signatory 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 Airline.

Signatory Cargo Airline Agreements. The Signatory Cargo Airlines have each entered into a Signatory Cargo Airline Agreement with the City concerning their use of the air cargo facilities at ABQ Airport. Under the current Air Cargo Airline Agreements, each of the Signatory Cargo Airlines leases exclusive-use space in ABQ Airport's air cargo building and preferential-use apron parking spaces at the air cargo apron. Rates and charges for these facilities are calculated under a modified commercial compensatory approach, whereby the Signatory Cargo Airlines pay a rate calculated using a market-value approach.

Affiliate Airline Operating Agreements. The City maintains Affiliate Airline Operating Agreements with passenger airlines operating as regional affiliates of Signatory Passenger Airlines. The Affiliate Airline Operating Agreements are on a month-to-month basis. Service provided by these airlines is marketed and sold by Signatory Passenger Airlines under capacity purchase agreements and not by the Affiliate Airline itself.

Under the terms of the Affiliate Airline Agreements, 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. Other rentals and fees for the use of Terminal Building are paid by the Signatory Passenger Airline on behalf of the Affiliate Airline.

Commuter Airline Agreements. The City maintains Commuter Airline Leases and Operating Agreements with airlines providing commuter service throughout New Mexico. The Commuter Airline Operating Agreements are on a month-to-month basis. Under the terms of the Commuter Airline 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 with certain airlines providing service at ABQ Airport on both a scheduled and non-scheduled basis. These agreements allow airlines to occupy space in the Terminal Building or cargo buildings 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 calculated to simulate 115% of the applicable Signatory Airline rate. Non-Signatory Airlines do not participate in the year-end recalculation of airline rates and charges.

The current airline agreements expire on June 30, 2011. The City is currently in negotiations with the airlines and expects the agreements to have substantially the same terms and conditions.

### **Customer Facility Charges**

The Rental Car Facility is located on approximately 76 acres on the west side of ABQ Airport. Eight rental car companies operated from the Rental Car Facility as of September 2009 (“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 1,239 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) debt service requirements on Airport Obligations issued to finance the Rental Car Facility and which may be issued in the future for the Rental Car Facility; and (iii) other allocable costs associated with common areas in the customer service building and access roadways. 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 \$4.00 per contract day.

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 in any year 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.

### *Airport System Capital Program*

The City is adopting a five-year Capital Improvement Program (CIP) for Fiscal Years 2012 through 2016, totaling \$127.7 million. As part of the negotiations producing a successor Airline Operating Agreement and Terminal Building Lease (for the same time period of the CIP), the City is adopting a CIP pre-approved by the Signatory Airlines.

Of the \$127.7 million CIP, \$95.4 million would improve ABQ Airport, and \$12.8 million the Double Eagle II Airport. The remaining \$19.5 million would go towards projects that would not affect airline rates and charges.

The funding plan for the CIP is a mixture of grants, “pay-as-you-go” Passenger Facility Charges (PFCs), and Airport equity. The City plans to issue no new debt to help finance projects through Fiscal Year 2016.

Most CIP projects are for the renewal or replacement of aging elements of airport infrastructure. The CIP reflects the lack of a need for significant expansion of airfield or terminal capacity. Preeminent projects renovate Taxiways A, B and E; close Taxiway C and Runway 17-35 at ABQ Airport; upgrade mechanical and electric systems in the Terminal Building; and, convert Runway 17-35 at the Double Eagle II Airport into the primary runway.

### **Joint Water and Sewer System**

The Water/Sewer System was owned by the City and operated by its Public Works Department until December 17, 2003 and revenue bond debt relating to the Water/Sewer System continues to be outstanding. In 2003, the New Mexico Legislature adopted Laws 2003, Chapter 437 (Section 72-1-10 NMSA 1978) which created the Albuquerque Bernalillo County Water Utility Authority (the “Authority”) and required that all functions, appropriations, money, records, equipment and other real and personal property pertaining to the Water/Sewer System be transferred to the Authority. The legislation also provides that the debts of the City payable from net revenues of the Water/Sewer System shall be debts of the Authority and that the Authority shall not impair the rights of any holders of outstanding debts of the Water/Sewer System. The City has transferred functions, appropriations, money records, equipment and other real and personal property pertaining to the Water/Sewer system to the Authority and the policy-making functions of the Water/Sewer System have been transferred to the Authority. The Authority and the City entered into a Memorandum of Understanding dated July 1, 2007, under which the City provides certain administrative support to the Authority.

Information relating to Water/Sewer System may be found in the Annual Information Statement of the Authority dated January 26, 2011 on file with each Nationally Recognized Municipal Securities Information Repository. Financial information and information relating to the operations of the Water/Sewer System for years prior to Fiscal Year 2004 may be found in the Annual Information Statement of the City dated January 20, 2004 on file with each NRMSIR.

## **Refuse Removal and Disposal System**

The City operates its Refuse Removal and Disposal System (the “Refuse System”) through its Solid Waste Management Department (the “Department”). The City has no competitors for refuse removal and disposal services within the City limits. The City collects all residential refuse and imposes a fee on each residential unit. Commercial refuse service is provided to all commercial users at a set fee. However, businesses may haul self-generated refuse, if they obtain a City permit to do so. Although businesses may haul self-generated refuse outside of the City limits to landfills which are not operated by the City, the City does not consider that this has a material effect on the City’s landfill operations.

### *Long-Range Plans*

The Department developed an Integrated Waste Management Plan (IWMP) to serve as an important planning tool. The IWMP, by Zia Engineering & Environmental Consultants, reviews the current status of the City's solid waste management system including operations, rates and facilities and proposes an environmental plan for the future.

City Council approved the IWMP in 2010. The IWMP contains 23 recommendations to be implemented in the period from 2010 to 2020.

Recommendations in the IWMP which are currently in process or completed are as follows: to perform a cost of service analysis; perform a commercial accounts audit; revise the Department’s Mission Statement; and develop an RFP for private sector design, construction, ownership, and operation of a materials recovery facility (MRF). The recommendation to address the large backlog of unmet functional equipment needs by fully funding the equipment replacement schedule was included with the Fiscal Year 2011 rate increase.

Many of the IWMP recommendations form the basis for the Department’s Five-Year Plan, including the MRF project award and construction; development of a plan to site, design, construct, own, and operate a transfer station; automate residential curbside recycling collection using carts; implementing a Pay as You Throw (PAYT) program for residential customers; and implementing a subscription-based green waste collection program. PAYT is a term coined by the U.S. Environmental Protection Agency, which means that residents pay for refuse service according to the level of service requested: more trash costs more.

The Mayor has directed the Department to develop an RFP for private sector design, construction, ownership, and operation of a MRF. The RFP has been issued and proposals are being evaluated. The successful offeror would provide all capital and operating costs for the MRF. While the terms of compensation will not be determined until an offeror is selected, it is anticipated that the Department will be charged a tipping fee for the delivery of recyclables and participate in a revenue share for the sale of materials. In other cities surveyed by the Department, the contract agreements have resulted in net revenue to the municipality.

The remaining recommendations will be considered and proposed in subsequent budget years as suggested in the IWMP.

