

Annual Review of City Bonding Capacity

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Presentation by Erik Harrigan of RBC Capital Markets and Duane Brown of Modrall Sperling on the City's outstanding debt, debt capacity and funding opportunities.

City of Las Cruces, New Mexico

Outstanding Debt, Capacity Overview and Funding Opportunities

November 13, 2012



RBC Capital Markets®

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Outstanding Debt, Capacity Overview and Funding Opportunities

SECTION I



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Overview of Outstanding Debt

Original Par Amount	Description	Series	Final Maturity	Revenue Pledged	Payment Source	Par Outstanding	Call Date	Call Price	Rating	Insurance
State Shared Gross Receipts Tax Bonds										
\$33,000,000	Gross Receipts Tax Revenue Bonds	2005	2035	SSGRT	SSGRT	\$25,010,000	06/01/2015	100%	Aa3/AA	MBIA
\$4,999,980	New Mexico Finance Authority Loan Dated January 15, 2009	2009	2021	SSGRT	SSGRT	\$3,750,000	06/01/2019	100%	NR	NA
\$24,330,000	GRT Revenue Bonds - Convention Center Ref. Dated September 28, 2010	2010	2037	SSGRT, Lodgers	Lodgers	\$20,440,000	06/01/2020	100%	Aa3	NA
\$9,640,000	GRT Revenue Bonds - Series 2011	2011	2023	SSGRT	SSGRT	\$9,585,000	06/01/2021	100%	NR	NA
\$964,250	GRT Revenue Bonds - Fire Equipment NMFA Loan 2011	2011	2037	SSGRT	State Fire Fund Rev.	\$897,112	Non-Callable	NA	NR	NA
\$2,045,000	Gas Tax Refunding Loan NMFA Loan 2011	2011	2016	SSGRT	Gas Tax Rev.	\$1,635,000	Non-Callable	NA	NR	NA
\$2,280,000	Gross Receipts Tax Refunding Loan NMFA Loan 2012	2012	2018	SSGRT	SSGRT	\$2,280,000	Non-Callable	NA	NR	NA
\$74,979,230	Total					\$61,317,112				
Municipal Gross Receipts Tax Bonds										
\$1,865,251	New Mexico Finance Authority Loan Dated November 10, 2006	2006	2014	2nd 1/4% MGRT	2nd 1/4% MGRT	\$553,746	11/10/2007	100%	NR	NA
\$336,232	NMFA Loan - Street Equipment Dated November 16, 2007	2007	2015	2nd 1/4% MGRT	2nd 1/4% MGRT	\$144,560	11/16/2008	100%	NR	NA
\$4,563,829	New Mexico Finance Authority Loan Dated December 23, 2008	2008	2016	5th 1/4% MGRT	5th 1/4% MGRT	\$2,574,493	Non-callable	100%	NR	NA
\$12,255,000	MGRT Refunding Revenue Bonds Dated September 28, 2010	2010A	2021	1st 1/4% MGRT	1st 1/4% MGRT	\$8,030,000	06/01/2020	100%	A1	NA
\$4,390,000	MGRT Refunding Revenue Bonds Dated September 28, 2010	2010B	2021	5th 1/4% MGRT	5th 1/4% MGRT	\$2,850,000	06/01/2020	100%	A1	NA
\$1,530,000	NMFA Loan - Flood Control 2011 Loan	2010B	2021	5th 1/4% MGRT	5th 1/4% MGRT	\$1,430,000	Non-Callable	NA	NR	NA
\$24,940,312	Total					\$15,582,799				

Overview of Outstanding Debt - Continued

Original Par Amount	Description	Series	Final Maturity	Revenue Pledged	Payment Source	Par Outstanding	Call Date	Call Price	Rating	Insurance
Joint Utility Revenue Bonds										
\$11,050,000	Joint Utility Revenue Bonds	2005	2024	Utility Revenues	Utility Revenues	\$8,685,000	06/01/2015	100%	Aa2	Ambac
\$17,575,000	Joint Utility Revenue Bonds	2006	2026	Utility Revenues	Utility Revenues	\$14,705,000	06/01/2016	100%	Aa2	XLCLA
\$17,575,000	Joint Utility Refunding and Improvement Revenue Bonds	2009	2017	Utility Revenues	Utility Revenues	\$10,515,000	07/01/2017	100%	Aa2	NA
\$24,840,000	Joint Utility Refunding Revenue Bonds	2010	2027	Utility Revenues	Utility Revenues	\$24,155,000	06/01/2020	100%	Aa2	NA
\$71,040,000	Total					\$58,060,000				
Other Debt										
\$7,980,000	South Central Solid Waste Authority Ref. Bonds	2004	2016	System Revenues	System Revenues	\$3,065,000	06/01/2013	100%	A2	MBIA
\$966,256	Solid Waste System Revenue NMFA Loan	2011	2019	System Revenues	System Revenues	\$966,256	Non-Callable	NA	NR	NA
\$8,946,256	Total					\$4,031,256				
State Fire Protection Funds										
\$816,777	New Mexico Finance Authority Loan Dated November 16, 2006	2006	2014	Fire Protec. Fund	Fire Protec. Fund	\$242,132	11/16/2007	100%	NR	NA
\$896,598	New Mexico Finance Authority Loan Dated November 16, 2007	2007	2016	Fire Protec. Fund	Fire Protec. Fund	\$481,124	11/16/2008	100%	NR	NA
\$938,875	New Mexico Finance Authority Loan Dated December	2010	2020	Fire Protec. Fund	Fire Protec. Fund	\$933,188	Non-Callable	NA	NR	NA
\$2,652,250	Total					\$1,656,444				

NR = Not Rated

Outstanding Debt and Capacity Overview

- The City has current revenue sources, which could generate up to \$83 million for funding of capital projects through 2023 and are part of the City's on going bond cycling programs
 - \$42 million from GRT revenues
 - \$17 million from GRT dedicated to flood control projects
 - \$24 million from GRT dedicated to street projects

- The City also has potential capacity from new revenue sources, which would require either a property tax or gross receipts tax increase, with potential to generate up to \$135 million (depending upon level of tax increase) for funding of capital projects over the next 10 years
 - \$75 million from new 25% Municipal GRT revenues
 - Up to \$60 million from General Obligation Bonds (depending upon level of property tax increase)

- The City could also begin a police vehicle replacement program utilizing a cycling program which would allow City to generate \$2.05 million of revenue over a 10 year period for this program

Current Funding Sources Available to City

SECTION II



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Bond Cycling – Overview

- Bond cycling is a debt issuance program that allows an issuer to sell bonds on a consistent basis, 1, 2, 3 years etc., over a 10 or 20 year time frame for capital needs with debt service constrained to a defined revenue stream or property tax levy.
- Benefits of Bond Cycling
 - Can advance projects and can eliminate potential costly construction inflation instead of pay-as-you go
 - Predictability
 - City knows approximately how many bonds will be issued over the next 2, 3, 5 or 10 years depending upon the forecast of the cycling program
 - Flexibility
 - City can choose to stop the cycling program at any point in the future
 - Dollar Cost Averaging
 - Due to a volatile interest rate market the City will issue bonds during high interest rate markets and low interest rate markets. However, on average the cost of funds of a cycling program are typically less than if all bonds were issued at once.
 - Lower Cost of Borrowing
 - Typically lower cost of borrowing over life of cycling program, due to shorter final maturities than debt that is issued all at once

General Fund (State Shared) Revenue Bonds Cycling Program - Summary

- The City currently has outstanding debt which is secured by state shared and municipal gross receipts taxes with maximum annual debt service payments of approximately \$6.23 million
 - When special project debt such as the City Hall, Convention Center debt and other debt paid from specific developer fees is deducted, the cycling debt service is \$4.67 million
- Based upon this max annual debt service the City can issue future debt without an increase in annual debt service payments utilizing a 3 year cycling program
- Issue approximately \$10 million every 3 years growing to \$11 million every three years in 2020 to 2032
 - City's last State Shared GRT cycling bonds were issued in 2011
 - City's next SSGRT bonds are expected to be issued in 2014
- Total of \$73 million issued over the next 20 years for citywide projects
- Assuming no growth in gross receipts tax revenue available for debt service
- No tax rate increase required and no election required
- Does not impact current general fund expenditures
- Continues current cycling program

General Fund (State Shared) Revenue Cycling Program – Cycling Debt

FYE 6/30	Series 2011 - Actual					Series 2014 - Proposed				Series 2017 - Proposed				Series 2020 - Proposed				Total
	Outstanding	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total	
2012	4,321,998	55,000	3.00%	295,097	350,097													4,672,095
2013	3,655,023	685,000	3.00%	331,375	1,016,375													4,671,398
2014	3,388,085	970,000	3.00%	310,825	1,280,825													4,668,910
2015	3,784,445	205,000	3.00%	281,725	486,725													4,671,170
2016	2,539,885	860,000	3.00%	275,575	1,135,575	25,000	5.00%	375,000	400,000	500,000	5.00%	498,750	998,750					4,674,210
2017	931,885	885,000	3.00%	249,775	1,134,775	2,135,000	5.00%	473,750	2,608,750									4,675,410
2018	903,813	910,000	3.00%	223,225	1,133,225	750,000	5.00%	367,000	1,117,000	995,000	5.25%	525,000	1,520,000					4,674,038
2019	290,000	940,000	4.00%	195,925	1,135,925	750,000	5.00%	329,500	1,079,500	1,695,000	5.25%	472,763	2,167,763					4,673,188
2020	277,500	975,000	4.00%	158,325	1,133,325	800,000	5.00%	292,000	1,092,000	1,785,000	5.25%	383,775	2,168,775					4,671,600
2021	263,750	1,015,000	4.00%	119,325	1,134,325	800,000	5.00%	252,000	1,052,000	650,000	5.25%	290,063	940,063	680,000	5.50%	605,000	1,285,000	4,675,138
2022	-	1,040,000	4.00%	78,725	1,118,725	800,000	5.00%	212,000	1,012,000	650,000	5.25%	255,938	905,938	1,065,000	5.50%	567,600	1,632,600	4,669,263
2023	-	1,100,000	3.38%	37,125	1,137,125	900,000	5.00%	172,000	1,072,000	650,000	5.25%	221,813	871,813	1,085,000	5.50%	509,025	1,594,025	4,674,963
2024	-	-	-	-	-	900,000	5.00%	127,000	1,027,000	650,000	5.25%	187,688	837,688	950,000	5.50%	449,350	1,399,350	3,264,038
2025	-	-	-	-	-	900,000	5.00%	82,000	982,000	650,000	5.25%	153,563	803,563	950,000	5.50%	397,100	1,347,100	3,132,663
2026	-	-	-	-	-	740,000	5.00%	37,000	777,000	650,000	5.25%	119,438	769,438	950,000	5.50%	344,850	1,294,850	2,841,288
2027	-	-	-	-	-					650,000	5.25%	85,313	735,313	950,000	5.50%	292,600	1,242,600	1,977,913
2028	-	-	-	-	-					650,000	5.25%	51,188	701,188	950,000	5.50%	240,350	1,190,350	1,891,538
2029	-	-	-	-	-					325,000	5.25%	17,063	342,063	950,000	5.50%	188,100	1,138,100	1,480,163
2030	-	-	-	-	-									950,000	5.50%	135,850	1,085,850	1,085,850
2031	-	-	-	-	-									850,000	5.50%	83,600	933,600	933,600
2032	-	-	-	-	-									670,000	5.50%	36,850	706,850	706,850
Total	\$20,356,383	\$9,640,000		\$2,557,022	\$12,197,022	\$10,000,000		\$3,218,000	\$13,218,000	\$10,000,000		\$2,763,600	\$12,763,600	\$11,000,000		\$3,850,275	\$14,850,275	\$73,385,280

