

## BONDED INDEBTEDNESS

The City finances a substantial portion of its traditional municipal capital improvements with general obligation bonds. However, certain capital improvements are financed with revenue bonds. The City's Capital Implementation Program (CIP) 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. It was the policy of the City for more than ten years to maintain a stable tax rate of approximately 20 mills for general obligation bond debt service. Capacity to issue bonds in future years was calculated by using a tax production at 20 mills and assumed new issues would have level annual principal payments for a ten-year retirement. Beginning in 1986, successive statewide reassessments to bring locally assessed property values up to the statutory requirement of "current and correct" resulted in large increases in net-taxable value and reduced substantially the debt service mill levy required to meet debt service on outstanding general obligation bonds.

In putting together both the CIP program for the next bond election and the Decade Plan, the City continues to assume a stable mill levy, (at 8.976 mills), approximately equal annual principal payments, and a maximum maturity on the bonds of ten years. The City's proposed 2001 ten-year CIP set the level of project funding at \$130 million per bond cycle for the foreseeable future. The shift of one mill from debt to operations makes the debt mill levy now 7.976 and will lower the level of expenditures for future bond cycles.

Utility and enterprise projects are funded directly out of revenues or with revenue bonds supported by net revenues. To the extent that

net revenues of the enterprise produce minimal coverage or fall short in the start up years for discrete projects, gross receipts taxes have been pledged as additional security. Gross receipts taxes have been used to secure parking structure revenue bonds, airport revenue bonds, lodgers' tax bonds, to finance the construction of the convention center and a municipal office building, and to acquire another office building.

The total outstanding general obligation indebtedness of the City as of July 1, 2004 is \$204.385 million shown in the table on the next page. A history is presented in Table V in Statistical Information. The City does not have any short-term tax revenue anticipation notes outstanding. The amount of general-purpose general obligation debt of the City is limited to 4% of assessed valuation; debt for water and sewer purposes has no limit. As of December 31, 2003, the 4% statutory limit is \$315.353 million versus outstanding general-purpose debt of \$179.195 million, leaving \$136.158 million available for future issues. In a regular municipal election on October 28, 2003, the voters approved the issuance of \$105.460 million of general purpose general obligation bonds, of which \$35.8 million general purpose taxable bonds were issued on June 24, 2004. The remaining authorized \$69.66 million is expected to be issued in July 2005.

The Albuquerque Metropolitan Arroyo Flood Control Authority (AMAFCA) is a special purpose district that overlaps Albuquerque. The amount of debt it can issue is limited by state statute. AMAFCA is authorized \$40 million of which \$24.35 million is issued and outstanding as of December 30, 2003, with \$20.741 million payable from taxable property within the City.