## *Landfills*

The City uses a landfill site, which has been registered with State and federal authorities since May 1990. The permit for the City's Cerro Colorado landfill allows only licensed commercial haulers to dispose of solid waste at the landfill site. Residents are not allowed to haul waste to the landfill and, instead, must use the convenience centers described below. If current waste disposal operations continue unchanged, the landfill is expected to reach capacity in 2077. There was an error found in the previous airspace usage calculation which resulted in a new figure of 67 years remaining life. The landfill presently meets or exceeds all federal and state regulations. To continue in compliance with federal requirements, the City installed a methane gas collection system for the first six cells of the Cerro Colorado landfill and is working with a consultant to develop a landfill gas master plan to maximize efficiency and effectiveness in the future expansion of the landfill gas collection system.

## *Collection System*

Historically, the residential collection system consisted of one-person crews using side-loading packer vehicles for regular household refuse and recycling. The collection of refuse and recycling occurs once a week. Each household is provided with a 95-gallon container on wheels. The container is wheeled to the curb by the resident on his/her weekly collection day and is serviced by a fully automated collection vehicle, which utilizes a hydraulic arm to grab, lift and empty the container. Residential customers receive one coupon every year typically in the month of August which can be redeemed for 30 clear bags which are used for recyclables. The monthly refuse fee includes the cost of the recycling bags. The regular work schedule for the residential and recycling collection is five eight-hour days a week. Residential routes include 48 Automatic Routes, 12 Recycling Routes, Multi-Family Dwelling Recycling, and a Green Waste Pilot Program. The total residential refuse vehicles include the daily route vehicles and also the back-up fleet.

The City does not handle refuse collection for Albuquerque Public Schools or the University of New Mexico, two of the region's major employers, although those entities do use the City's landfill for a fee.

The City has a hazardous waste awareness program, a household hazardous waste collection program, and a landfill monitoring and remediation program, which are funded from refuse system revenues. The City does not accept hazardous, toxic or asbestos waste in its landfill. Only biomedical waste that has been previously incinerated is accepted. Both City and State regulatory agencies have established policies to strictly monitor these matters.

The commercial collection system is containerized to the maximum extent possible. Containers varying in size from two cubic yards to eight cubic yards are mechanically dumped into packer trucks. Large generators of refuse use roll-off containers. Collection frequency and container size is determined by the needs of the customer and is factored into the fee calculation. Commercial routes include two rear packers, 20 roll-offs and 34 front-loading routes.

The Department received approval from the New Mexico Solid Waste Bureau to operate a green waste composting site at the Cerro Colorado Landfill. The majority of materials for the green waste composting program is collected and then transported to the Cerro Colorado Landfill composting site from two of the three Department Convenience Centers and Green Waste Curb Side Pilot and Seasonal Programs. Primary materials include leaves, grass clippings, tree trimmings and other assorted yard trimmings. Collected manures will be used as an amendment with the primary materials for the composting process. The department is researching and working to establish markets for the compost or mulch products and is currently using the mulch products for internal needs such as landfill cover.

#### *Convenience Centers*

The City has constructed three convenience centers for public use, which accept residential haul-your-own waste and small commercial haulers with a vehicle size of less than two tons. The solid waste brought to the convenience centers is collected in large roll-off containers and 120-cubic-yard trailers and hauled to the Cerro Colorado landfill by the City as part of the convenience center's operations. The tonnage collected at the convenience centers represents approximately 10% of the total annual tonnage disposed of at the Cerro Colorado landfill. Beginning in Fiscal Year 2011, the fee at the convenience centers is \$5.00 per load for individuals and small commercial haulers, not including tax.

#### *Recycling Programs*

The City provides curbside recycling service for approximately 177,000 residential households every week. Due to the varying levels of participation across the City, there are twelve routes operating Monday through Wednesday and ten routes operating on Thursday and Friday. Manual side-loader vehicles are utilized to service each household. This requires the driver to exit the vehicle at every stop, pick up the material by hand and place it into the truck. The City collects corrugated cardboard, plastic, tin, aluminum, newspaper, mixed paper and junk mail at the curb. The City also provides 18 recycle drop-off sites conveniently located across the city in which citizens can drop-off their recyclables.

In March 2007, the City implemented the new Multi-Family Dwelling Recycling Program. All apartment complexes with 25 units or more are required to provide recycling services for their residents. Any complexes with less than 25 units are eligible for recycling services upon request. Each complex is provided with 96-gallon green recycle carts based upon the level of need. The current service charge for collection is \$1.95 per unit.

The City's pilot recycling program began in November 2007 and currently consists of 10,000 households who receive weekly curbside recycling collection service using a 64-gallon recycle cart.

All of the recyclables collected are processed and prepared for market at the City's recycling processing facility, referred to as the Intermediate Processing Facility. Materials are then sold to various vendors for recycling. The level of projected revenues from the sale of recyclables and the \$1.95 per resident current charge for recycling services covers the cost of

service. The Curbside Recycle Cart Pilot Program participants are currently not being charged any additional fees for service.

### *Weeds, Litter and Graffiti Removal and Community Outreach*

As part of the Department's overall mission of protecting and preserving the environment, the Department is also responsible for the removal of weeds, litter and graffiti from the City's major thoroughfares and public properties. Revenues produced from this mission are expected by the City to be at a minimal level compared to budgeted expenses for such responsibilities.

The Clean City Division mission is to enhance the City's condition and meet the community's needs for a clean environment and improved quality of life within the City limits. Clean City, a seven day operation, is currently utilizing seven principle programs; the Weed & Litter Program, Community Support Program, Large Items Pick up Program, City of Albuquerque Office Paper Recycling Program, City-wide Drop-Off Recycling Program, and Graffiti Removal Services. The Clean City Division also has a contract with the New Mexico State Highway Department for highway cleanup with the Albuquerque city limits.

The Weed & Litter Program has divided approximately 188 square miles in the City into five major sections and provides safe removal of weeds and litter from major thoroughfares along curb lines and undeveloped medians on a scheduled basis throughout the year. The Clean City Division removes illegal dumping from public and private properties and seeks liens against private property as necessary for properties deemed in violation of the weed and litter ordinance by the City Zoning Enforcement Division.

The Keep Albuquerque Beautiful (KAB) Program is also supported by the Solid Waste Department and acts as a community outreach entity to promote awareness of environmental issues related to solid waste, recycling and sustainability. KAB is an affiliate of the National Keep America Beautiful organization and is funded by grant money from the State of New Mexico.

### *Solid Waste Management Administration*

**Mr. John Soladay** is the Director of the Solid Waste Management Department and has more than 35 years of public service. He started his career in Southern California where he spent 25 years with the City of Redondo Beach, retiring as the Public Works Director in the late 1990's. Since coming to the City of Albuquerque, John has served as the Fleet Manager; Associate Director of the Department of Municipal Development managing the Facilities and Energy Divisions; Sustainability Officer in the Mayor's office working on the Albuquerque Green Initiative; and for the last two years as Environmental Health Director before accepting the position of Solid Waste Director.

**Ms. Jill Holbert** is the Deputy Director of the Solid Waste Department. She brings over 20 years of experience in integrated solid waste management; including waste reduction, recycling, composting and solid and household hazardous waste management. Prior to joining the Department, Ms. Holbert worked for the Solid Waste Bureau of the New Mexico Environment Department. She also served as the Solid Waste Management Division Director

with the City of Santa Fe and manager of Santa Fe County's solid waste and recycling program. She holds a Master of Science degree in Community Development from the University of California and a bachelor's degree in Natural Resources from the University of Michigan.