FYE 6/30	Series 2023 - Proposed					Series 2026 - Proposed				Series 2029 - Proposed				Series 2031 - Proposed				Total
	Total	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total	
2021	4,675,138																	4,675,138
2022	4,669,263																	4,669,263
2023	4,674,963																	4,674,963
2024	3,264,038	1,105,000	5.50%	302,500	1,407,500													4,671,538
2025	3,132,663	1,000,000	5.50%	544,225	1,544,225													4,676,888
2026	2,841,288	1,340,000	5.50%	489,225	1,829,225													4,670,513
2027	1,977,913	850,000	5.50%	415,525	1,265,525	825,000	5.50%	605,000	1,430,000									4,673,438
2028	1,891,538	850,000	5.50%	368,775	1,218,775	1,005,000	5.50%	559,625	1,564,625									4,674,938
2029	1,480,163	850,000	5.50%	322,025	1,172,025	1,515,000	5.50%	504,350	2,019,350									4,671,538
2030	1,085,850	850,000	5.50%	275,275	1,125,275	850,000	5.50%	421,025	1,271,025	585,000	5.50%	605,000	1,190,000					4,672,150
2031	933,600	850,000	5.50%	228,525	1,078,525	850,000	5.50%	374,275	1,224,275	865,000	5.50%	572,825	1,437,825					4,674,225
2032	706,850	850,000	5.50%	181,775	1,031,775	850,000	5.50%	327,525	1,177,525	1,230,000	5.50%	525,250	1,755,250					4,671,400
2033	-	850,000	5.50%	135,025	985,025	850,000	5.50%	280,775	1,130,775	875,000	5.50%	457,600	1,332,600	620,000	5.50%	605,000	1,225,000	4,673,400
2034	-	850,000	5.50%	88,275	938,275	850,000	5.50%	234,025	1,084,025	875,000	5.50%	409,475	1,284,475	795,000	5.50%	570,900	1,365,900	4,672,675
2035	-	755,000	5.50%	41,525	796,525	850,000	5.50%	187,275	1,037,275	875,000	5.50%	361,350	1,236,350	1,075,000	5.50%	527,175	1,602,175	4,672,325
2036	-	-	-	-	-	850,000	5.50%	140,525	990,525	875,000	5.50%	313,225	1,188,225	1,000,000	5.50%	468,050	1,468,050	3,646,800
2037	-	-	-	-	-	850,000	5.50%	93,775	943,775	875,000	5.50%	265,100	1,140,100	1,000,000	5.50%	413,050	1,413,050	3,496,925
2038	-	-	-	-	-	855,000	5.50%	47,025	902,025	875,000	5.50%	216,975	1,091,975	1,000,000	5.50%	358,050	1,358,050	3,352,050
2039	-	-	-	-	-					1,000,000	5.50%	168,850	1,168,850	1,000,000	5.50%	303,050	1,303,050	2,471,900
2040	-	-	-	-	-					1,000,000	5.50%	113,850	1,113,850	1,000,000	5.50%	248,050	1,248,050	2,361,900
2041	-	-	-	-	-					1,000,000	5.50%	58,850	1,128,850	1,000,000	5.50%	193,050	1,193,050	2,321,900
2042	-	-	-	-	-									1,000,000	5.50%	138,050	1,138,050	1,138,050
2043	-	-	-	-	-									750,000	5.50%	83,050	833,050	833,050
2044	-	-	-	-	-									760,000	5.50%	41,800	801,800	801,800
Total	\$31,333,263	\$11,000,000		\$3,392,675	\$14,392,675	\$11,000,000		\$3,775,200	\$14,775,200	\$11,000,000		\$4,068,350	\$15,068,350	\$11,000,000		\$3,949,275	\$14,949,275	\$90,518,763

MGRT Cycling Program (Street Improvements)

- 1st .25% MGRT pledged to the payment of debt service for Street Improvements
- Currently there is one bond outstanding the Series 2010A Bonds
- The City can issue \$4.0 million of additional Street Improvement Bonds every 2 years
- Total of \$24 million issued over the next 11 years
- Utilize available revenue from current tax rate
- No impact on general fund revenues
- No election required

MGRT Cycling Program (Street Improvements)

FYE 6/30	Series 2010A				Proposed Series 2013				Proposed Series 2015				Proposed Series 2017				Total Debt Service
	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total	
2012	2,010,000	2.50%	268,525	2,278,525													2,278,525
2013	1,910,000	2.50%	218,275	2,128,275													2,128,275
2014	1,935,000	2.50%	170,525	2,105,525	5,000	4.00%	160,000	165,000									2,270,525
2015	680,000	2.50%	122,150	802,150	1,310,000	4.00%	159,800	1,469,800									2,271,950
2016	690,000	3.00%	105,150	795,150	245,000	4.00%	107,400	352,400	945,000	4.50%	180,000	1,125,000					2,272,550
2017	695,000	3.00%	84,450	779,450	245,000	4.00%	97,600	342,600	1,015,000	4.50%	137,475	1,152,475					2,274,525
2018	555,000	3.00%	63,600	618,600	245,000	4.00%	87,800	332,800	185,000	4.50%	91,800	276,800	845,000	5.00%	200,000	1,045,000	2,273,200
2019	510,000	3.00%	46,950	556,950	245,000	4.00%	78,000	323,000	185,000	4.50%	83,475	268,475	965,000	5.00%	157,750	1,122,750	2,271,175
2020	530,000	3.00%	31,650	561,650	245,000	4.00%	68,200	313,200	185,000	4.50%	75,150	260,150	185,000	5.00%	109,500	294,500	1,429,500
2021	525,000	3.00%	15,750	540,750	245,000	4.00%	58,400	303,400	185,000	4.50%	66,825	251,825	185,000	5.00%	100,250	285,250	1,381,225
2022					245,000	4.00%	48,600	293,600	185,000	4.50%	58,500	243,500	185,000	5.00%	91,000	276,000	813,100
2023					245,000	4.00%	38,800	283,800	185,000	4.50%	50,175	235,175	185,000	5.00%	81,750	266,750	785,725
2024					245,000	4.00%	29,000	274,000	185,000	4.50%	41,850	226,850	185,000	5.00%	72,500	257,500	758,350
2025					245,000	4.00%	19,200	264,200	185,000	4.50%	33,525	218,525	185,000	5.00%	63,250	248,250	730,975
2026					235,000	4.00%	9,400	244,400	185,000	4.50%	25,200	210,200	185,000	5.00%	54,000	239,000	693,600
2027									185,000	4.50%	16,875	201,875	185,000	5.00%	44,750	229,750	431,625
2028									190,000	4.50%	8,550	198,550	185,000	5.00%	35,500	220,500	419,050
2029												185,000	5.00%	26,250	211,250	211,250	
2030												340,000	5.00%	17,000	357,000	357,000	
Total	\$10,040,000		\$1,127,025	\$11,167,025	\$4,000,000		\$962,200	\$4,962,200	\$4,000,000		\$869,400	\$4,869,400	\$4,000,000		\$1,053,500	\$5,053,500	\$26,052,125

FYE 6/30	Outstanding Debt Service	Proposed Series 2019				Proposed Series 2021				Total Debt Service
		Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total	
2017	2,274,525									2,274,525
2018	2,273,200									2,273,200
2019	2,271,175									2,271,175
2020	1,429,500	625,000	5.50%	220,000	845,000					2,274,500
2021	1,381,225	705,000	5.50%	185,625	890,625					2,271,850
2022	813,100	245,000	5.50%	146,850	391,850	830,000	6.00%	240,000	1,070,000	2,274,950
2023	785,725	245,000	5.50%	133,375	378,375	920,000	6.00%	190,200	1,110,200	2,274,300
2024	758,350	245,000	5.50%	119,900	364,900	205,000	6.00%	135,000	340,000	1,463,250
2025	730,975	245,000	5.50%	106,425	351,425	205,000	6.00%	122,700	327,700	1,410,100
2026	693,600	245,000	5.50%	92,950	337,950	205,000	6.00%	110,400	315,400	1,346,950
2027	431,625	245,000	5.50%	79,475	324,475	205,000	6.00%	98,100	303,100	1,059,200
2028	419,050	245,000	5.50%	66,000	311,000	205,000	6.00%	85,800	290,800	1,020,850
2029	211,250	245,000	5.50%	52,525	297,525	205,000	6.00%	73,500	278,500	787,275
2030	357,000	245,000	5.50%	39,050	284,050	205,000	6.00%	61,200	266,200	907,250
2031	-	245,000	5.50%	25,575	270,575	205,000	6.00%	48,900	253,900	524,475
2032		220,000	5.50%	12,100	232,100	205,000	6.00%	36,600	241,600	473,700
2033						205,000	6.00%	24,300	229,300	229,300
2034						200,000	6.00%	12,000	212,000	
Total	\$14,830,300	\$3,780,000		\$1,267,750	\$5,047,750	\$4,000,000		\$1,165,800	\$4,555,800	\$24,433,850

MGRT Cycling Program (Flood Control)

- 5th .25% MGRT pledged to the payment of debt service for Flood Control
 - \$3.0 million bonds sold in 2010
 - \$1.5 million bonds sold in 2011
 - \$2.0 million bond sale in 2013
 - \$3.0 million bond sales every two years thereafter
- Total of \$17 million issued over the next 11 years
- Utilize available revenue from current tax rate
- No impact on general fund revenues
- No election required

MGRT Cycling Program (Flood Control)

FYE 6/30	2008 NMFA Loan				Series 2010B				2011 NMFA Loan				Proposed 2013				Total Debt Service
	Principal	Coupon	Interest	Total	Principal	Coupon	Interest ⁽¹⁾	Total	Principal	Coupon	Interest ⁽¹⁾	Total	Principal	Coupon	Interest ⁽¹⁾	Total	
2013	613,565	3.10%	85,885	699,450	770,000	2.50%	76,900	846,900	120,000	2.00%	39,269	159,269					1,705,618
2014	632,559	3.26%	66,864	699,423	780,000	2.50%	57,650	837,650	355,000	2.00%	36,869	391,869	-	3.00%	30,000	30,000	1,958,942
2015	653,108	3.41%	46,243	699,351	170,000	2.50%	38,150	208,150	355,000	3.00%	29,769	384,769	350,000	3.00%	60,000	410,000	1,702,270
2016	675,261	3.55%	23,972	699,233	175,000	3.00%	33,900	208,900	105,000	3.00%	19,119	124,119	175,000	3.00%	49,500	224,500	1,256,752
2017					180,000	3.00%	28,650	208,650	100,000	3.00%	15,969	115,969	175,000	3.00%	44,250	219,250	543,869
2018					185,000	3.00%	23,250	208,250	100,000	3.00%	12,969	112,969	200,000	3.00%	39,000	239,000	560,219
2019					190,000	3.00%	17,700	207,700	95,000	3.13%	9,969	104,969	200,000	3.00%	33,000	233,000	545,669
2020					195,000	3.00%	12,000	207,000	100,000	3.38%	7,000	107,000	200,000	3.00%	27,000	227,000	541,000
2021					205,000	3.00%	6,150	211,150	100,000	3.63%	3,625	103,625	200,000	3.00%	21,000	221,000	535,775
2022												250,000	3.00%	15,000	265,000	265,000	
2023												250,000	3.00%	7,500	257,500	257,500	
2024																-	
2025																-	
Total	\$2,574,493		\$222,963	\$2,797,456	\$2,850,000		\$294,350	\$3,144,350	\$1,430,000		\$174,556	\$1,604,556	\$2,000,000		\$326,250	\$2,326,250	\$9,872,613

