New Mexico DEPARTMENT OF TRANSPORTATION

MOBILITY FOR EVERYONE

New Mexico Finance Authority Oversight Committee

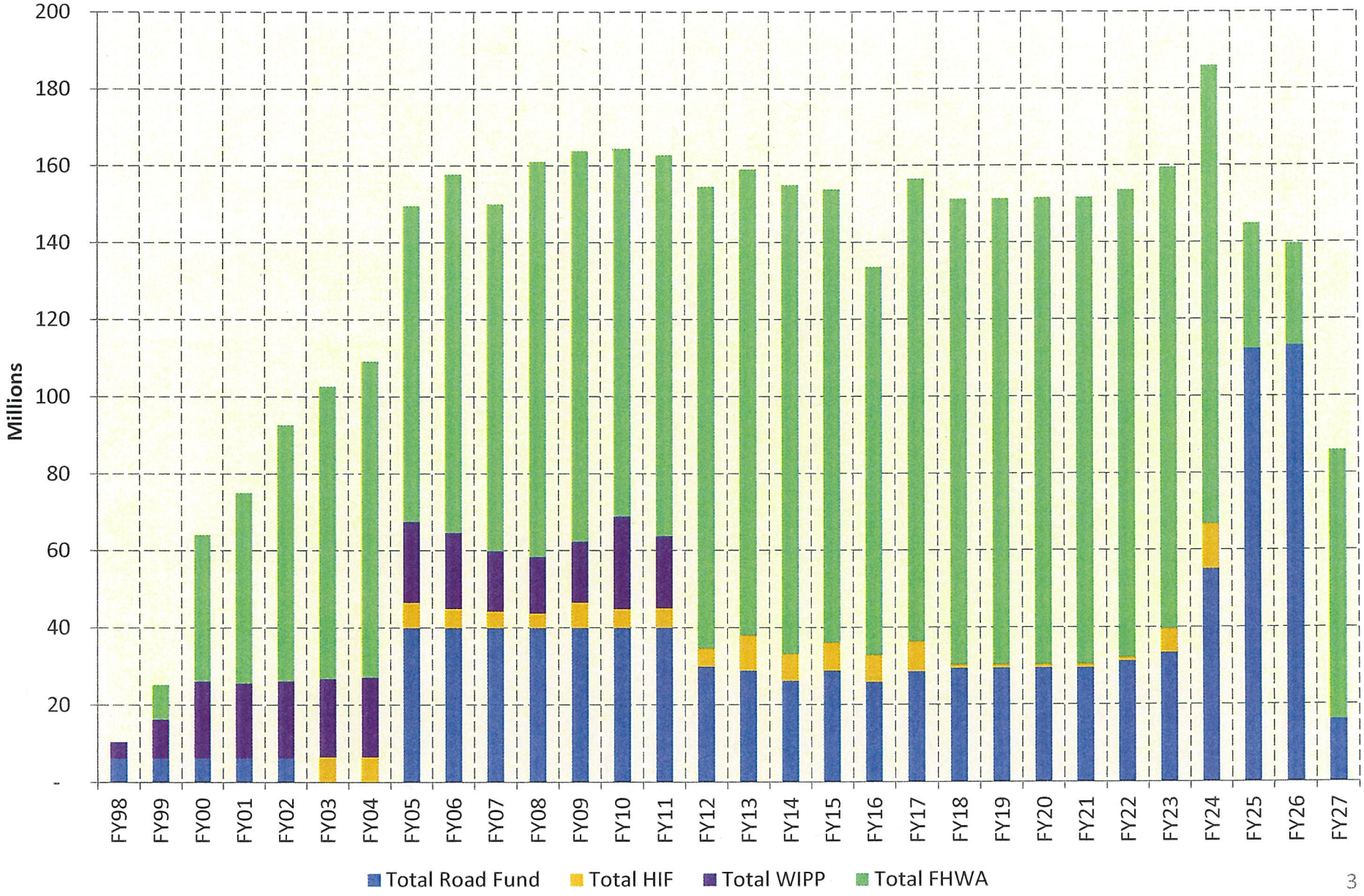
NMDOT Bond Program Update

August 26, 2013

NMDOT Bond Program

- **Over the last 3 years the NMDOT has successfully completed several transactions to help reduce the overall cost to the state of New Mexico.**
  - In 2010 the NMDOT completed a refinancing which led to $23.7 million savings.
  - In 2012 the NMDOT completed another refinancing which led to a $31.9 million dollar savings.
  - In 2013 the NMDOT also was successful in renegotiating the escrow agreement with BNSF for the Rail Runner to replace $50.4 million in taxable bonds with a Line of Credit which reduced the annual cost and should save the NMDOT approximately $19 million over the remaining years of the bond program.
  - In 2013 the NMDOT along with NMFA renegotiated the MOU between the two agencies reducing the administration fees for the Bond Program saving the NMDOT approximately $2.4 million annually.