**Mr. Michael L. Torrez, Ed.D.**, is the Associate Director of the Solid Waste Management Department of the City. Mr. Torrez has over 20 years with the City, coming to Solid Waste Management Department from the Department of Municipal Development where he managed the department's Parking Division. Mr. Torrez holds two Masters Degrees and a Doctorate in Training and Learning Technologies. Mr. Torrez has been a professor with the University of Phoenix for the past 22 years, teaching courses in Management, Human Resources and Employment Law. In his career, Mr. Torrez has written six publications on various subjects related to career planning and performance, including a text book "Managing Human Resources."

**Mr. Stephen C. Falk, CPA**, is the Fiscal Manager of the Solid Waste Management Department. Mr. Falk has over 27 years of financial accounting experience, working as an auditor in public accounting, a financial manager in private industry, and in various governmental accounting positions. Mr. Falk has been a Certified Public Accountant for 27 years, and has worked for the City for the last 17 years.

**Ms. Natalie Y. Howard** is the Superintendent of Administrative Services for the Solid Waste Management Department. Ms. Howard has over 20 years of private and public sector experience and has been serving the City for approximately 17 years. Ms. Howard has a public relations, customer service, and financial background. She managed the Keep Albuquerque Beautiful Program, and served as the Communications and Billing Manager for the Solid Waste Management Department. She currently manages the administrative branch of the department. In addition, she is an instructor for the University of Phoenix and a certified mediator for the City. Ms. Howard received her bachelor's degree in Sociology and earned a Master's Degree in Public Administration from the University of New Mexico.

#### *Refuse System Financial Information*

Operational Data and Tonnage History for the Refuse System. Shown below are the operational data and solid waste tonnage history for the Refuse System for Fiscal Years 2001 through 2010.



**CITY OF ALBUQUERQUE**  
**Refuse System Operational Data**  
**Fiscal Years 2001-2010 Collections**

<b>Fiscal Year</b>	<b>Residential/ Recycling Units</b>	<b>Routes</b>	<b>Commercial Units</b>	<b>Routes</b>	<b>Refuse Employees</b>	<b>Collection Vehicles</b>
2001	141,300	52	14,710	56	409	137
2002	142,445	52	14,720	56	409	137
2003	147,097	47	14,725	56	403	137
2004	156,106	49	11,674	56	405	147
2005	160,201	40	11,436	52	414	154
2006	164,491	43	12,611	55	414	160
2007	167,782	44	13,346	56	432	164
2008	172,828	48	14,219	56	450	170
2009	175,162	48	13,086	56	427	171
2010	176,341	48	12,051	56	434	165

Source: City of Albuquerque, Solid Waste Management Department.

**CITY OF ALBUQUERQUE**  
**Solid Waste Tonnage History**  
**Fiscal Years 2001-2010**

<b>Fiscal Year</b>	<b>Commercial</b>	<b>Residential</b>	<b>Convenience Center, Private Haul, Other</b>	<b>Total Department</b>
2001	220,326	190,004	91,446	501,776
2002	216,549	162,254	91,006	469,809
2003	228,324	178,503	96,421	503,248
2004	224,350	179,290	104,350	527,990
2005	237,786	159,778	111,889	509,453
2006	239,670	190,527	118,661	548,858
2007	248,014	204,083	142,933	595,030
2008	231,977	203,043	168,717	603,737
2009	214,463	188,229	301,725	704,417
2010	220,100	172,391	137,124	529,615

Source: City of Albuquerque, Solid Waste Management Department.

**Budget, Rates and Charges.** The capital and operating budgets for the Refuse System are submitted to the Council by April 1 of each year for the following fiscal year. The Council considers the budgets, together with the rates necessary to finance the operation and capital improvements, and adopts the budget and rates necessary for the next fiscal year no later than 60 days after their receipt. Biannually, decade capital plans are also prepared and adopted. These plans are modified by the annual budget process as immediate needs become clear. The current decade capital plan (2011-2020) calls for expenditures of approximately \$141 million financed with a combination of operating cash and refuse revenue bonds.

The rates for residential collection, commercial collection and the use of the Cerro Colorado landfill are established from time to time by City ordinance and are not subject to

approval by any other regulatory body. The Fiscal Year 2011 rate for residential collection is \$12.91 per month. Commercial rates vary considerably based on the size of container and frequency of service. Current landfill fees by tonnage (not including tax) are \$7.50 for up to 500 pounds, \$14.99 for 501 to 1,000 pounds, \$22.48 for 1,001 to 1,500 pounds, and \$30.00 for 1,501 to 2,000 pounds. Other rates apply for use of the landfill for certain categories of waste such as tires and contaminated soil. The current fee at the convenience centers is \$5.00 per load for residential and commercial haulers, not including tax. Included in the rate structure is a fuel surcharge assessed to all refuse customers when the price of diesel fuel exceeds \$2.30 per gallon.

The following tables present a limited 10-year summary of the history of refuse service rate adjustments implemented by the City showing the effective date of such adjustments. See “Historical Financial Information” under this caption. The City anticipates that additional rate increases will be necessary in future years based on findings in the Integrated Waste Management Plan and Cost of Service Study the Department completed as part of the Fiscal Year 2011 budget. The Studies seek, in part, to modernize recycling, encourage commercial recycling, implement a rate structure that reflects current costs and encourages more residential recycling. The Department was approved for a 25% rate increase in the Fiscal Year 2011 budget based on the cost of service study. The new rates fully fund operations and restore the transfer to capital to a level that will provide quality services to customers efficiently and safely.

**CITY OF ALBUQUERQUE**  
**Refuse System**  
**Residential Collection Fee Adjustments**

<b>Year</b>	<b>Monthly Rate</b>	<b>% Increase</b>
2002	\$9.94	0.0
2003	10.24	3.0
2004	10.24	0.0
2005	10.24	0.0
2006	10.75	5.0
2007	10.75	0.0
2008	10.75	0.0
2009	10.75	0.0
2010	10.75	0.0
2011	12.91	20.1

Source: City of Albuquerque, Solid Waste Management Department.

## Landfill Fee Adjustment

Year	Rate	% Increase
2002	\$105.65/ton (tires)	0.0
2003	105.65/ton (tires)	0.0
2004	105.65/ton (tires)	0.0
2005	105.65/ton (tires)	0.0
2006	110.93/ton (tires)	5.0
2007	110.93/ton (tires)	0.0
2008	110.93/ton (tires)	0.0
2009	110.93/ton (tires)	0.0
2010	110.93/ton (tires)	0.0
2011	116.48/ton (tires)	5.0

Source: City of Albuquerque, Solid Waste Management Department.

## Convenience Center Fee Adjustments

Year	Rate	% Increase
2002	\$3.25/load (residential)	0.0
	\$8.40/load (commercial)	0.0
2003	\$3.30/load (residential)	2.0
	\$8.65/load (commercial)	3.0
2004	\$3.30/load (residential)	0.0
	\$8.65/load (commercial)	0.0
2005	\$3.30/load (residential)	0.0
	\$8.65/load (commercial)	0.0
2006	\$3.47/load (residential)	5.0
	\$9.08/load (commercial)	5.0
2007	\$3.47/load (residential)	0.0
	\$9.08/load (commercial)	0.0
2008	\$3.47/load (residential)	0.0
	\$9.08/load (commercial)	0.0
2009	\$3.47/load (residential)	0.0
	\$9.08/load (commercial)	0.0
2010	\$3.47/load (residential)	0.0
	\$9.08/load (commercial)	0.0
2011	\$5.00/load (residential)	44.1
	\$5.00/load (commercial)	(44.9)

Source: City of Albuquerque, Solid Waste Management Department.