FYE 6/30	Total Debt Service	Proposed 2015				Proposed 2017				Proposed 2019				Total Debt Service
		Principal	Coupon	Interest ⁽¹⁾	Total	Principal	Coupon	Interest	Total	Principal	Coupon	Interest ⁽¹⁾	Total	
2016	1,256,752	310,000	4.50%	135,000	445,000									1,701,752
2017	543,869	1,040,000	4.50%	121,050	1,161,050									1,704,919
2018	560,219	225,000	4.50%	74,250	299,250	695,000	5.00%	150,000	845,000					1,704,469
2019	545,669	225,000	4.50%	64,125	289,125	755,000	5.00%	115,250	870,250					1,705,044
2020	541,000	200,000	4.50%	54,000	254,000	200,000	5.00%	77,500	277,500	465,000	5.50%	165,000	630,000	1,702,500
2021	535,775	200,000	4.50%	45,000	245,000	200,000	5.00%	67,500	267,500	515,000	5.50%	139,425	654,425	1,702,700
2022	265,000	200,000	4.50%	36,000	236,000	200,000	5.00%	57,500	257,500	300,000	5.50%	111,100	411,100	1,169,600
2023	257,500	205,000	4.50%	27,000	232,000	200,000	5.00%	47,500	247,500	250,000	5.50%	94,600	344,600	1,081,600
2024	-	200,000	4.50%	17,775	217,775	200,000	5.00%	37,500	237,500	250,000	5.50%	80,850	330,850	786,125
2025	-	195,000	4.50%	8,775	203,775	200,000	5.00%	27,500	227,500	250,000	5.50%	67,100	317,100	748,375
2026	-					200,000	5.00%	17,500	217,500	250,000	5.50%	53,350	303,350	520,850
2027	-									250,000	5.50%	39,600	289,600	447,100
2028	-									250,000	5.50%	25,850	275,850	275,850
2029	-									220,000	5.50%	12,100	232,100	232,100
Total	\$4,505,783	\$3,000,000		\$582,975	\$3,582,975	\$3,000,000		\$605,250	\$3,605,250	\$3,000,000		\$788,975	\$3,788,975	\$15,482,983

Overview – Current Sources of Funding

Sources of Funding without tax increase or impact to General Fund

- State Shared GRT Bonds
 - Can issue up to \$72 million for general City projects over the next 11 years

- Flood Control Fund
 - Can issue up to \$17 million for flood control projects over the next 11 years

- Street Improvements
 - Can issue up to \$24 million for street improvements over the next 11 years

Financing Considerations for 2013 and 2014

- Considerations for 2013

- Issue up to \$4 million in bonds secured by 1st .25% MGRT for street related projects as part of the City's on going cycling program
- Issue up to \$2 million in bonds secured by 5th .25% MGRT for flood control related projects as part of the City's on going cycling program

- Considerations for 2014

- Review Series 2004 Gross Receipts Tax Bonds for possible refunding opportunities in early 2014
 - Series 2004 GRT Bonds callable June 1, 2015 @ par
 - Bonds issued to fund various City projects including new City Hall
- Issue up to \$10 million in bonds secured by 1.225% State Shared Gross Receipts Taxes

Additional Funding Sources Available to City

SECTION III



RBC Capital Markets®

Additional Funding Sources for Capital Projects

- The City has additional funding sources available to fund capital projects that require the an imposition of new taxes through Council action or approval from voters

Citywide Funding Sources

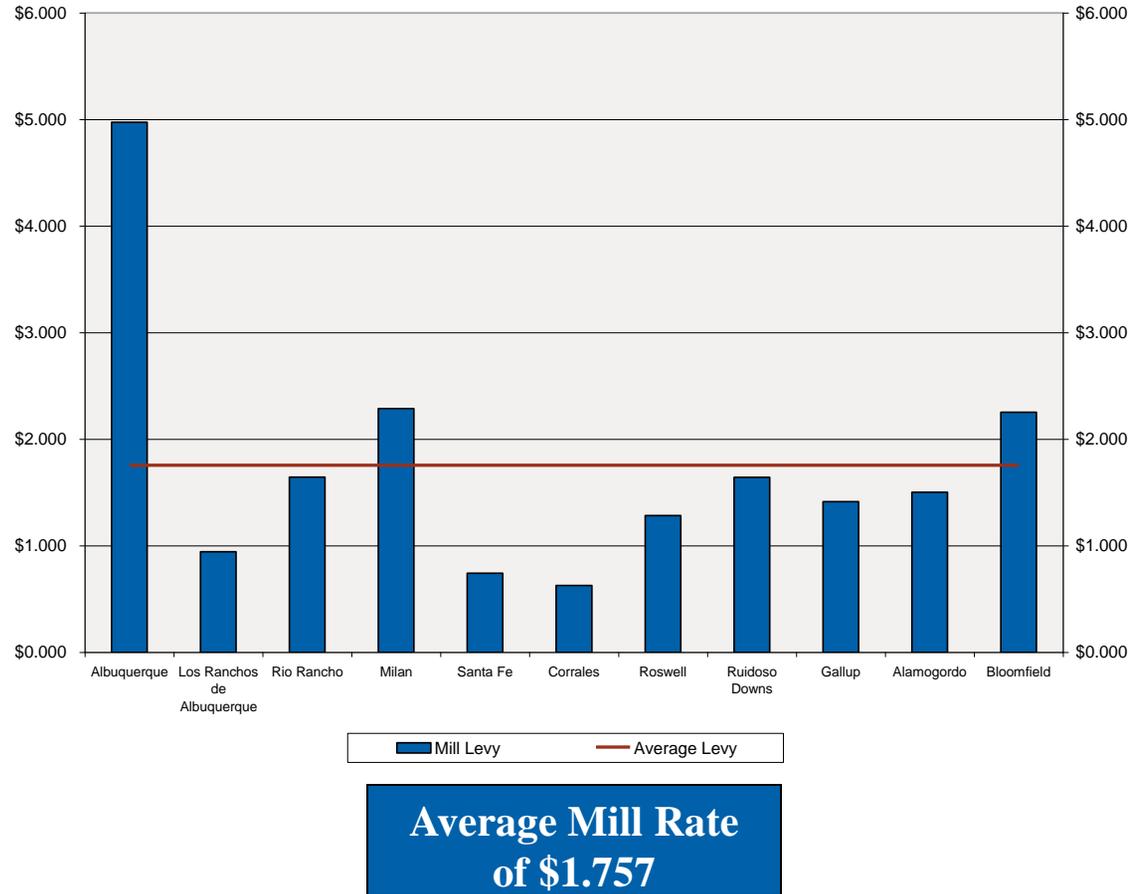
- Imposition of State authorized but un-imposed .25% municipal gross receipts tax
- General Obligation Bonds

Area or Project Specific Funding Sources

- Impact Fees from future development
- Special Assessment Districts
- Public Improvement Districts
- Tax Increment Development Districts

Debt Service Mill Rates for Other Cities

City	GO Tax Rate
Albuquerque	\$4.976
Los Ranchos de Albuquerque	0.945
Rio Rancho	1.645
Milan	2.288
Santa Fe	0.743
Corrales	0.627
Roswell	1.285
Ruidoso Downs	1.643
Gallup	1.414
Alamogordo	1.503
Bloomfield	2.254
Average Rate	\$1.757



Currently Las Cruces has no GO Bonds outstanding and therefore no debt service property tax is levied

General Obligation Bonds - Overview

- General Obligation Bonds are debt that is secured by taxes levied on property owners within the City
 - Property tax is levied at a rate necessary to pay annual debt service on the bonds
- General Obligation Bonds must be approved by voters prior to issuance
- Considered the most secure type of municipal debt, general obligation bonds typically have the lowest cost of borrowing for municipalities
- Property taxes levied until all general obligation debt has matured
- State statute limits the amount of general obligation bonds issued by municipalities to 4% of total assessed valuation.
- City's 2012 tax year assessed value is \$2.046 billion resulting in current capacity of \$81.8 million.
- City's assessed value has grown by an average of 8.5% for the last 10 years
- General obligation bonds can be issued for general purpose projects. The law requires each specific project to be presented in a separate question for voter approval.
- The use of general obligation bonds would constitute a tax increase, however the increase would only be imposed with voter approval of the specified projects.

Examples of Projects to be Funded with GO Bonds

- General Obligation Bonds are typically best suited for projects that benefit the general public but generate little or no revenue to pay debt service

- Typical projects that have been approved by voters and funded from General Obligation Bonds in other cities in New Mexico are:
 - Public Libraries
 - Public Pools or Aquatic Centers
 - City Parks and other City open space and recreation areas
 - Major Arterial Roads
 - Fire Stations
 - Police Stations
 - Storm & Sewer
 - Other projects with strong local support

General Obligation Cycling Program - 1.00 Mill

- Requires General Obligation Bond election approval from voters
- \$10 million election every 4 years
- \$5 million bond sales every 2 years
- \$30 million issued over the next 10 years
- Tax impact of \$1.00 per \$1,000 of assessed valuation shown below (1.00 mill)

<u>Full Value</u>	<u>Assessed Value</u>	<u>Increase Per Year</u>	<u>Increase Per Month</u>
\$100,000	\$26,333	\$26.33	\$2.19
125,000	33,417	33.42	2.78
150,000	40,500	40.50	3.38
175,000	47,583	47.58	3.97
200,000	54,667	54.67	4.56
225,000	61,750	61.75	5.15
250,000	68,833	68.83	5.74

* Assessed value calculated at 85% of market value divided by 3 less \$2,000 for head of household credit.

- No impact on general fund revenues

General Obligation Cycling Program - 1.50 Mills

- Requires General Obligation Bond Election approval from voters
- \$15 million election every 4 years
- \$7.5 million bond sales every 2 years
- \$45 million issued over next 10 years
- Tax impact of \$1.50 per \$1,000 of assessed valuation shown below (1.50 mills)

<u>Full Value</u>	<u>Assessed Value</u>	<u>Increase Per Year</u>	<u>Increase Per Month</u>
\$100,000	\$26,333	\$39.50	\$3.29
125,000	33,417	50.13	4.18
150,000	40,500	60.75	5.06
175,000	47,583	71.38	5.95
200,000	54,667	82.00	6.83
225,000	61,750	92.63	7.72
250,000	68,833	103.25	8.60

* Assessed value calculated at 85% of market value divided by 3 less \$2,000 for head of household credit.

- No impact on general fund revenues

General Obligation Cycling Program - 2.00 Mills

- Requires General Obligation Bond Election approval from voters
- \$20 million election every 4 years
- \$10 million bond sales every 2 years
- \$60 million issued over the next 10 years
- Tax impact of \$2.00 per \$1,000 of assessed valuation shown below (2.00 mills)

<u>Full Value</u>	<u>Assessed Value</u>	<u>Increase Per Year</u>	<u>Increase Per Month</u>
\$100,000	\$26,333	\$52.93	\$4.41
125,000	33,417	67.17	5.60
150,000	40,500	81.41	6.78
175,000	47,583	95.64	7.97
200,000	54,667	109.88	9.16
225,000	61,750	124.12	10.34
250,000	68,833	138.36	11.53

* Assessed value calculated at 85% of market value divided by 3 less \$2,000 for head of household credit.