Annual Debt Service by Revenue Source



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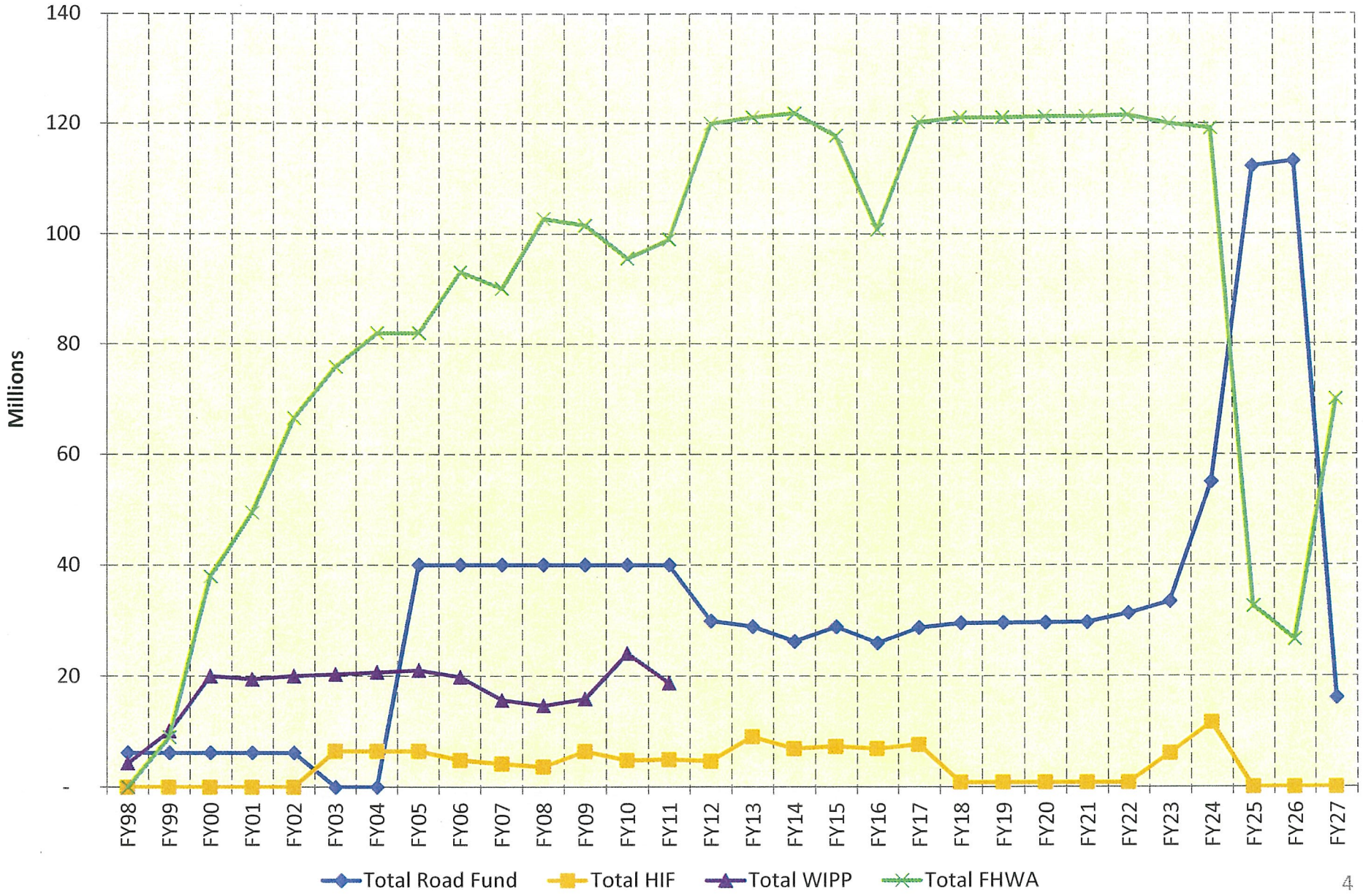
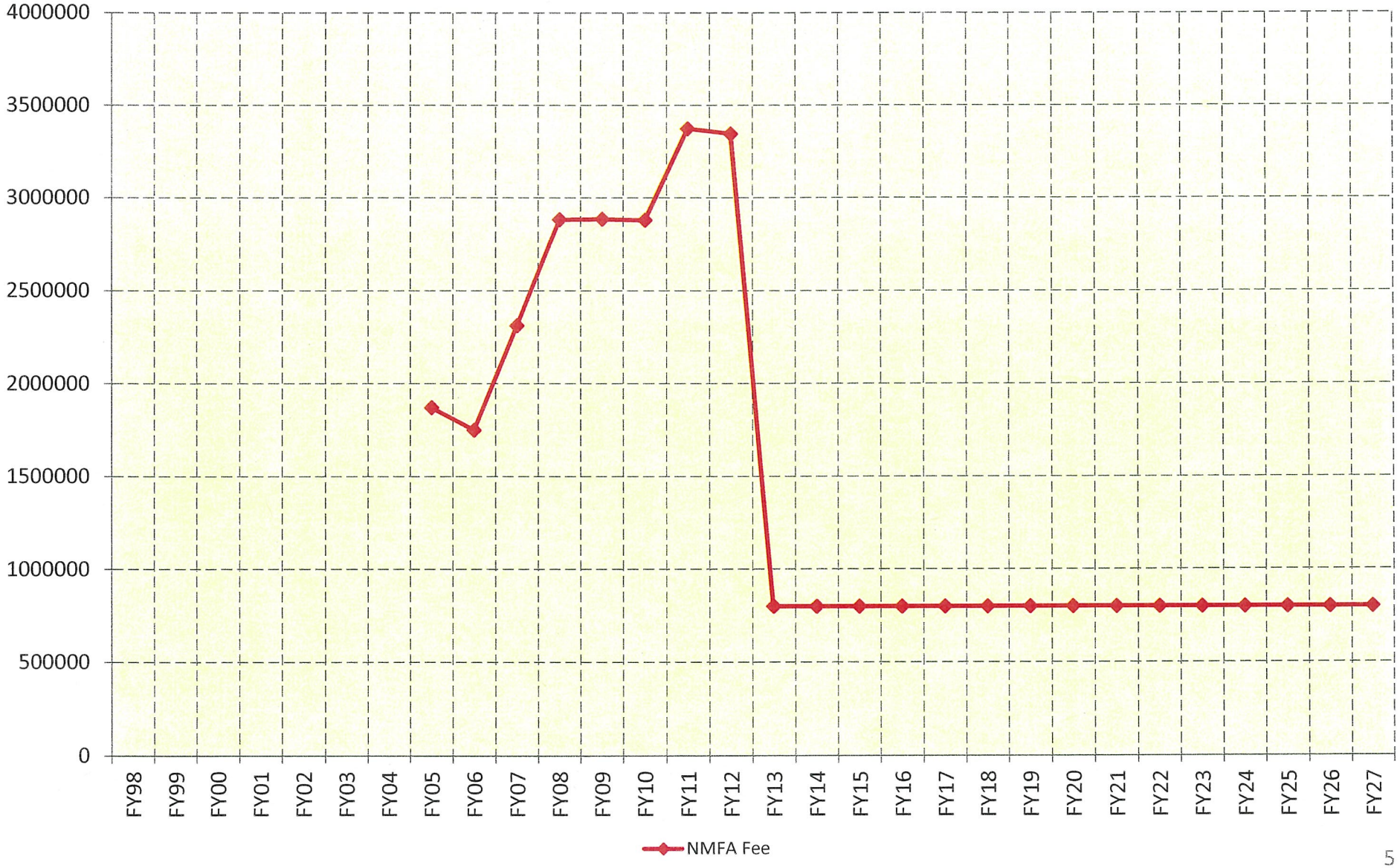


NMFA Fee (Inception thru 2027)



NMFA Fee Structure

- The annual fee is calculated by determining the Finance Authority's actual costs incurred for portfolio management services and functions within the a fiscal year, not to exceed $800,000 without prior approval of the Commission.
- The NMFA will invoice the NMDOT semi-annually for the actual services provided.
- Currently there is language in HB2 that exempts the NMDOT and the NMFA from depositing one half of the funds received by the NMFA into the Local Transportation Infrastructure Fund (LTIF) as required by Section 6-21-6.8(B)(1).
  - **HB2 Language:**
    - *Notwithstanding the provisions of Paragraph (1) of Subsection B of Section 6-21-6.8 NMSA 1978 or other substantive law to the contrary, any funds received by the New Mexico finance authority from the department of transportation in fiscal year 2014 as an annual administrative fee for issuing state transportation bonds pursuant to Sections 67-3-59.3 NMSA 1978 and 67-3-59.4 NMSA 1978 shall not be deposited into the local transportation infrastructure fund.*
  - In the event that this HB2 language in not enacted the NMDOT will double the amount paid to the NMFA for actual costs which will be deposited into the Local Transportation Infrastructure Fund (LTIF).