**Refuse System Billing and Collections.** The Department bills approximately 180,000 accounts on a monthly basis for commercial and residential garbage collection, recycling collection and disposal fees. The City has an active agreement with the Albuquerque Bernalillo County Water Utility Authority (ABCWUA) to bill jointly for water and refuse services via the Customer Care and Billing System (CC&B). The Department pays a portion of all incurred operating costs on an annual basis. As part of this agreement, the ABCWUA manages collections of delinquent accounts for the Department with the exception of accounts that only incur refuse or landfill charges and do not incur water charges.

The water/refuse utility bill indicates the current amount due, the past due balance and any necessary adjustments to the account. If a customer is more than 30 days delinquent, the customer is officially in “collections” status and begins receiving collection letters. After 90 days, the customer receives a 15-day trial shut-off notice. If the ABCWUA or the City does not receive a response from the customer, the City, for health and safety reasons, will continue to collect the customer’s refuse, but ABCWUA has the authority to shut off the customer’s water until the bill is paid or the customer has made arrangements for payment.

For accounts with only refuse service, the City requires a deposit from the customer. This deposit is applied to the account upon service termination as per the Refuse Ordinance. The City applies a 1.5% per month penalty to all delinquent bills. Under most circumstances, at any time a bill is delinquent, a lien on the customer’s property can be filed.

Historical Financial Information. The following table compares revenues and expenses over the past five fiscal years.

**CITY OF ALBUQUERQUE**  
**Refuse Removal and Disposal System**  
**Historical Financial Information**  
**Fiscal Years 2006-2010**  
**(\$000)**

	2006	2007	2008	2009	2010 <sup>(1)</sup>
Total operating revenues	\$46,541	\$50,447	\$52,511	\$53,072	
Non-operating revenues (expenses):					
Interest <sup>(2)</sup>	484	695	631	531	
Other	(229)	286	123	143	
Gain (loss) on disposition of property & equipment	(74)	(125)	(168)	(409)	
Fuel Surcharge	1,332	2,041	2,691	2,504	
Transfers in/(out)	<u>700</u>	<u>800</u>	<u>1,300</u>	<u>1,428</u>	
Total adjusted revenues	<u>\$48,754</u>	<u>\$54,144</u>	<u>\$57,088</u>	<u>\$57,269</u>	
Total operating expenses (excluding interest expense)	\$45,763	\$49,106	\$54,495	\$51,698	
Less:					
Payments in lieu of taxes	(986)	(1,058)	(1,052)	(946)	
Depreciation	(6,378)	(6,017)	(6,796)	(5,918)	
Amortization	(22)	(13)	(4)	(3)	
Other	-	(4)	(48)	-	
Total adjusted operating expenses	<u>\$38,377</u>	<u>\$42,014</u>	<u>\$46,595</u>	<u>\$44,831</u>	
Net revenues available for debt service	<u>\$10,377</u>	<u>\$12,130</u>	<u>\$10,493</u>	<u>\$12,438</u>	

(1) See "FISCAL YEAR 2010 FINANCIAL INFORMATION NOT AVAILABLE".

(2) GASB-31 Market Value Adjustment (Interest)

Source: City of Albuquerque Comprehensive Annual Financial Reports.

The decline in net revenues available for debt service in Fiscal Year 2008 arose from commercial customers who reduced waste. Commercial waste correlates to overall economic patterns and drops as businesses see a decrease in business.

The increase in net revenues available for debt service in Fiscal Year 2009 is the result of land developers cleaning out old landfill sites for future development at a reduced tipping fee and the City does not believe it is recurring revenue.

Capital Improvement Projects. The Council has implemented a limitation on all Department Capital Improvement Projects spending. The Department's Capital Improvement Projects debt service payment cannot exceed 11% of the total operating expenses.

## **Golf Courses**

### *Generally*

The City currently owns and operates four municipal golf courses: Arroyo del Oso, Ladera, Los Altos and Puerto del Sol (collectively, the "Golf Courses"). Each of the Golf Courses offers a pro shop and food and banquet services to varying degrees.

The City presently has outstanding one series of special limited obligations secured by net revenues of the City's golf courses, which bonds also have a lien on the City's state shared gross receipts tax revenues. The Taxable Golf Revenue/Gross Receipts Tax Bonds, Series 2001 are currently outstanding in the principal amount of \$325,000 and have a final maturity of July 1, 2011.

All four golf courses are maintained by the City's Golf Management Division which is part of the City's Parks & Recreation Department. The City has contracted with certain third parties (collectively, the "Concessionaires") to manage the pro shop operations, concessions and certain other operations at each Golf Course. New Mexico Golf, Ltd., a New Mexico corporation, has operated the pro shop and concessions at Arroyo del Oso and Puerto del Sol since their openings. Los Altos Golf Course Concessions, Inc., a New Mexico corporation, has operated the pro shop and concessions at Los Altos Golf Courses since its opening in 1960. Westside Golf, Inc., a New Mexico corporation, has operated the pro shop and concessions at Ladera Golf Course since 1995.

The expiration date for the Concessionaires' contracts are Los Altos Golf Course - December 31, 2015; Ladera Golf Course- December 31, 2015, Arroyo del Oso Golf Course - December 31, 2013 and Puerto del Sol Golf Course - December 31, 2013.

Pursuant to their respective agreements with the City, the Concessionaires are obligated to operate the pro shop and food service areas (including the provision of staff), collect greens fees on behalf of the City, and prepare daily cash reports and annual audits. In exchange for the exclusive right to run such operations at the Golf Courses, Concessionaires pay to the City a percentage of all gross receipts received, exclusive of green fees, as a result of such operations (which percentage varies among the Golf Courses) and guarantee a minimum annual payment to the City. The City receives 100% of the green fees collected. The Concessionaires and the City each have the right to terminate the agreements for cause upon 30 days' notice.

### *Market and Usage*

All four Golf Courses are open year round, only closing for Christmas Day and severely inclement weather. The majority of rounds are played by local residents, with estimated 5% of play coming from tourism and outside tournaments. The table below sets forth the estimated number of nine and eighteen-hole rounds played at each Golf Course over the past five fiscal years.

#### **Rounds Played at City of Albuquerque Golf Courses Fiscal Years 2006-2010**

<b>Golf Course</b>	<b>2006</b>	<b>% Change</b>	<b>2007</b>	<b>% Change</b>	<b>2008</b>	<b>% Change</b>	<b>2009</b>	<b>% Change</b>	<b>2010<sup>(1)</sup></b>	<b>% Change</b>
Arroyo Del Oso	123,766	6.5%	109,131	(11.8)%	107,146	(1.8)%	108,737	1.5%	96,342	(11.4)%
Ladera	65,766	(5.0)%	45,490	(30.8)%	59,771	31.4%	63,013	5.4%	58,183	(7.7)%
Los Altos	86,424	13.1%	79,877	(7.6)%	75,363	(5.7)%	72,900	(3.3)%	64,548	(11.5)%
Puerto Del Sol	52,481	6.1%	49,106	(6.4)%	47,362	(3.6)%	44,167	(6.7)%	40,511	(8.3)%
<b>Total</b>	<b>328,437</b>		<b>283,604</b>	<b>(13.7)%</b>	<b>289,642</b>	<b>2.1%</b>	<b>288,817</b>	<b>(0.3)%</b>	<b>259,584</b>	<b>(10.1)%</b>

(1) Rounds and revenues declined in Fiscal Year 2010 due to an increase in local golf course competition, a national economic decline and a national trend in decreasing golf play.