**CITY OF ALBUQUERQUE, NM**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**July 1, 2004**

	<u>RATINGS/CR. ENH.</u> (Moody's/S&P/Fitch)	<u>FINAL MATURITY</u>	<u>ORIGINAL AMT ISSUED</u>	<u>AMOUNT RETIRED</u>	<u>AMOUNT OUTSTANDING</u>	<u>INTEREST RATES</u>
<b>GENERAL OBLIGATION BONDS:</b>						
	Aa3/AA/AA					
MAR'94 STORM SEWER		07/01/03	15,000,000	15,000,000	0	4.9-5%
FEB'96 GENERAL PURPOSE*		07/01/04	23,025,000	23,025,000	0	5%
FEB'96 STORM SEWER		07/01/05	3,500,000	1,000,000	2,500,000	5-5.5%
FEB'97 GENERAL PURPOSE*		07/01/05	44,620,000	42,920,000	1,700,000	5%
FEB'97 STORM SEWER		07/01/06	6,700,000		6,700,000	5%
FEB'98 GENERAL PURPOSE*		07/01/05	38,030,000	33,830,000	4,200,000	4.0 - 5.0%
FEB'98 STORM SEWER		07/01/07	6,350,000	0	6,350,000	5%
FEB'99 GENERAL PURPOSE*		07/01/06	16,870,000	12,870,000	4,000,000	3.625-3.95%
FEB'99 STORM SEWER		07/01/08	4,760,000	0	4,760,000	4.0-4.05%
AUG '99 GENERAL PURPOSE*		07/01/09	24,105,000	14,105,000	10,000,000	4.500-4.875%
JUL'00 GENERAL PURPOSE*		07/01/10	44,080,000	43,630,000	450,000	5.00%
JUL'00 STORM SEWER		07/01/10	6,750,000		6,750,000	5.00%
SEP '01 GENERAL PURPOSE*		07/01/11	46,315,000	20,645,000	25,670,000	4.0-5.0%
SEP '01 STORM SEWER		07/01/11	4,510,000		4,510,000	4.375%
OCT '01 TAXABLE STADIUM		07/01/10	10,000,000	4,000,000	6,000,000	4.0 - 5.6%
FEB '02 GENERAL PURPOSE*		07/01/09	20,000,000	6,600,000	13,400,000	2.50 - 5.0%
FEB '02 STORM SEWER		07/01/11	5,600,000		5,600,000	4.50-4.50%
JUL'03 EQUIPMENT		07/01/04	8,750,000	8,750,000	0	2.50%
JUL'03 GENERAL PURPOSE		07/01/12	81,805,000	25,250,000	56,555,000	2.50%-5.00%
JUL'03 STORM SEWER		07/01/13	9,440,000		9,440,000	3.00%-4.50%
May '04 GENERAL PURPOSE (SHORT TERM)		09/01/04	30,000,000		30,000,000	1.320%
May '04 GENERAL PURPOSE		07/01/05	5,800,000		5,800,000	2.200%
<b>SUBTOTAL - GENERAL OBLIGATION BONDS</b>			<b>\$456,010,000</b>	<b>\$251,625,000</b>	<b>\$204,385,000</b>	
					<b>\$157,775,000</b>	
					46,610,000	
* Subject to 4% constitutional limit on general obligation debt. Water & Sewer (constitutional unlimited)						
<b>REVENUE BONDS:</b>						
<b>AIRPORT</b>						
	A1/A+/A+					
MAY'95 AIRPORT SUB LIEN ADJ TENDER RFDG	CIBC L/C	07/01/14	67,000,000	19,600,000	47,400,000	6.685% (swap rate)
APR'97 AIRPORT REFDG REVENUE	AAA (AMBAC)	07/01/18	33,310,000	6,245,000	27,065,000	6.25-6.75%
AUG'98 AIRPORT REFDG REVENUE	AAA (AMBAC)	07/01/19	42,685,000	5,245,000	37,440,000	3.80% - 5.00%
MAY '00 AIRPORT SUB LIEN ADJ TENDER REV TAXEXEMPT	AAA (AMBAC)	07/01/20	7,200,000	1,700,000	5,500,000	floating-weekly
MAY '00 AIRPORT SUB LIEN ADJ TENDER REV TAXABLE	AAA (AMBAC)	07/01/20	40,000,000	21,300,000	18,700,000	floating-weekly
AUG. '01 AIRPORT REFDG REVENUE	AAA (AMBAC)	07/01/16	42,550,000	3,235,000	39,315,000	2.9% - 5.375%
March 04 AIRPORT REFDG REVENUE	AAA (MBIA)	07/01/18	20,610,000	0	20,610,000	1.63% - 5.11%
March 04 AIRPORT REVENUE	AAA (MBIA)	07/01/24	30,000,000	0	30,000,000	2.0% - 4.5%
<b>SUBTOTAL - AIRPORT</b>			<b>\$283,355,000</b>	<b>\$57,325,000</b>	<b>\$226,030,000</b>	