- No impact on general fund revenues

Example of 1.00 Mill General Obligation Cycling Program

10/30	2013 Election		2017 Election		2017 Election		2021 Election		2021 Election		TOTAL DEBT REQUIREMENTS			Estimated Tax Rate @ 94.00% Collect. Rate		
	\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000		\$5,000,000		PRIN	INT	TOTAL			
	Series 8/1/13		Series 8/1/15		Series 8/1/17		Series 8/1/19		Series 8/1/21		Series 8/1/23					
	Prin 8/1	4.00%	Prin 8/1	4.50%	Prin 8/1	4.75%	Prin 8/1	5.00%	Prin 8/1	5.00%	Prin 8/1	5.00%				
2013																
2014	1,725,000	150,840											1,725,000	150,840	1,875,840	0.994
2015	1,850,000	81,840											1,850,000	81,840	1,931,840	0.997
2016	200,000	15,680	1,660,000	119,317									1,860,000	134,996	1,994,996	1.002
2017	200,000	15,359	1,760,000	89,234									1,960,000	104,593	2,064,593	1.009
2018	200,000	14,719	225,000	20,067	1,550,000	112,232							1,975,000	147,018	2,122,018	1.009
2019	175,000	13,438	225,000	19,884	1,640,000	84,964							2,040,000	118,286	2,158,286	0.999
2020	175,000	12,875	225,000	19,519	250,000	22,328	1,420,000	104,231					2,070,000	158,953	2,228,953	1.004
2021	175,000	11,750	225,000	18,788	250,000	22,155	1,500,000	80,663					2,150,000	133,355	2,283,355	1.001
2022	175,000	9,500	225,000	17,325	250,000	21,811	300,000	26,325	1,240,000	93,890			2,190,000	168,851	2,358,851	1.007
2023	125,000	5,000	225,000	14,400	250,000	21,122	300,000	25,650	1,370,000	76,181			2,270,000	142,353	2,412,353	1.002
2024			150,000	8,550	250,000	19,744	300,000	24,300	325,000	29,062	1,270,000	97,385	2,295,000	179,040	2,474,040	1.000
2025			80,000	3,600	250,000	16,988	250,000	21,600	325,000	28,874	1,490,000	80,469	2,395,000	151,530	2,546,530	1.002
2026					200,000	11,475	250,000	20,700	325,000	28,498	300,000	26,838	1,075,000	87,511	1,162,511	0.445
2027					110,000	4,950	250,000	18,900	325,000	27,745	300,000	26,677	985,000	78,272	1,063,272	0.396
2028							250,000	15,300	325,000	26,241	300,000	26,353	875,000	67,894	942,894	0.342
2029							180,000	8,100	325,000	23,231	300,000	25,706	805,000	57,038	862,038	0.304
2030									325,000	17,213	300,000	24,413	625,000	41,625	666,625	0.229
2031									115,000	5,175	300,000	21,825	415,000	27,000	442,000	0.148
2032											300,000	16,650	300,000	16,650	316,650	0.103
2033											140,000	6,300	140,000	6,300	146,300	0.046
TOTAL	\$5,000,000	\$331,000	\$5,000,000	\$330,683	\$5,000,000	\$337,768	\$5,000,000	\$345,769	\$5,000,000	\$356,110	\$5,000,000	352,615	\$30,000,000	\$2,053,945	\$32,053,945	

Example of 1.50 Mills General Obligation Cycling Program

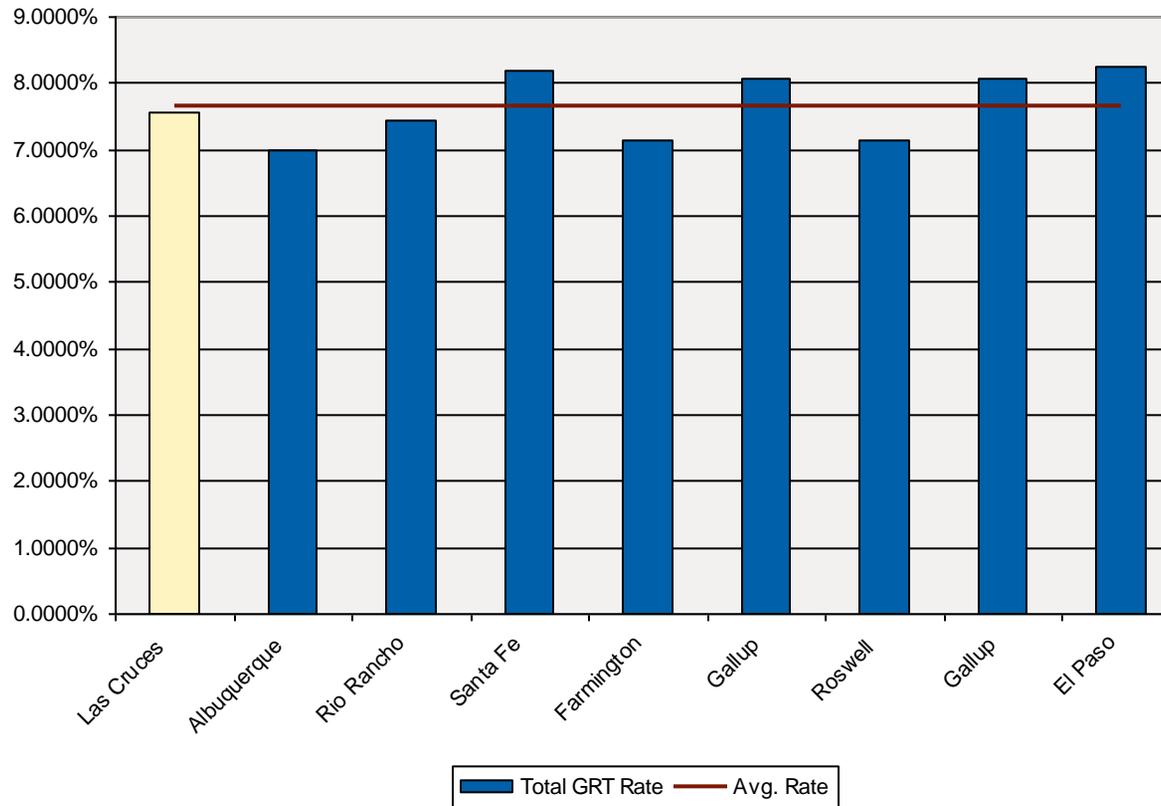
10/30	2013 Election				2017 Election				2021 Election				TOTAL DEBT REQUIREMENTS			Estimated Tax Rate @ 94.00% Collect. Rate	
	\$7,500,000		\$7,500,000		\$7,500,000		\$7,500,000		\$7,500,000		\$7,500,000		PRIN	INT	TOTAL		
	Series 8/1/13		Series 8/1/15		Series 8/1/17		Series 8/1/19		Series 8/1/21		Series 8/1/23						
Prin 8/1	4.00%	Prin 8/1	4.50%	Prin 8/1	4.75%	Prin 8/1	5.00%	Prin 8/1	5.00%	Prin 8/1	5.00%	Prin 8/1	5.00%				
2013																	
2014	2,650,000	229,563											2,650,000	229,563	2,879,563		1.497
2015	2,840,000	123,563											2,840,000	123,563	2,963,563		1.500
2016	250,000	19,925	2,590,000	184,334									2,840,000	204,259	3,044,259		1.499
2017	250,000	19,850	2,725,000	135,569									2,975,000	155,419	3,130,419		1.500
2018	250,000	19,700	300,000	25,887	2,440,000	174,686							2,990,000	220,273	3,210,273		1.498
2019	250,000	19,400	300,000	24,775	2,575,000	129,771							3,125,000	173,946	3,298,946		1.498
2020	250,000	18,800	300,000	22,549	310,000	27,793	2,295,000	168,033					3,155,000	237,175	3,392,175		1.499
2021	250,000	17,600	200,000	18,098	310,000	27,686	2,530,000	129,517					3,290,000	192,900	3,482,900		1.498
2022	250,000	15,200	200,000	18,197	310,000	27,471	350,000	31,333	2,220,000	161,716			3,330,000	253,917	3,583,917		1.500
2023	260,000	10,400	200,000	18,394	310,000	27,042	350,000	31,166	2,350,000	123,632			3,470,000	210,634	3,680,634		1.499
2024			150,000	18,788	310,000	26,184	350,000	30,832	400,000	35,764	2,300,000	158,491	3,510,000	270,059	3,780,059		1.498
2025			535,000	24,075	310,000	24,469	350,000	30,164	400,000	35,529	2,070,000	109,982	3,665,000	224,219	3,889,219		1.500
2026					310,000	21,038	350,000	28,828	400,000	35,058	375,000	33,664	1,435,000	118,587	1,553,587		0.583
2027					315,000	14,175	350,000	26,156	400,000	34,116	375,000	33,578	1,440,000	108,025	1,548,025		0.566
2028							350,000	20,813	400,000	32,231	375,000	33,405	1,125,000	86,449	1,211,449		0.431
2029							225,000	10,125	400,000	28,463	375,000	33,061	1,000,000	71,648	1,071,648		0.371
2030									400,000	20,925	375,000	32,372	775,000	53,297	828,297		0.279
2031									130,000	5,850	375,000	30,994	505,000	36,844	541,844		0.178
2032											375,000	28,238	375,000	28,238	403,238		0.129
2033											505,000	22,725	505,000	22,725	527,725		0.164
TOTAL	\$7,500,000	\$494,000	\$7,500,000	\$490,666	\$7,500,000	\$500,314	\$7,500,000	\$506,967	\$7,500,000	\$513,284	\$7,500,000	516,509	\$45,000,000	\$3,021,740	\$48,021,740		

