

AGENDA REPORT

CITY OF ALAMOGORDO

CITY COMMISSION

Meeting Date: 2/9/2021

Report Date: 2/2/2021

Report No: 10.

Submitted By: Debbie Osborne

Subject: Consider, and act upon, Ordinance 1626 for first publication authorizing the execution and delivery of a loan and subsidy agreement for the amount of \$2,151,300.00 between the City of Alamogordo and New Mexico Finance Authority. (*Evelyn Huff, Finance Director*) **(Roll Call Vote Required)**

Fiscal Impact: \$2,151,300.00

Amount Budgeted: \$0.00

Fund: 082

Additional Fiscal Impact: Total DWSRF Loan= \$2,151,300.00. Loan was awarded in the amount of \$2,130,000 plus \$21,300 Cost of Issuance Fee (COI). Funding breakdown: \$1,075,650 DWSRF Loan / \$1,064,885 DWSRF Principal Forgiveness (Grant); \$21,300 COI / \$10,765 DWSRF COI Forgiveness. Loan term is 20 years at 0.34% interest.

Recommendation: Approve Ordinance No. 1626 for first publication.

Background: On October 27, 2020, the City Commission approved acceptance of a Commitment Letter from NMFA for a \$2,151,300.00 Drinking Water State Revolving Fund Loan to make Bonito Lake Surface Water Reservoir Improvements. Ordinance No. 1626 authorizes the execution and delivery of a loan and subsidy agreement between the City of Alamogordo and New Mexico Finance Authority. The Ordinance further establishes all terms and conditions of the loan agreement. The City will pay a principal amount of no more than \$1,075,650, together with interest, expenses, if any and administrative fees thereon, and to accept a loan subsidy of no more than one million seventy-five thousand six hundred fifty dollars \$1,075,650, for the purpose of financing the costs of making improvements to Bonito Lake surface water reservoir as further described in Ordinance No. 1626.