Source: City of Albuquerque, Parks and Recreation Department.

The present management of the Parks and Recreation Department of the City, including the Golf Management Division, is as follows:

**Barbara Baca**, Director, Parks and Recreation Department. Ms. Baca started her career with the Department in 1983 with the Open Space Division. In 2009, Ms. Baca was appointed the Director of the Department. Ms. Baca worked collaboratively with Open Space volunteers and advocates to develop the Rio Grande Valley State Park Management Plan to protect the Rio Grande Bosque. She was the co-author of the Northwest Mesa Escarpment Plan which led to the creation of Petroglyph National Monument. She also worked for the National Park Service Rivers, Trails and Conservation Assistance Program for 3 years in Washington, D.C. Ms. Baca has a Bachelors Degree in Recreation from the University of New Mexico and a Masters in Recreation Administration from the University of Colorado, Boulder.

**Sandra Zuschlag, RLA, Assistant Director, Parks and Recreation Department.** In March 2010, Ms. Zuschlag assumed the position of Assistant Director for the City of Albuquerque Parks & Recreation Department. Ms. Zuschlag started her career with the City and the Parks & Recreation Department in 1983 working at the Design and Development Division. In 1993, she was promoted to Division Manager Design and Development. In 1998, she was assigned as the City's coordinator for the development and management of Balloon Fiesta Park. Part of the development of the park included a golf training facility. In 2000 and

2001 she served as the Acting Division Manager for the Park Management Division. Ms. Zuschlag is a registered Landscape Architect. In 1980, she received a BS in Environmental Horticulture from the University of Connecticut.

**Tim Martinez, Assistant Division Manager, Golf Management, Parks and Recreation Department.** Mr. Martinez joined the City golf staff in December of 2010. Mr. Martinez has over 17 years in leadership experience in management. Mr. Martinez received a BBA in 1992 from the University of New Mexico. Additionally, Mr. Martinez graduated with a Masters in Business Administration from the College of Santa Fe in 1999. Mr. Martinez most recently worked with the Bernalillo Public Schools as the Assistant Golf Coach and Experiential Education Program Facilitator for high school youth. Mr. Martinez also served for several years as the Director of Las Campanas Spa and Tennis Center and Assistant Director of Driscoll Fitness Center at the College of Santa Fe in Santa Fe.

**Andres Garcia, Fiscal Manager, Parks and Recreation Department.** Mr. Garcia has been with the City for 25 years. He has worked for the Parks & Recreation Department for the last 16 years. Since 2007, he has been the Fiscal Manager for the Department. Mr. Garcia received a BA in Business Administration (with a concentration of study in Accounting and Management) from the College of Santa Fe.



*Golf Course Financial Information*

Historical Financial Information. The table below compares revenues, expenses, and amounts available for debt service over the past five Fiscal Years.

**CITY OF ALBUQUERQUE-GOLF COURSE  
Historical Financial Information - Fiscal Years 2006-2010**

<b>OPERATING REVENUES</b>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>(unaudited) 2010<sup>(1)</sup></u>	<u>% Increase (Decrease) Between '06 &amp; '10</u>
Charges for Services	\$4,122,256	\$3,860,049	\$4,221,394	\$4,531,775		
<b>Operating Expenses</b>						
Salaries and Fringe Benefits	\$1,760,218	\$1,956,318	\$1,976,021	\$2,021,721		
Professional Services	-	1,968	8,028	12,000		
Utilities	824,147	933,251	1,098,238	935,550		
Supplies	74,020	92,504	90,836	53,093		
Travel	902	4,829	2,879	267		
Fuel, Repairs and Maintenance	361,731	437,956	412,579	426,648		
Contractual Services	63,260	67,990	49,335	52,476		
Indirect Overhead	291,590	387,759	398,551	147,063		
Other Operating Expenses	108,107	117,510	104,691	282,589		
Depreciation	295,622	276,787	286,215	269,956		
<b>Total Operating Expenses</b>	<u>3,779,597</u>	<u>4,276,872</u>	<u>4,428,373</u>	<u>4,201,363</u>		
<b>Operating Income</b>	<u>342,659</u>	<u>(416,823)</u>	<u>(206,979)</u>	<u>330,412</u>		

<b>NON-OPERATING REVENUES/ EXPENSES</b>						
Interest on Investments	\$22,977	\$25,279	\$2,579	\$2,361		
Bond Issue Costs (Amortization)	(10,801)	(9,056)	(7,357)	(5,649)		
Gain (Loss) on Sale of Property	0	0	0	0		
Interest Expense	(29,659)	(94,824)	(78,617)	(61,111)		
Other	101,069	101,479	46,129	142,518		
<b>Total Non-Operating Revenue</b>	<u>83,586</u>	<u>22,878</u>	<u>(37,266)</u>	<u>78,119</u>		
<b>Income (Loss) Before Transfers</b>	<u>426,245</u>	<u>(400,817)</u>	<u>(262,649)</u>	<u>555,594</u>		
<b>Operating Transfers Out</b>	<u>(92,973)</u>	<u>(87,085)</u>	<u>(95,606)</u>	<u>(93,292)</u>		
<b>Change in Net Assets</b>	<u>333,272</u>	<u>(487,902)</u>	<u>(358,255)</u>	<u>473,302</u>		
<b>Amount Available for Debt Service</b>						
Net Income	\$333,272	(\$487,902)	(\$338,113)	473,302		
Add: Depreciation	295,622	276,787	286,215	269,956		
Interest Expense	29,337	94,824	78,617	61,111		
Payment in Lieu of Taxes	92,973	87,085	95,719	93,292		
Amortization	10,801	9,056	7,357	5,649		

Change in Market Value of Investments	(2,364)	(1,276)	(399)	0	
Less Gain (Loss) on Sale of Assets	0	(186.00)	0	7,069	
Less contributed capital	(10,410)	0	(20,142)	0	
<b>Amount Available for Debt Service</b>	<u>\$749,231</u>	<u>(\$21,612)</u>	<u>\$122,166</u>	<u>\$910,379</u>	

(1) See "FISCAL YEAR 2010 FINANCIAL INFORMATION NOT AVAILABLE".  
Source: City of Albuquerque, Parks and Recreation Department.

**Structure and Revenues.** Golf Course revenues consist primarily of green fees and concessions. Rates at the Golf Courses are evaluated annually and were increased effective January 2010. Regular fees for 18 holes at all Golf Courses are \$22.50 for weekdays, \$29.00 for weekends, \$28.00 for weekday tournaments and \$32.00 for weekend and holiday tournaments. Reduced rates are offered for seniors, juniors and seasonal special play and annual passes are offered. In 2008, the City passed an ordinance that allows the Parks and Recreation Department to increase rates on an as needed basis. The Parks and Recreation Department is evaluating the need for a rate increase in 2012.

The table below sets forth revenues for the Golf Courses for the past five fiscal years.