Example of 2.00 Mills General Obligation Cycling Program

10/30	2013 Election				2017 Election				2021 Election				TOTAL DEBT REQUIREMENTS			Estimated Tax Rate @ 94.00% Collect. Rate
	\$10,000,000		\$10,000,000		\$10,000,000		\$10,000,000		\$10,000,000		\$10,000,000		PRIN	INT	TOTAL	
	Series 8/1/13		Series 8/1/15		Series 8/1/17		Series 8/1/19		Series 8/1/21		Series 8/1/23					
	Prin 8/1	4.25%	Prin 8/1	4.50%	Prin 8/1	4.75%	Prin 8/1	5.00%	Prin 8/1	5.00%	Prin 8/1	5.00%				
2013																
2014	3,520,000	324,429											3,520,000	324,429	3,844,429	1.999
2015	3,775,000	174,829											3,775,000	174,829	3,949,829	1.999
2016	340,000	28,782	3,445,000	244,877									3,785,000	273,659	4,058,659	1.999
2017	340,000	28,664	3,625,000	179,705									3,965,000	208,369	4,173,369	2.000
2018	340,000	28,429	370,000	33,159	3,280,000	234,525							3,990,000	296,113	4,286,113	1.999
2019	340,000	27,957	370,000	33,019	3,455,000	173,850							4,165,000	234,826	4,399,826	1.998
2020	340,000	27,014	370,000	32,738	410,000	36,751	3,085,000	222,482					4,205,000	318,985	4,523,985	1.999
2021	340,000	25,128	370,000	32,175	410,000	36,601	3,260,000	167,315					4,380,000	261,219	4,641,219	1.996
2022	340,000	21,356	370,000	31,050	410,000	36,302	460,000	41,229	2,860,000	209,092			4,440,000	339,030	4,779,030	2.000
2023	325,000	13,813	370,000	28,800	410,000	35,705	460,000	41,059	3,065,000	160,784			4,630,000	280,161	4,910,161	2.000
2024			370,000	24,300	410,000	34,509	460,000	40,718	510,000	45,719	2,935,000	214,380	4,685,000	359,626	5,044,626	2.000
2025			340,000	15,300	410,000	32,119	460,000	40,036	510,000	45,538	3,170,000	164,609	4,890,000	297,602	5,187,602	2.001
2026					410,000	27,338	460,000	38,672	510,000	45,176	490,000	43,919	1,870,000	155,104	2,025,104	0.760
2027					395,000	17,775	460,000	35,944	510,000	44,452	490,000	43,738	1,855,000	141,908	1,996,908	0.730
2028							460,000	30,488	510,000	43,003	490,000	43,376	1,460,000	116,866	1,576,866	0.561
2029							435,000	19,575	510,000	40,106	490,000	42,652	1,435,000	102,333	1,537,333	0.532
2030									510,000	34,313	490,000	41,203	1,000,000	75,516	1,075,516	0.362
2031									505,000	22,725	490,000	38,306	995,000	61,031	1,056,031	0.346
2032											490,000	32,513	490,000	32,513	522,513	0.167
2033											465,000	20,925	465,000	20,925	485,925	0.151
TOTAL	\$10,000,000	\$700,400	\$10,000,000	\$655,123	\$10,000,000	\$665,475	\$10,000,000	\$677,518	\$10,000,000	\$690,908	\$10,000,000	685,620	\$60,000,000	\$4,075,043	\$64,075,043	

Comparison of Gross Receipts Taxes by City

	Las Cruces	Albuquerque	Rio Rancho	Santa Fe	Farmington	Gallup	Roswell	Gallup	El Paso
State GRT	5.1250%	5.1250%	5.1250%	5.1250%	5.1250%	5.1250%	5.1250%	5.1250%	6.2500%
City GRT	1.5625%	1.0625%	1.9375%	1.8125%	1.1875%	1.8125%	1.4375%	1.8125%	1.5000%
County GRT	0.8750%	0.8125%	0.3750%	1.2500%	0.8125%	1.1250%	0.5625%	1.1250%	0.5000%
Total	7.5625%	7.0000%	7.4375%	8.1875%	7.1250%	8.0625%	7.1250%	8.0625%	8.2500%



Imposed vs. Authorized Gross Receipts Taxes

City of Las Cruces, New Mexico Gross Receipts Tax Imposed vs. Authorized					
Type of Tax & Purpose	Total Taxing Authority	Percentage Imposed	FY/12 Estimated Revenue ⁽¹⁾	Unused Authority	Potential Add'l Revenue ⁽²⁾
Municipal GRT	1.5000%	1.2500%	\$31,666,107	0.2500%	\$5,501,803
Municipal Infrastructure GRT	0.2500%	0.2500%	6,258,247	0.0000%	-
Municipal Environmental Services GRT	0.0625%	0.0625%	1,564,727	0.0000%	-
Municipal Capital Outlay GRT	0.2500%	0.0000%	-	0.2500%	5,501,803
Municipal Quality of Life GRT ⁽³⁾	0.2500%	0.0000%	-	0.2500%	5,501,803
Total Local Option GRT	2.3125%	1.5625%	\$39,489,081	0.7500%	\$16,505,410
State Shared GRT	1.2250%	1.2250%	31,583,198	0.0000%	-
Total Distribution to City	3.5375%	2.7875%	\$71,072,278	0.7500%	16,505,410

(1) Based upon gross receipts tax distributed by Taxation and Revenue Department as reported monthly on their website. Actual collections may differ.

(2) Does not include certain food and medical goods/services for which the City will not be credited for newly imposed GRT increments.

(3) Required voter approval prior to imposition. Must be imposed prior to July 1, 2016 and cannot be pledged to the payment of debt.

Monthly Gross Receipts Tax Collections with Food and Medical

FY 2010

	July-09	August-09	September-09	October-09	November-09	December-09	January-10	February-10	March-10	April-10	May-10	June-10		
Environment GRT	112,323	122,131	114,312	114,462	110,287	110,287	106,224	130,878	96,992	108,033	123,855	111,318	1,361,102	
Environment GRT - Food	10,470	10,502	11,120	9,921	11,658	11,658	11,110	10,770	10,181	10,432	10,475	11,635	129,933	
Environment GRT - Medical	3,355	4,580	4,181	4,210	4,067	4,067	4,100	4,194	3,564	4,364	5,736	4,118	50,536	
Environment GRT Total	126,148	137,213	129,613	128,593	126,012	126,012	121,434	145,843	110,737	122,829	140,066	127,071	1,541,571	
Municipal Infrastructure GRT	449,242	488,333	457,159	457,427	441,043	441,043	424,742	523,264	387,665	431,955	495,175	445,199	5,442,248	
Municipal Infrastructure GRT - Food	41,881	42,006	44,479	39,684	46,632	46,632	44,442	43,082	40,724	41,729	41,901	46,540	519,732	
Municipal Infrastructure GRT - Medical	13,420	18,319	16,723	16,840	16,268	16,268	16,400	16,777	14,254	17,455	22,945	16,474	202,142	
Municipal Infrastructure GRT Total	504,542	548,658	518,362	513,951	503,944	503,944	485,585	583,123	442,643	491,138	560,020	508,213	6,164,122	
Municipal GRT	2,274,384	2,475,559	2,317,028	2,320,071	2,235,445	2,235,445	2,153,110	2,652,812	1,966,023	2,189,749	2,510,578	2,256,365	27,586,568	
Municipal GRT - Food	209,403	210,031	222,396	198,420	233,161	233,161	222,209	215,410	203,619	208,645	209,503	232,700	2,598,657	
Municipal GRT - Medical	67,098	91,593	83,615	84,199	81,341	81,341	82,002	83,884	71,272	87,274	114,723	82,368	1,010,710	
Municipal GRT Total	2,550,885	2,777,183	2,623,039	2,602,689	2,549,946	2,549,946	2,457,321	2,952,107	2,240,914	2,485,667	2,834,804	2,571,434	31,195,936	
SSGRT	2,273,603	2,474,514	2,316,001	2,319,035	2,234,526	2,234,526	2,152,139	2,651,687	1,965,155	2,188,770	2,509,466	2,255,367	27,574,789	
SSGRT - Food	205,215	205,831	217,948	194,451	228,497	228,497	217,765	211,102	199,547	204,472	205,313	228,046	2,546,684	
SSGRT - Medical	65,757	89,761	81,943	82,515	79,714	79,714	80,362	82,207	69,847	85,528	112,429	80,721	990,497	
SSGRT Total	2,544,574	2,770,105	2,615,892	2,596,001	2,542,738	2,542,738	2,450,266	2,944,996	2,234,549	2,478,770	2,827,207	2,564,135	31,111,970	
Total GRT	5,109,551	5,560,538	5,204,500	5,210,995	5,021,301	5,021,301	4,836,214	5,958,642	4,415,835	4,918,507	5,639,073	5,068,250	61,964,708	
Total GRT - Food	466,968	468,370	495,943	442,476	519,948	519,948	495,527	480,364	454,070	465,278	467,192	518,922	5,795,006	
Total GRT - Medical	149,629	204,252	186,462	187,763	181,390	181,390	182,864	187,063	158,937	194,620	255,832	183,682	2,253,886	
Grand Total GRT	5,726,148	6,233,159	5,886,906	5,841,234	5,722,640	5,722,640	5,514,606	6,626,069	5,028,843	5,578,404	6,362,098	5,770,853	70,013,600	
% Growth over Prior Year	3.7%	29.2%	2.6%	-2.5%	5.8%	-12.6%	-2.8%	18.7%	-17.3%	-8.4%	11.1%	-7.4%	0.9%	
% Cumulative Growth	3.7%	15.6%	10.9%	7.3%	7.0%	3.2%	2.4%	4.4%	1.8%	0.7%	1.7%	0.9%	0.9%	
													Food as a % of Total	8.28%
													Medical as a % of Total	3.22%

FY 2011

	July-10	August-10	September-10	October-10	November-10	December-10	January-11	February-11	March-11	April-11	May-11	June-11		
Environment GRT	108,622	133,535	108,045	112,448	113,127	106,972	105,526	136,964	109,004	108,867	119,896	111,861	1,374,866	
Environment GRT - Food	10,712	12,042	10,512	11,197	11,289	11,394	10,586	12,622	10,840	11,004	12,169	11,520	135,884	
Environment GRT - Medical	4,302	4,465	3,926	5,577	4,593	4,069	4,449	4,712	4,245	5,013	4,834	4,111	54,293	
Environment GRT Total	123,635	150,041	122,482	129,222	129,008	122,435	120,560	154,297	124,088	124,884	136,899	127,491	1,565,043	
Municipal Infrastructure GRT	434,392	534,077	431,968	449,671	452,422	427,672	422,039	547,703	435,768	435,298	479,492	447,400	5,497,900	
Municipal Infrastructure GRT - Food	42,846	48,166	42,048	44,789	45,154	45,574	42,342	50,487	43,358	44,017	48,675	46,080	543,536	
Municipal Infrastructure GRT - Medical	17,208	17,859	15,702	22,307	18,370	16,276	17,794	18,846	16,980	20,051	19,336	16,442	217,172	
Municipal Infrastructure GRT Total	494,446	600,102	489,717	516,768	515,946	489,522	482,175	617,036	496,106	499,366	547,502	509,921	6,258,608	
Municipal GRT	2,201,715	2,706,697	2,190,017	2,279,257	2,293,012	2,168,293	2,138,946	2,776,156	2,209,527	2,206,707	2,430,336	2,267,343	27,868,006	
Municipal GRT - Food	214,229	240,830	210,239	223,946	225,771	227,871	211,711	252,435	216,792	220,083	243,373	230,400	2,717,680	
Municipal GRT - Medical	86,040	89,296	78,511	111,537	91,851	81,379	88,971	94,230	84,899	100,255	96,681	82,209	1,085,857	
Municipal GRT Total	2,501,985	3,036,823	2,478,767	2,614,739	2,610,633	2,477,542	2,439,627	3,122,821	2,511,217	2,527,046	2,770,390	2,579,953	31,671,543	
SSGRT	2,200,593	2,705,611	2,189,051	2,278,250	2,291,992	2,167,332	2,138,013	2,775,459	2,208,723	2,205,952	2,429,331	2,266,423	27,856,729	
SSGRT - Food	209,945	236,013	206,034	219,467	221,255	223,314	207,476	247,386	212,456	215,682	238,506	225,792	2,663,326	
SSGRT - Medical	84,319	87,510	76,940	109,306	90,014	79,751	87,192	92,345	83,201	98,250	94,748	80,565	1,064,141	
SSGRT Total	2,494,857	3,029,134	2,472,025	2,607,023	2,603,260	2,470,396	2,432,681	3,115,191	2,504,380	2,519,884	2,762,584	2,572,780	31,584,196	
Total GRT	4,945,322	6,079,920	4,919,080	5,119,625	5,150,553	4,870,268	4,804,523	6,236,282	4,963,022	4,956,825	5,459,055	5,093,026	62,597,502	
Total GRT - Food	477,731	537,051	468,833	499,400	503,468	508,152	472,115	562,930	483,445	490,786	542,722	513,793	6,060,426	
Total GRT - Medical	191,869	199,130	175,079	248,727	204,827	181,474	198,405	210,133	189,324	223,569	215,599	183,326	2,421,462	
Grand Total GRT	5,614,923	6,816,101	5,562,992	5,867,752	5,858,848	5,559,895	5,475,043	7,009,344	5,635,791	5,671,181	6,217,376	5,790,145	71,079,390	
% Growth over Prior Year	-1.9%	9.4%	-5.5%	0.5%	2.4%	-2.8%	-0.7%	5.8%	12.1%	1.7%	-2.3%	0.3%	1.5%	
% Cumulative Growth	-1.9%	3.9%	0.8%	0.7%	1.1%	0.4%	0.3%	1.0%	2.1%	2.1%	1.6%	1.5%	1.5%	
													Food as a % of Total	8.53%
													Medical as a % of Total	3.41%