**CITY OF ALBUQUERQUE, NM**  
**SCHEDULE OF BONDED INDEBTEDNESS**  
**July 1, 2004**

	<u>RATINGS/CR. ENH.</u> (Moody's/S&P/Fitch)	<u>FINAL MATURITY</u>	<u>ORIGINAL AMT ISSUED</u>	<u>AMOUNT RETIRED</u>	<u>AMOUNT OUTSTANDING</u>	<u>INTEREST RATES</u>
<b>GROSS RECEIPTS TAX (1.225% STATE SHARED)</b>						
NOV'96 REFUNDING	A1/AA/AA	07/01/11	18,315,000	9,115,000	9,200,000	4.5-5%
MAR '99 REFUNDING REVENUE		07/01/22	27,130,000		27,130,000	4.75 - 5.25%
JAN. '00 VARIABLE RATE TAXABLE SERIES 2000A		07/01/14	25,600,000	2,100,000	23,500,000	floating-weekly
FEB. '01 TAXABLE GOLF REVENUE/GRT BONDS SERIES 2001		07/01/11	2,420,000	535,000	1,885,000	5.7 - 6.7%
APR. '01 HELICOPTER NMFA LOAN		07/01/06	700,000	402,884	297,116	3.27-3.87%
OCT. 02 NMFA Stadium Lease Loan			6,000,000	140,214	5,859,786	
DEC. 02 NMFA Stadium Surcharge Loan			9,000,000	239,706	8,760,294	
<b>SUBTOTAL - GRT (1.225% STATE SHARED)</b>			<b>\$89,165,000</b>	<b>\$11,215,000</b>	<b>\$76,632,196</b>	
<b>GROSS RECEIPTS/LODGERS' TAX</b>						
NOV'91 SERIES 1991B - left after partially refunding by Series 1999B	AAA(FSA)	07/01/19	15,923,656	4,320,000	19,579,016	5.1-7.1% (CABs)
MAR'95 SERIES 1995	CIBC L/C	07/01/23	6,700,000	5,400,000	1,300,000	floating-weekly
FEB 99 SERIES 1999B REFDG		07/01/25	45,335,000		45,335,000	4.60-5.00%
<b>SUBTOTAL - GROSS REC/LODGERS' TAX</b>			<b>\$67,958,656</b>	<b>\$9,720,000</b>	<b>\$66,214,016</b>	
(1) Amount outstanding represents the accreted value of the Capital Appreciation Bonds (CAB) as of 1/1/05						
<b>MUNICIPAL GROSS RECEIPTS TAX</b>						
MAY'92 REFUNDING	A1/AA/AA	07/01/07	11,420,000	7,680,000	3,740,000	5-6.3%
FEB'99 SERIES 1999 A REFDG ('95)		07/01/15	6,070,000	1,260,000	4,810,000	4.25 - 5.0%
<b>SUBTOTAL - MUNICIPAL GRT</b>			<b>\$17,490,000</b>	<b>\$8,940,000</b>	<b>\$8,550,000</b>	
<b>JOINT WATER AND SEWER</b>						
JUN'90 A-IMPROVEMENT	Aa3/AA/AA	07/01/15	\$9,991,710	\$2,625,000	\$24,113,838	6-7.17% (CABs)
JAN'94 A-RFDG & IMPRMNT		07/01/05	103,095,000	93,555,000	9,540,000	2.75-4.6%
AUG'95 IMPROVEMENT		07/01/07	38,940,000	24,840,000	14,100,000	3.625-6%
JUL'97 IMPROVEMENT		07/01/09	46,715,000	20,775,000	25,940,000	4.75%
JAN'99 A - RFDG & IMPROVEMENT - New Money and refunded Series 1992 (partial)		07/01/11	93,030,000	25,610,000	67,420,000	4.0-5.25%
MAY'00 A - RFDG FWD - refunded Series 1990B (partial)		07/01/06	26,375,000	17,285,000	9,090,000	5.000%
DEC '01 - IMPROVEMENT		07/01/13	30,000,000	300,000	29,700,000	3.0- 4.50%
May '02 - NMFA PPRF Loan		07/01/14	450,000	60,616	389,384	2.33 - 4.32%
May '02 - NMFA DWRLF Loan		07/01/14	2,450,000	341,395	2,108,605	2.75%
April '03 - NMFA DWRLF Loan		07/01/15	3,600,000	268,339	3,331,661	3.00%
<b>SUBTOTAL - JOINT WATER &amp; SEWER</b>			<b>\$354,646,710</b>	<b>\$185,660,350</b>	<b>\$185,733,488</b>	
(1) Amount outstanding represents the accreted value of the Capital Appreciation Bonds (CAB) as of 1/1/04						
<b>REFUSE REMOVAL AND DISPOSAL</b>						
SEP'92 - Partially refunded by 2001 B - left outstanding	A1/AA-/AA					
JUL'95 REFUNDING	AAA (AMBAC)	07/01/12	15,990,000	15,435,000	555,000	3.4-5.75%
JAN'98	AAA (AMBAC)	07/01/09	13,515,000	5,880,000	7,635,000	3.85-5.3%
	AAA (AMBAC)	07/01/13	10,170,000	3,295,000	6,875,000	3.75%-4.625%