**CITY OF ALBUQUERQUE GOLF COURSE REVENUES**  
**Fiscal Years 2006-2010**

	2006	2007	2008	2009	(unaudited) 2010 <sup>(1)</sup>
Greens Fees					
Los Altos	\$879,745	\$853,651	\$897,076	\$931,440	
Arroyo	1,431,389	1,333,197	1,390,366	1,565,021	
Puerto	499,773	517,023	520,108	526,518	
Ladera	711,637	619,125	716,595	874,672	
Annual Passes	<u>187,848</u>	<u>137,198</u>	<u>285,460</u>	<u>247,074</u>	
Total	<u>\$3,710,392</u>	<u>\$3,460,194</u>	<u>\$3,809,605</u>	<u>\$4,144,725</u>	
Concessions					
Los Altos	\$78,201	\$99,303	\$95,038	\$91,244	
Arroyo	206,619	204,119	185,937	181,767	
Puerto	25,351	45,725	34,082	23,527	
Ladera	101,693	50,708	96,732	90,512	
Total	<u>\$411,864</u>	<u>\$399,855</u>	<u>\$411,789</u>	<u>387,050</u>	
Total Greens Fees and Concessions	<u>\$4,122,256</u>	<u>\$3,860,049</u>	<u>\$4,221,394</u>	<u>\$4,531,775</u>	
Other Revenues					
Interest	\$20,242	\$17,570	\$(2,532)	0	
Rentals	51,977	56,818	14,813	39,431	
Misc.	<u>51,693</u>	<u>45,661</u>	<u>30,307</u>	<u>52,122</u>	
Total	<u>\$123,912</u>	<u>\$120,049</u>	<u>\$42,588</u>	<u>\$91,553</u>	
Total Revenue	<u>\$4,246,168</u>	<u>\$3,980,098</u>	<u>\$4,263,982</u>	<u>\$4,623,328</u>	

(1) See "FISCAL YEAR 2010 FINANCIAL INFORMATION NOT AVAILABLE".

Source: City of Albuquerque, Parks and Recreation Department.

Net revenues in Fiscal Year 2009 from the City's golf courses were sufficient, standing alone, to meet the 150% debt service coverage ratio required for the outstanding Taxable Golf Course Net Revenue/Gross Receipts Tax Revenue Bonds, Series 2001. The bonds are also payable with state gross receipts taxes.

## **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 four public improvement districts within the City; Ventana West Public Improvement District, Montecito Estates Public Improvement District, Saltillo Public Improvement District and The Trails Public Improvement District. Each of the public improvement districts has issued special levy revenue bonds to finance construction of certain public infrastructure.

### **Housing Projects**

#### *Beach Apartments Project*

The Beach Apartments Project, 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 "Series 1991 Bonds"). 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 City refunded the Series 1991 Bonds upon the issuance of the Refunded Bonds. 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 90.2% and 98.0% during 2005 to 2010. For Fiscal Year 2010 (unaudited), the Beach Apartments Project generated total revenues of \$491,114.74 and incurred \$384,775.93 in operating and other expenses, resulting in net income of \$106,338.81 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 (the “Series 1994 Bonds”), consists of 158 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 City refunded the Series 1994 Bonds upon the issuance of the Refunded Bonds. 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
30	Three Bedroom

Annual occupancy rates for the Manzano Vista Apartments Project have ranged between 85.1% and 97.0% during 2005 to 2010. For Fiscal Year 2010 (unaudited), the Manzano Vista Apartments Project generated total revenues of \$1,228,553.47 and incurred \$944,715.02 in operating and other expenses, resulting in a net income of \$283,838.45 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 “Series 1996 Bonds”). 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 City refunded the Series

1996 Bonds upon the issuance of the Refunded Bonds. The table below shows the number and types of units.

<b>NUMBER AND TYPES OF UNITS</b>	
<u>Number of Units</u>	<u>Types of Units</u>
50	One Bedroom
80	Two Bedroom
60	Three Bedroom
10	Four Bedroom

Annual occupancy rates for the Bluewater Village Apartments Project have ranged between 92.0% and 94.7% during 2005 to 2010. For Fiscal Year 2010 (unaudited), the Bluewater Village Apartments Project generated total revenues of \$1,495,729.34 and incurred \$769,808.96 in operating and other expenses, resulting in net income of \$745,920.38 for that period.

### **INVESTMENT POLICIES AND PROCEDURES**

The City has adopted an Investment Policy (the “Investment Policy”) established and maintained by the Investment Oversight Committee which guides the City’s financial decisions. The Investment Oversight Committee reviews the Investment Policy annually and recommends changes as necessary. The Investment Oversight Committee is established by ordinance and consists of five voting members; the Director of Finance and Administrative Services serves as the Chair of the Investment Committee. Day-to-day management of the City’s Investment Program is delegated to the Treasury Division of the Department of Finance and Administrative Services, and specifically to the Investment Manager of the Treasury Division.

The City seeks to balance three primary objectives for its cash portfolio:

- maintaining sufficient liquidity to meet financial obligations;
- diversifying investments among asset classes to ensure safety of principal; and
- earning a market rate of return (subject to permitted investment constraints).

The liquidity goal is achieved by matching investment maturities with the expected timing of obligations. Diversification (safety) is accomplished through implementation of a strategic asset allocation, derived from modern portfolio theory concepts. Attainment of a market return is measured by benchmarking the portfolio against a relevant market index.

Recognizing that cash is an earning asset, the City tries to invest cash balances over amounts required to meet current financial obligations to achieve the highest rate of return consistent with the primary objectives of preservation of principal and maintenance of adequate liquidity. One of the major objectives of the City is to ensure the safety of its principal, which is accomplished by limiting credit risk and interest rate risk. Except for Non-Discretionary Funds, the City seeks to achieve a rate of return on investments at least equal to the average rate of return on the one year U.S. Treasury bill for the reporting period, or other appropriate performance measure as determined by the Investment Committee.

The City attempts to diversify its use of investment instruments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions or maturities. The Investment Policy generally provides that, with the exception of U.S. Treasury securities and authorized pools, no more than 50% of the total investment portfolio can be invested in a single security type or with a single financial institution or at a single maturity. Furthermore, in an attempt to limit the City's exposure to the possibility of loss due to interest rate fluctuations, the City will commit no less than 80% of the funds in the commingled investment pool or other discretionary funds to maturities of no more than three (3) years from date of purchase. No more than 20% of the funds may be invested in maturities of up to five (5) years. Investment of non-discretionary assets, including funds to be held in trust, may be committed to maturities up to ten (10) years from the date of purchase.

The Investment Policy permits the City to invest in (a) direct obligations of the United States Treasury; (b) obligations of certain specified government-sponsored agencies; (c) accounts, certificates of deposit or time deposits with qualifying banks and savings and loan associations located in Bernalillo County, New Mexico; (d) bonds or securities of the State of New Mexico, its agencies, or certain of its subdivisions; (e) certain specified repurchase agreements; (f) specified short-term investment and other funds maintained by the State of New Mexico; (g) money market instruments and other securities of commercial banks, brokers-dealers and other specified financial investors; and (h) other permissible investments permitted under statutes of the State of New Mexico. Proceeds of bonds, amounts set aside to pay bonds and reserve funds relating thereto may also be invested in certain tax-exempt obligations and other investments specified in documents relating to the bonds and approved by the Council.

## **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,” “intend,” “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.

## LITIGATION

According to the City, 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.