Monthly Gross Receipts Tax Collections with Food and Medical

FY 2012

	July-11	August-11	September-11	October-11	November-11	December-11	January-12	February-12	March-12	April-12	May-12	June-12	
Environment GRT	108,538	118,630	108,714	116,915	116,687	108,610	110,751	131,343	106,655	109,997	125,602	113,175	1,375,616
Environment GRT - Food	10,937	11,940	10,871	11,893	11,083	11,208	11,423	11,074	10,858	11,469	11,183	10,985	134,923
Environment GRT - Medical	4,059	5,116	4,137	5,102	4,475	4,354	4,144	5,455	4,417	3,839	5,036	4,054	54,188
Environment GRT Total	123,534	135,685	123,722	133,910	132,245	124,172	126,317	147,873	121,930	125,306	141,821	128,213	1,564,727
Municipal Infrastructure GRT	434,166	474,412	434,800	467,558	466,720	434,377	442,954	525,378	426,542	439,865	502,331	452,700	5,501,803
Municipal Infrastructure GRT - Food	43,747	47,759	43,484	47,572	44,330	44,830	45,691	44,298	43,433	45,877	44,730	43,939	539,691
Municipal Infrastructure GRT - Medical	16,236	20,463	16,547	20,409	17,900	17,416	16,574	21,821	17,668	15,357	20,144	16,217	216,752
Municipal Infrastructure GRT Total	494,149	542,634	494,831	535,539	528,950	496,623	505,219	591,496	487,644	501,100	567,205	512,855	6,258,247
Municipal GRT	2,200,061	2,404,596	2,203,593	2,369,801	2,365,277	2,201,457	2,244,902	2,662,553	2,161,985	2,229,659	2,545,999	2,294,006	27,883,890
Municipal GRT - Food	218,733	238,796	217,421	237,862	221,652	224,151	228,455	221,488	217,167	229,387	223,651	219,695	2,698,458
Municipal GRT - Medical	81,180	102,315	82,733	102,043	89,499	87,082	82,870	109,107	88,342	76,785	100,721	81,083	1,083,759
Municipal GRT Total	2,499,973	2,745,707	2,503,747	2,709,706	2,676,427	2,512,691	2,556,227	2,993,148	2,467,494	2,535,831	2,870,371	2,594,783	31,666,107
SSGRT	2,199,126	2,404,131	2,202,928	2,369,121	2,365,030	2,200,843	2,244,696	2,661,599	2,161,432	2,228,755	2,545,375	2,293,590	27,876,625
SSGRT - Food	214,358	234,020	213,073	233,105	217,218	219,668	223,886	217,058	212,824	224,799	219,178	215,301	2,644,488
SSGRT - Medical	79,556	100,268	81,078	100,002	87,709	85,341	81,213	106,925	86,575	75,249	98,707	79,461	1,062,084
SSGRT Total	2,493,040	2,738,419	2,497,079	2,702,228	2,669,958	2,505,852	2,549,795	2,985,582	2,460,831	2,528,803	2,863,260	2,588,352	31,583,198
Total GRT	4,941,891	5,401,769	4,950,036	5,323,394	5,313,714	4,945,288	5,043,303	5,980,873	4,856,614	5,008,277	5,719,307	5,153,470	62,637,935
Total GRT - Food	487,775	532,515	484,849	530,432	494,283	499,857	509,454	493,918	484,283	511,532	498,742	489,920	6,017,560
Total GRT - Medical	181,031	228,162	184,494	227,557	199,583	194,194	184,801	243,308	197,002	171,230	224,609	180,814	2,416,783
Grand Total GRT	5,610,696	6,162,445	5,619,379	6,081,383	6,007,580	5,639,338	5,737,558	6,718,100	5,537,899	5,691,039	6,442,657	5,824,205	71,072,278
% Growth over Prior Year	-0.1%	-9.6%	1.0%	3.6%	2.5%	1.4%	4.8%	-4.2%	-1.7%	0.4%	3.6%	0.6%	0.0%
% Cumulative Growth	-0.1%	-5.3%	-3.3%	-1.6%	-0.8%	-0.5%	0.3%	-0.4%	-0.5%	-0.5%	-0.1%	0.0%	
											Food as a % of Total		8.47%
											Medical as a % of Total		3.40%

FY 2013

	July-12	August-12	September-12	October-12	November-12	December-12	January-13	February-13	March-13	April-13	May-13	June-13	
Environment GRT	124,170	123,715	116,370	115,544									479,799
Environment GRT - Food	11,898	10,988	11,278	11,360									45,525
Environment GRT - Medical	4,484	4,374	4,166	3,995									17,019
Environment GRT Total	140,553	139,077	131,814	130,899									542,344
Municipal Infrastructure GRT	496,619	494,815	465,431	462,162									1,919,028
Municipal Infrastructure GRT - Food	47,593	43,953	45,114	45,441									182,100
Municipal Infrastructure GRT - Medical	17,937	17,496	16,663	15,982									68,077
Municipal Infrastructure GRT Total	562,148	556,264	527,208	523,585									2,169,205
Municipal GRT	2,516,989	2,507,745	2,358,842	2,342,060									9,725,636
Municipal GRT - Food	237,963	219,763	225,569	227,203									910,498
Municipal GRT - Medical	89,683	87,482	83,313	79,908									340,385
Municipal GRT Total	2,844,635	2,814,990	2,667,724	2,649,171									10,976,519
SSGRT	2,519,033	2,507,252	2,358,054	2,341,959									9,726,299
SSGRT - Food	233,204	215,368	221,057	222,659									892,288
SSGRT - Medical	87,890	85,732	81,646	78,310									333,578
SSGRT Total	2,840,127	2,808,352	2,660,758	2,642,928									10,952,165
Total GRT	5,656,811	5,633,528	5,298,698	5,261,725	-	-	-	-	-	-	-	-	21,850,762
Total GRT - Food	530,658	490,072	503,018	506,663	-	-	-	-	-	-	-	-	2,030,411
Total GRT - Medical	199,994	195,084	185,787	178,194	-	-	-	-	-	-	-	-	759,060
Grand Total GRT	6,387,463	6,318,683	5,987,504	5,946,583									24,640,233
% Growth over Prior Year	13.8%	2.5%	6.6%	-2.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
% Cumulative Growth	13.8%	7.9%	7.5%	5.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
											Food as a % of Total		8.24%
											Medical as a % of Total		3.08%

Police Vehicle Replacement Program

- A typical police vehicle costs between \$30,000 and \$35,000
- City can use a combination of cash, grants and revenues to fund
- City could establish a short maturity cycling program to routinely replace aging vehicles
- State Law Enforcement fund can be pledged and used to pay the debt service on bonds issued
- An example of a police vehicle cycling program is shown on the following page

Police Vehicle Replacement Program

Year	Series 2013 - 10 Vehicles				Series 2014 - 5 Vehicles				Series 2015 - 5 Vehicles				Series 2016 - 5 Vehicles			
	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total
2014	137,000	0.80%	3,314	140,314												
2015	40,000	1.12%	2,218	42,218	95,000	2.00%	3,060	98,060								
2016	40,000	1.36%	1,770	41,770	15,000	2.00%	1,160	16,160	79,000	2.25%	3,443	82,443				
2017	40,000	1.65%	1,226	41,226	15,000	2.00%	860	15,860	19,000	2.25%	1,665	20,665	59,000	2.50%	3,825	62,825
2018	28,000	2.02%	566	28,566	14,000	2.00%	560	14,560	19,000	2.25%	1,238	20,238	24,000	2.50%	2,350	26,350
2019					14,000	2.00%	280	14,280	18,000	2.25%	810	18,810	24,000	2.50%	1,750	25,750
2020									18,000	2.25%	405	18,405	23,000	2.50%	1,150	24,150
2021													23,000	2.50%	575	23,575
2022																
2023																
2024																
2025																
Total	285,000		9,092	294,092	153,000		5,920	158,920	153,000		7,560	160,560	153,000		9,650	162,650

Year	Series 2017 - 5 Vehicles				Series 2018 - 5 Vehicles				Series 2019 - 5 Vehicles				Total		
	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total	Principal	Coupon	Interest	Total	Principal	Total Interest	Total
2010													137,000	3,314	140,314
2011													135,000	5,278	140,278
2012													134,000	6,372	140,372
2013													133,000	7,576	140,576
2014	47,000	2.50%	3,825	50,825									132,000	8,538	140,538
2015	27,000	2.50%	2,650	29,650	48,000	2.50%	3,825	51,825					131,000	9,315	140,315
2016	27,000	2.50%	1,975	28,975	27,000	2.50%	2,625	29,625	36,000	2.50%	3,825	39,825	131,000	9,980	140,980
2017	26,000	2.50%	1,300	27,300	26,000	2.50%	1,950	27,950	30,000	2.50%	2,925	32,925	105,000	6,750	111,750
2018	26,000	2.50%	650	26,650	26,000	2.50%	1,300	27,300	29,000	2.50%	2,175	31,175	81,000	4,125	85,125
2019					26,000	2.50%	650	26,650	29,000	2.50%	1,450	30,450	55,000	2,100	57,100
2020									29,000	2.50%	725	29,725	29,000	725	29,725
2021													-	-	-
Total	153,000		10,400	163,400	153,000		10,350	163,350	153,000		11,100	164,100	1,203,000	64,072	1,267,072

Recap – Additional Sources of Funding

- Sources of Funding that requires a tax rate increase and/or election

- Municipal Gross Receipts Tax Bonds
 - Can issue up to \$75 million for general City projects over the next 10 years

- General Obligation Bonds
 - \$1 mill per \$1,000 of assessed valuation (1.0 mill)
 - Can issue up to \$30 million for general City projects over the next 10 years
 - \$1.5 mill per \$1,000 of assessed valuation (1.5 mill)
 - Can issue up to \$45 million for general City projects over the next 10 years
 - \$2 mill per \$1,000 of assessed valuation (2.0 mill)
 - Can issue up to \$60 million for general City projects over the next 10 years

- Bonds issued from other sources of funding for impact fees, Special Assessment Districts and Public Improvement Districts are determined upon need, City policies, State law and revenues generated to pay debt service.