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MAY01 A IMPROVEMENT	AAA (AMBAC)	07/01/08	3,385,000	1,355,000	2,030,000	4.0-4.1%	
MAY01 B REFUNDING	AAA (AMBAC)	07/01/12	10,820,000	95,000	10,725,000	3.625-5.25%	
MAY04 NMFA Loan			5,800,000		5,800,000		
<b>SUBTOTAL - REFUSE</b>			<b>\$59,680,000</b>	<b>\$26,060,000</b>	<b>\$33,620,000</b>		
<b>SUBTOTAL - REVENUE BONDS</b>			<b>\$872,295,367</b>	<b>\$298,920,350</b>	<b>\$596,779,700</b>		
<b>SPECIAL ASSESSMENT DISTRICT BONDS</b>							
SAD 223 A (JUN'95)	Parity Lien	Bank of America	1/1/2015	6,245,000	6,045,000	200,000	4.75-6.45%
SAD 223 B (JUN'95)	Parity Lien	Bank of America	1/1/2015	1,510,000	1,115,000	395,000	5-6.65%
SAD 224 A (FEB'99)	Parity Lien		7/1/2009	3,955,000	3,405,000	550,000	3.65-5.10%
SAD 224 B (FEB'99)	Parity Lien		7/1/2009	995,000	905,000	90,000	3.65-5.10%
SAD 224 C (FEB'99)			7/1/2009	360,000	360,000	0	4.791-6.09%
SAD 226 Tax-exempt NMFA Loan (JUL '00)			7/1/2011	11,568,376	9,612,785	1,955,591	4.72% - 5.18%
SAD 226 Taxble NMFA Loan (JUL '00)			7/1/2011	788,685	700,872	87,813	7.26 - 7.36%
SAD 225 Tax-exempt NMFA Loan (NOV '00)			7/1/2011	3,867,500	3,001,407	866,093	4.55% - 5.20%
SAD 222 Tax-exempt NMFA Loan (OCT '00)			7/1/2011	2,605,539	1,606,145	999,394	2.6% - 4.26%
SAD 216 Tax-exempt NMFA Loan (MAY '02)			7/1/2012	1,314,322	654,873	659,449	1.82% - 4.47%
SAD 227 Tax-exempt NMFA Loan (FEB '04)			7/1/2014	8,170,888	0	8,170,888	.79% - 3.34%
SAD 227 Taxable NMFA Loan (FEB '04)			7/1/2014	404,255	0	404,255	1.15% - 4.71%
<b>SUBTOTAL - SAD BONDS</b>			<b>\$43,364,565</b>	<b>\$28,986,082</b>	<b>\$14,378,483</b>		
<b>SAD BONDS SUMMARY:</b>							
W/ GAS TAX PLEDGE			11,555,000	10,805,000	750,000		
W/ SURPLUS W/S PLEDGE			2,730,000	2,245,000	485,000		
W/O CITY REV. PLEDGE			27,360,988	15,281,209	12,079,779		
			41,645,988	28,331,209	13,314,779		
<b>GRAND TOTAL - GENERAL OBLIGATION, REVENUE &amp; SAD BONDS</b>					<b>\$815,543,183</b>		