### *New Mexico Tort Claims Act Limitations*

The New Mexico Tort Claims Act limits liability to (i) \$100,000 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 maintains an internal service fund to cover workers' compensation and tort liability for the City ("Risk Management Fund") During Fiscal Year 2009, a comprehensive actuarial review was done to gauge the adequacy of the reserves for both the workers' compensation and tort liability programs. The actuarial review validated that the current "incurred but not yet reported" reserves were adequate for reserves in anticipation of adverse developments in reported cases and for claims which may have occurred but have not yet been reported. Moreover, pursuant to Section 41-4-25(B) NMSA 1978, in the event of a judgment against the City in excess of \$1,000,000 the City, with Council approval, may levy a tax on real property to provide for the payment of catastrophic losses.

**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:**

Department of Finance and  
Administrative Services

/s/ Lou D. Hoffman

**Approved by:**

Chief Administrative Officer

/s/ David S. Campbell



## APPENDIX A

### **Independent Auditors' Report, Managements' Discussion and Analysis, Audited Basic Financial Statement, and Notes to Financial Statements**

**As of and for the Fiscal Year ended June 30, 2010**

**The City's financial statements for Fiscal Year 2010 are expected to be audited by Moss Adams LLP, independent certified public accountants and then submitted to the New Mexico State Auditor for review and approval. The financial statements for Fiscal Year 2010 are not completed and will be provided upon their completion and approval of the State Auditor.**

**APPENDIX B**

**CUSIP Numbers for Outstanding City Bonds**

BOND ISSUE NAME	D/S MONTH & YEAR	CUSIP	PRINCIPAL
Airport Refunding 1997	July 2011	013538EW9	\$1,805,000
Airport Refunding 1997	July 2012	013538EX7	1,935,000
Airport Refunding 2001	July 2011	013538GG2	\$2,770,000
Airport Refunding 2001	July 2012	013538GH0	2,920,000
Airport Refunding 2001	July 2013	013538GJ6	3,075,000
Airport Refunding 2001	July 2014	013538GK3	3,240,000
Airport Refunding 2001	July 2015	013538GL1	3,415,000
Airport Refunding 2001	July 2016	013538GM9	3,590,000
Airport Refunding 2004 A	July 2011	013538GU1	\$1,575,000
Airport Refunding 2004 A	July 2012	013538GV9	1,605,000
Airport Refunding 2004 A	July 2013	013538GW7	1,675,000
Airport Refunding 2004 A	July 2014	013538GX5	1,760,000
Airport Refunding 2004 A	July 2015	013538GY3	1,840,000
Airport Refunding 2004 A	July 2016	013538GZ0	1,890,000
Airport Refunding 2004 A	July 2017	013538HA4	1,980,000
Airport Refunding 2004 A	July 2018	013538HB2	1,790,000
Airport Refunding 2004 B	July 2011	013538HG1	\$1,670,000
Airport Refunding 2004 B	July 2012	013538HH9	1,670,000
Airport Refunding 2004 B	July 2013	013538HJ5	1,665,000
Airport Refunding 2004 B	July 2014	013538HK2	1,665,000
Airport Refunding 2004 B	July 2015	013538HL0	1,665,000
Airport Refunding 2004 B	July 2016	013538HM8	1,665,000
Airport Refunding 2004 B	July 2017	013538HN6	1,665,000
Airport Refunding 2004 B	July 2018	013538HP1	1,665,000
Airport Refunding 2004 B	July 2019	013538HQ9	1,665,000
Airport Refunding 2004 B	July 2020	013538HR7	1,665,000
Airport Refunding 2004 B	July 2021	013538HS5	1,665,000
Airport Refunding 2004 B	July 2022	013538HT3	1,665,000
Airport Refunding 2004 B	July 2023	013538HU0	1,665,000
Airport Refunding 2004 B	July 2024	013538HV8	1,665,000
Airport Refunding Revenue Bonds 2008	July 2011	013538HY2	\$340,000
Airport Refunding Revenue Bonds 2008	July 2012	013538HZ9	350,000
Airport Refunding Revenue Bonds 2008	July 2013	013538JA2	1,820,000
Airport Refunding Revenue Bonds 2008	July 2014	013538JB0	1,890,000
Airport Refunding Revenue Bonds 2008	July 2015	013538JC8	2,000,000
Airport Refunding Revenue Bonds 2008	July 2016	013538JD6	2,100,000
Airport Refunding Revenue Bonds 2008	July 2017	013538JE4	2,190,000
Airport Refunding Revenue Bonds 2008	July 2018	013538JF1	2,300,000
Airport Refunding Revenue Bonds 2008B	July 2011	013538JJ3	\$2,300,000
Airport Refunding Revenue Bonds 2008B	July 2012	013538JK0	2,600,000
Airport Refunding Revenue Bonds 2008B	July 2013	013538JL8	2,545,000
Airport Refunding Revenue Bonds 2008B	July 2014	013538JM6	2,875,000
Airport Refunding Revenue Bonds 2008B	July 2015	013538JN4	1,150,000

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Airport Refunding Revenue Bonds 2008C	July 2011	013538JR5	\$435,000
Airport Refunding Revenue Bonds 2008C	July 2012	013538JS3	435,000
Airport Refunding Revenue Bonds 2008C	July 2013	013538JT1	425,000
Airport Refunding Revenue Bonds 2008C	July 2014	013538JU8	420,000
Airport Refunding Revenue Bonds 2008C	July 2015	013538JV6	420,000
Airport Refunding Revenue Bonds 2008C	July 2016	013538JW4	400,000
Airport Refunding Revenue Bonds 2008C	July 2017	013538JX2	405,000
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
Sub-Lien Airport Refunding Revenue Bonds 2008E	July 2011	013538 KF9	\$5,650,000
Sub-Lien Airport Refunding Revenue Bonds 2008E	July 2012	013538 KG7	5,915,000
Sub-Lien Airport Refunding Revenue Bonds 2008E	July 2013	013538 KH5	6,320,000
Sub-Lien Airport Refunding Revenue Bonds 2008E	July 2014	013538 KJ1	6,490,000
General Obligation General Purpose 2003B	July 2011	013518T47	\$7,335,000
General Obligation General Purpose 2003B	July 2012	013518T54	5,230,000
General Obligation General Purpose 2005 A	July 2011	013518U78	\$11,350,000
General Obligation General Purpose 2005 A	July 2012	013518U86	11,350,000
General Obligation General Purpose 2005 A	July 2013	013518U94	11,130,000
General Obligation General Purpose 2007B	July 2011	013518V77	\$5,350,000
General Obligation General Purpose 2007B	July 2012	013518V85	5,345,000
General Obligation General Purpose 2007B	July 2013	013518V93	5,345,000
General Obligation General Purpose 2007B	July 2014	013518W27	5,345,000
General Obligation General Purpose 2007B	July 2015	013518W35	2,805,000
General Obligation General Purpose 2007B	July 2016	013518W43	2,805,000
General Obligation General Purpose 2008A	July 2011	013518W92	\$4,775,000
General Obligation General Purpose 2008A	July 2012	013518X26	4,775,000
General Obligation General Purpose 2008A	July 2013	013518X34	4,775,000
General Obligation General Purpose 2008A	July 2014	013518X42	4,775,000
General Obligation General Purpose 2008A	July 2015	013518X59	4,775,000
General Obligation General Purpose 2008A	July 2016	013518X67	4,775,000
General Obligation General Purpose 2008A	July 2017	013518X75	800,000
General Obligation General Purpose 2009A	July 2011	013518Y25	\$6,110,000
General Obligation General Purpose 2009A	July 2012	013518Y33	6,110,000
General Obligation General Purpose 2009A	July 2013	013518Y41	6,110,000
General Obligation General Purpose 2009A	July 2014	013518Y58	6,110,000
General Obligation General Purpose 2009A	July 2015	013518Y66	6,110,000
General Obligation General Purpose 2009A	July 2016	013518Y74	6,110,000
General Obligation General Purpose 2009A	July 2017	013518Y82	6,110,000
General Obligation General Purpose 2009A	July 2018	013518Y90	6,090,000