Appendix



RBC Capital Markets®

Comparison of TIDs, PIDs & SADs

APPENDIX SECTION IV



RBC Capital Markets®

Comparison of TIFs, PIDs and SADs

	TIF	PID	SAD
New Tax or Revenue Sources Required	No	Yes	Yes
Election Required	Yes	Yes	No ⁽¹⁾
Separate Governing Board Required	Yes	Yes	No
Bond Maturity Limitation	25 Years	40 Years	20 Years
Source of Revenue	GRT and Property Tax	Property Tax, Special Levy, GRT, Enterprise Revenue (water/sewer)	Special Assessment or Property Tax (can be additionally secured by other revenue streams)
Limitation on Tax / Levy	75% of GRT and Property Tax	None	None

(1) If general obligation bonds are issued election is required

Market Update

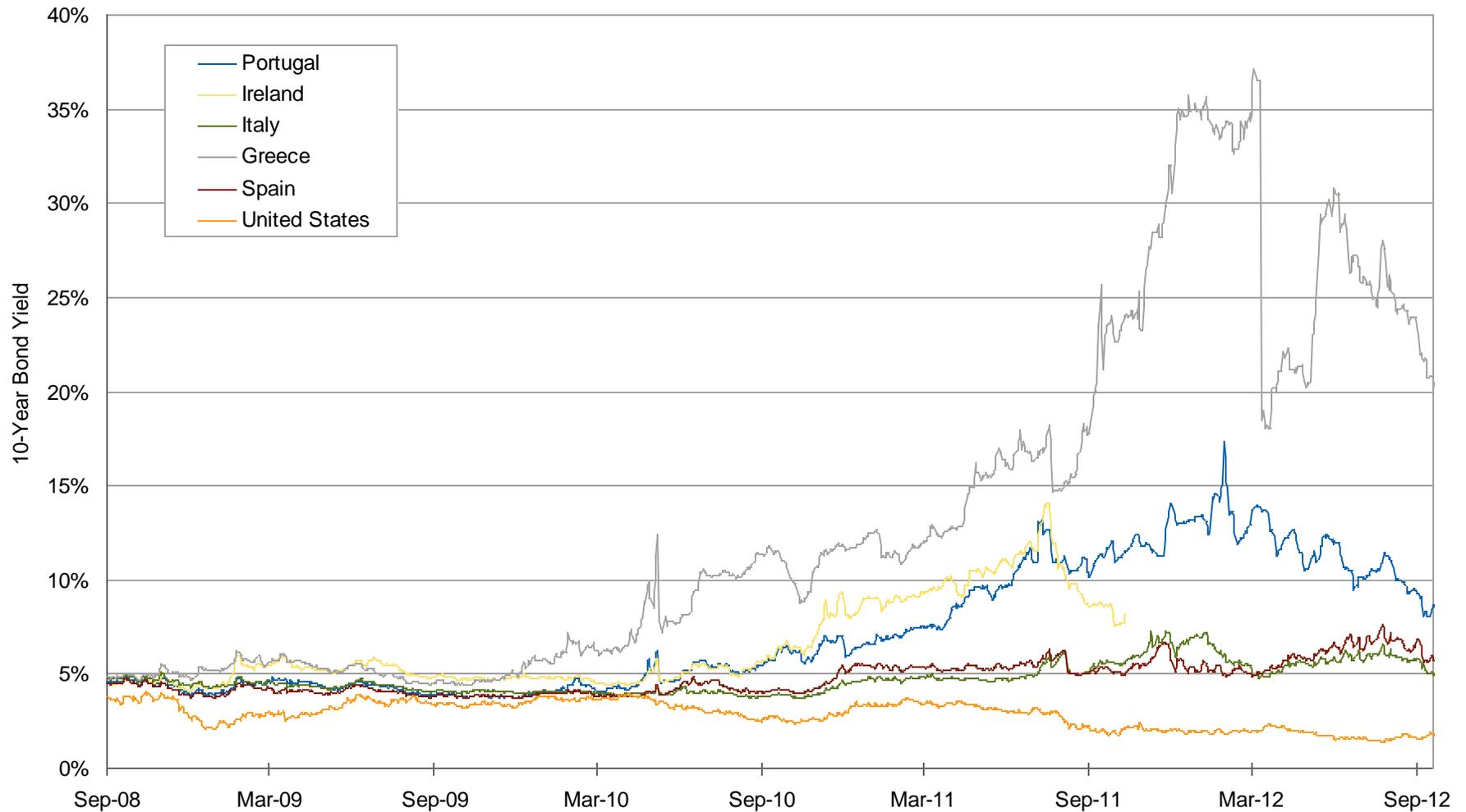
APPENDIX SECTION V



RBC Capital Markets®

10-Year Sovereign Bonds Since 2008

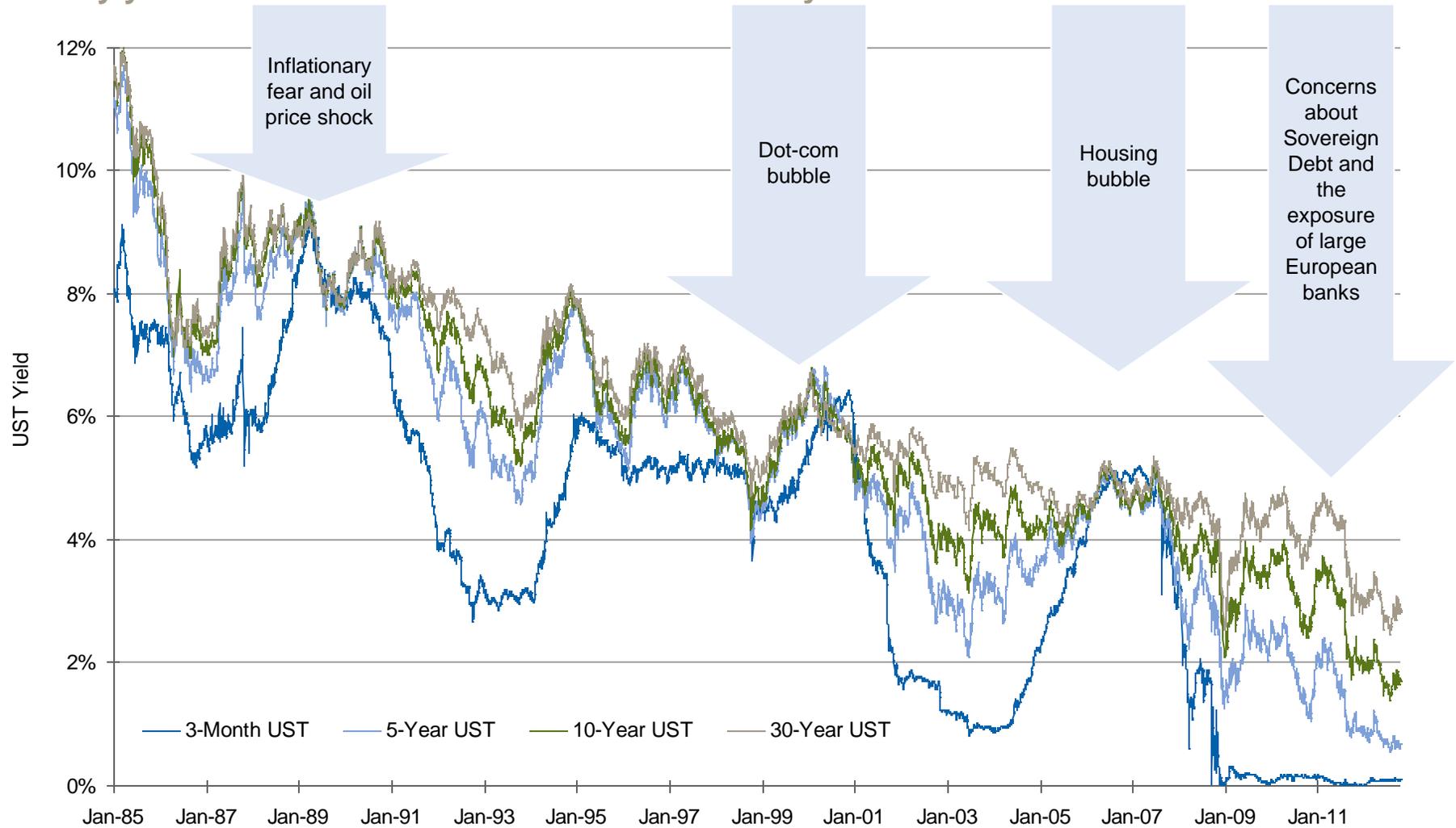
Global sovereign credit concerns have caused massive “flight-to-quality”