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General Obligation Storm Sewer 2001B	July 2011	013518P66	\$4,310,000
General Obligation Storm Sewer 2002C	July 2011	013518S30	\$2,700,000
General Obligation Storm Sewer 2003C	July 2012	013518T62	\$2,105,000
General Obligation Storm Sewer 2003C	July 2013	013518T70	7,335,000
General Obligation Storm Sewer 2005 B	July 2013	013518V28	\$220,000
General Obligation Storm Sewer 2005 B	July 2014	013518V36	11,355,000
General Obligation Storm Sewer 2007C	July 2015	013518W50	\$2,540,000
General Obligation Storm Sewer 2007C	July 2015	013518W68	2,540,000
General Obligation Storm Sewer 2008B	July 2017	013518X83	\$4,000,000
Gross Receipts Tax Refunding 1996	July 2011	01354HER9	\$775,000
Gross Receipts Tax Refunding 2008A	July 2011	01354PCL6	\$2,705,000
Gross Receipts Tax Refunding 2008A	July 2012	01354PCM4	2,825,000
Gross Receipts Tax Refunding 2008A	July 2013	01354PCN2	2,960,000
Gross Receipts Tax Refunding 2008A	July 2014	01354PCP7	3,105,000
Gross Receipts Tax Refunding 2008B	July 2011	01354PCS1	\$335,000
Gross Receipts Tax Refunding 2008B	July 2012	01354PCT9	345,000
Gross Receipts Tax Refunding 2008B	July 2013	01354PCU6	360,000
Gross Receipts Tax Refunding 2008B	July 2014	01354PCV4	375,000
Gross Receipts Tax Refunding 2008B	July 2015	01354PCW2	395,000
Gross Receipts Tax Refunding 2008B	July 2016	01354PCX0	415,000
Gross Receipts Tax Refunding 2008B	July 2017	01354PCY8	435,000
Gross Receipts Tax Refunding 2008B	July 2018	01354PCZ5	455,000
Gross Receipts Tax Refunding 2008B	July 2019	01354PDA9	480,000
Gross Receipts Tax Refunding 2008B	July 2020	01354PDB7	505,000
Gross Receipts Tax Refunding 2008B	July 2021	01354PDC5	530,000
Gross Receipts Tax Refunding 2008B	July 2022	01354PDD3	555,000
Gross Receipts Tax Refunding 2008B	July 2023	01354PDE1	580,000
Gross Receipts Tax Refunding 2008B	July 2026	01354PDF8	1,930,000
Gross Receipts Tax Refunding 2008B	July 2030	01354PDG6	3,090,000
Gross Receipts Tax Refunding 2009B	July 2011	01354PDJ0	\$440,000
Gross Receipts Tax Refunding 2009B	July 2012	01354PDK7	465,000
Gross Receipts Tax Refunding 2009B	July 2013	01354PDL5	475,000
Gross Receipts Tax Refunding 2009B	July 2014	01354PDM3	865,000
Gross Receipts Tax Refunding 2009B	July 2015	01354PDN1	2,995,000
Gross Receipts Tax Refunding 2009B	July 2016	01354PDP6	3,180,000
Gross Receipts Tax Refunding 2009B	July 2017	01354PDQ4	3,345,000
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

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Gross Receipts Tax Refunding 2009B	July 2021	01354PDU5	4,075,000
Gross Receipts Tax Refunding 2009B	July 2022	01354PDV3	840,000
Golf Course Net Revenue/GRT Series 2001	July 2011	01354T AK2	\$325,000
Gross Receipts/Lodgers 1991B	July 2012	01354MCT6	\$560,000
Gross Receipts/Lodgers 1991B	July 2013	01354MCU3	590,000
Gross Receipts/Lodgers 1991B	July 2014	01354MCV1	585,000
Gross Receipts/Lodgers 1991B	July 2015	01354MCW9	600,000
Gross Receipts/Lodgers 1991B	July 2016	01354MCX7	540,000
Gross Receipts/Lodgers 1991B	July 2017	01354MCY5	545,000
Gross Receipts/Lodgers 1991B	July 2018	01354MCZ2	550,000
Gross Receipts Tax/Lodger Refunding 2004 A	July 2030	01354MDB4	\$2,300,000
Gross Receipts Tax/Lodger Refunding 2004 A	July 2031	01354MDB4	4,280,000
Gross Receipts Tax/Lodger Refunding 2004 A	July 2032	01354MDC2	4,575,000
Gross Receipts Tax/Lodger Refunding 2004 A	July 2033	01354MDC2	4,900,000
Gross Receipts Tax/Lodger Refunding 2004 A	July 2034	01354MDE8	2,800,000
Gross Receipts Tax/Lodger Refunding 2004 A	July 2035	01354MDE8	5,605,000
Gross Receipts Tax/Lodger Refunding 2004 A	July 2036	01354MDE8	1,130,000
Gross Receipts Tax/Lodger Refunding 2004 A	July 2037	01354MDE8	6,375,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2011	01354MDM0	\$200,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2012	01354MDN8	225,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2013	01354MDP3	210,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2014	01354MDQ1	235,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2015	01354MDR9	245,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2016	01354MDR9	325,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2017	01354MDR9	350,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2018	01354MDR9	370,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2019	01354MDR9	405,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2020	01354MDR9	425,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2021	01354MDR9	450,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2022	01354MDR9	465,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2023	01354MDR9	545,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2024	01354MDR9	530,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2025	01354MDS7	630,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2026	01354MDS7	2,905,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2027	01354MDS7	3,155,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2028	01354MDS7	3,415,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2029	01354MDS7	3,695,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2030	01354MDS7	1,685,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2034	01354MDS7	2,435,000
Gross Receipts Tax/Lodger Refunding 2004 B	July 2036	01354MDS7	4,855,000
Gross Receipts/Lodgers 2009A	July 2013	01354MEH0	\$80,000
Gross Receipts/Lodgers 2009A	July 2014	01354MEJ6	145,000
Gross Receipts/Lodgers 2009A	July 2015	01354MEK3	210,000

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Gross Receipts/Lodgers 2009A	July 2016	01354MEL1	280,000
Gross Receipts/Lodgers 2009A	July 2017	01354MEM9	355,000
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
Refuse Removal and Disposal 1998	July 2011	013630CX4	\$830,000
Refuse Removal and Disposal 1998	July 2012	013630CY2	865,000
Refuse Removal and Disposal 1998	July 2013	013630CZ9	905,000
Refuse Removal and Disposal 2001B	July 2011	013630DR6	\$2,655,000
Refuse Removal and Disposal 2001B	July 2012	013630DS4	2,780,000