Source: Bloomberg as of October 18, 2012

Treasuries have Plummeted

Treasury yields have fallen to lowest levels in over 65 years

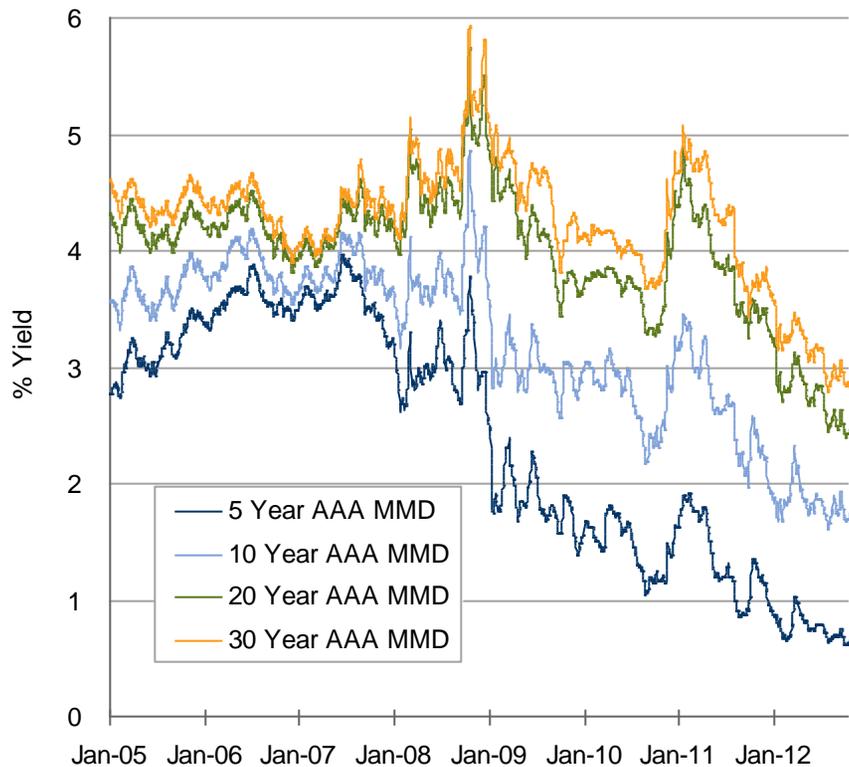


Source: Bloomberg and US Treasury as of October 18, 2012

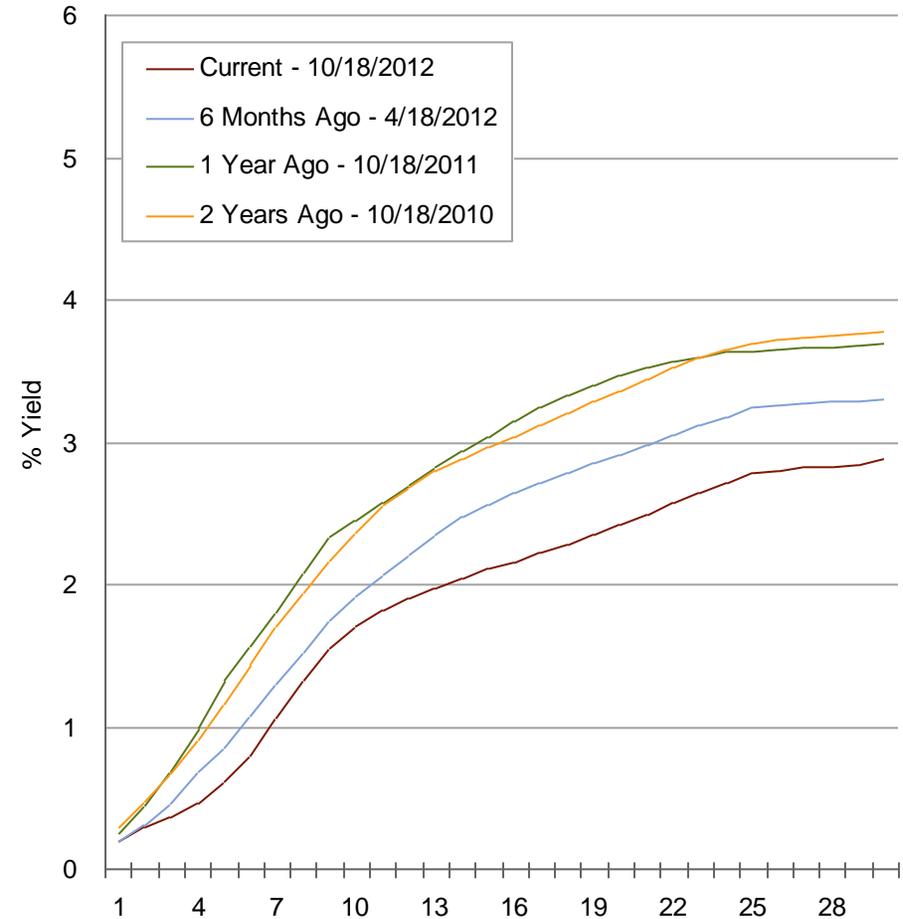
Tax-Exempt MMD

Absolute Rates for "AAA" MMD (Jan. 2005 – Present)

	5Y AAA	10Y AAA	20Y AAA	30Y AAA
Minimum	0.62%	1.60%	2.40%	2.79%
Maximum	3.97%	4.86%	5.74%	5.94%
Current	0.66%	1.74%	2.46%	2.86%



Municipal Yield Curve Shifts



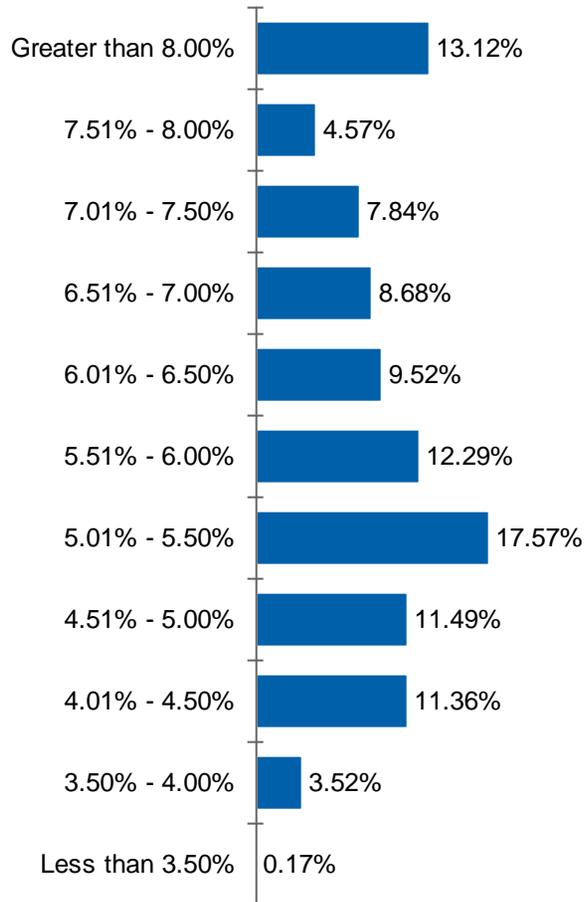
Tax-exempt rates remain near historic lows

Source: Municipal Market Data (TM3) as of October 18, 2012

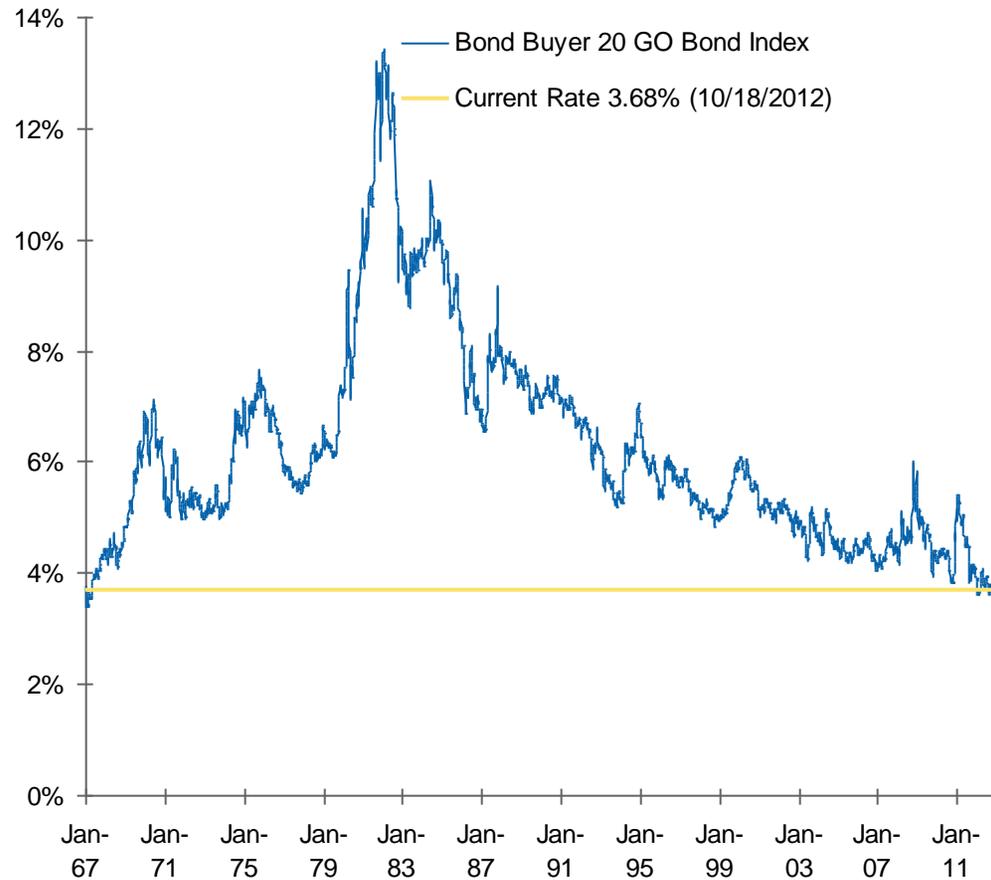
Bond Buyer 20 General Obligation Bond Index

45 Year Historical Perspective

% of Time Since 1967



Bond Buyer 20 GO Index Since January 1967



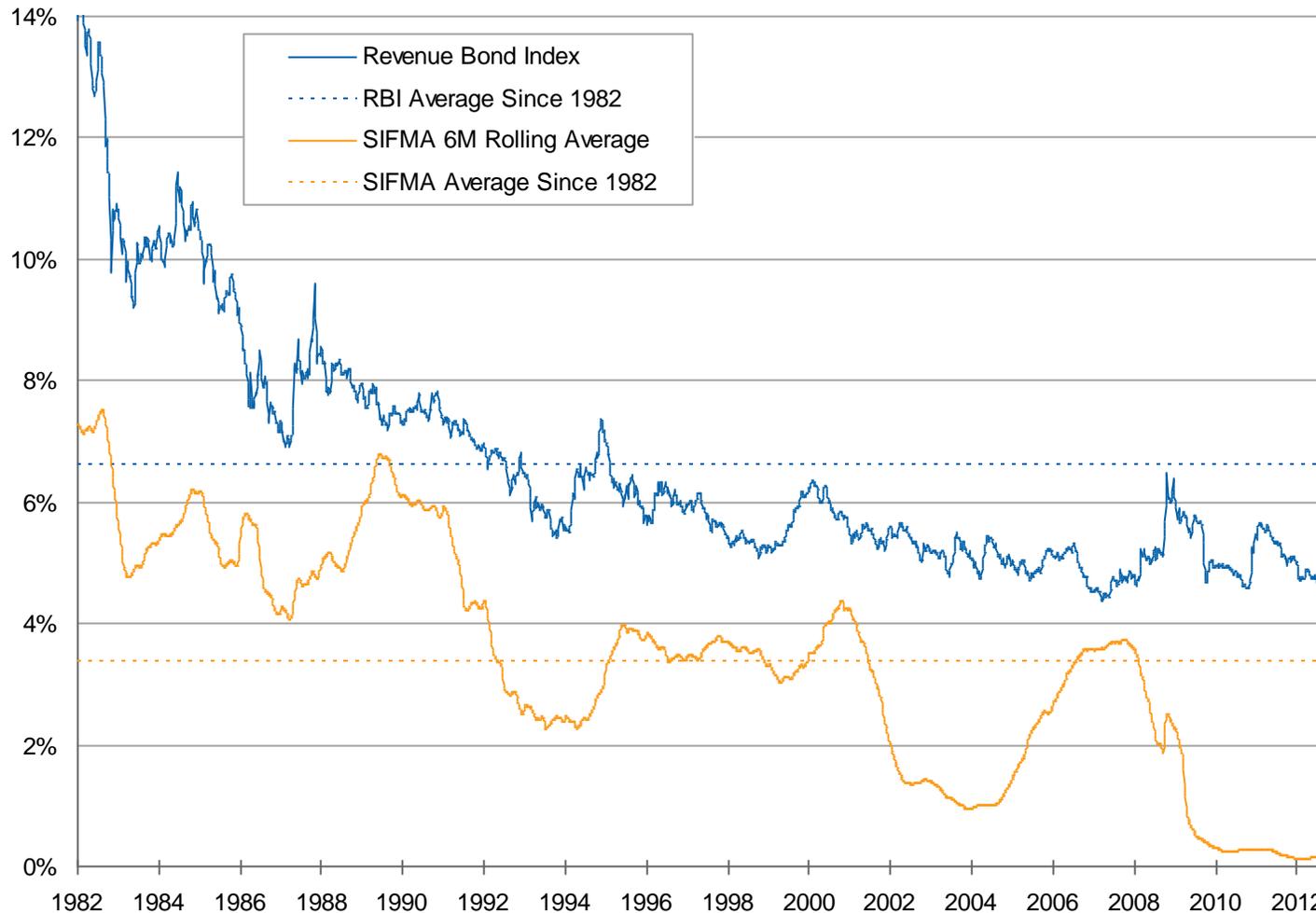
Today's 3.68% level is lower than 98.8% of historical rates since January 1967

Source: Bloomberg as of October 18, 2012

Fixed Rates Are Low and the Yield Curve is Steep

30-year tax-exempt fixed rates are well below their historical average

Tax-Exempt Fixed Rates vs. Variable Rates Since January 1, 1982



Fixed Rates are near all-time low of 4.31% reached in September 2012

Revenue Bond Index
 Current: 4.33%
 15-Year Average: 5.23%
 Average Since 1982: 6.59%

SIFMA Index
 Current: 0.18%
 15-Year Average: 2.07%
 Average Since 1982: 3.36%

Source: Bloomberg as of October 18, 2012

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