

New Mexico Finance Authority
207 Shelby St. Santa Fe, N.M. 87501
(505) 984-1454
NMFA Board Meeting Minutes
July 25, 2024
New Mexico State Capitol, Room 322
490 Old Santa Fe Trail, Santa Fe, New Mexico

Members Present:

Kathy Keith, Chair	Public Member, Los Alamos Natl. Laboratory
Martin Suazo, Vice Chair	Public Member, Las Vegas, NM
Andrew Burke (via zoom)	Public Member, Las Cruces, NM
Richard Garcia	Designee, New Mexico Counties
Marcos Trujillo (via zoom)	Designee, NM Dept. of Finance and Administration
Sam Collins	Designee, NM Economic Development Dept.
Ronald Lovato (via zoom)	Public Member, Ohkay Owingeh
Kelsey Rader	Designee, NM Environment Department
Alison Nichols	Designee, NM Municipal League
Teresa Costantinidis (via zoom)	Public Member, University of New Mexico
Ben Shelton	Designee, Energy, Minerals & Natural Resources Dept.

Members Absent: None

Finance Authority Staff

Anthony Maestas	Lynn Taulbee
Angela Quintana	Mark Lovato
Carmela Manzari	Maria Ruelas
Cherise Martinez	Marquita Russel
Chip Pierce (via zoom)	Oscar Rodriguez
Dan Opperman	Patricia Griego
Donnie Quintana	Paul Romero
Fernando Martinez	Rick Herrman
John Brooks	Ron Cruz
Jolin Anaya	Ryan Olguin
Kryshana Madrid	Ryan Marie Decker
Laura Williams	Theresa Garcia
Leslie Medina	Todd Nordby

Guests:

Angie Gonzales	T or C
Bill Dally	
Ethan Samson	Meketa
Jeff Garrett	GDC
Kaeley Weimerskirch	RBC Capital Markets, LLC
Luss Taizon	T or C
Nathaniel Gomez-Valenzuela	Bosque Advisors, LLC
Matt Butcher	GDC

Mark Valenzuela
Nick Caine
Richard Starr
Rolf Hechler
Suzanne Bruckner
Wyatt Brown
John Howard

Bosque Advisors, LLC
Stifel Public Finance
GDC
T or C
Sutin, Thayer & Browne, APC
GDC

1. **Call to Order and Roll Call.** Chairman Keith called the meeting to order at 9:00 a.m. A quorum was established.
2. **Approval of Agenda. Member Suazo moved, seconded by Member Garcia to approve the agenda. The motion passed 11 – 0.**
3. **Approval of Board Minutes.**
 - 3.1 **Member Suazo moved, seconded by Member Rader, for approval of the June 27, 2024, Board Minutes. The motion passed 11 – 0.**
4. **Report from the Chief Executive Officer (“CEO”), Marquita Russel.**
 - 4.1 **Report from the CEO.**

Legislative Update:

Staff began July with an NMFA Legislative Oversight Committee meeting in Albuquerque. Staff presented updates on the implementation of the Venture Capital Program, the Opportunity Enterprise and Housing Development programs, and the Economic Development Revolving Fund. Staff also made a presentation on Innovative Financing Tools and received approval of the Amended and Restated Local Government Planning Fund rules.

The Interim Committee meets next on August 12th and 13th in Gallup. Staff expects to present a comprehensive update on the PPRF, including the Public Securities Delegation of Authority report, and request approval of the Amended and Restated Rules for the PPRF, Amended and Restated Rules for the Opportunity Enterprise Revolving Fund, and Rules for the Housing Development Revolving Fund as well as other topics.

Opportunity Enterprise and Housing Development Review Board

At its July 11th meeting, the OE Board approved final rules and policies for the Housing Development Revolving Fund and the Opportunity Enterprise Revolving Fund (attached). Public review for the rules and policies generated far less input than expected.

The NMFA is also required to adopt rules for the programs which the OE Board must be consulted on and the NMFA Oversight Committee must approve. These rules will be presented to the OE Board at its August 8th meeting and then to the NMFA Oversight Committee meeting in August, with a final set of rules presented to the NMFA for approval at the August Board meeting. The approval in August will also

include a final set of policies governing the OE loan programs. Current schedule has the applications open right after Labor Day.

Public Project Revolving Fund for the past several months, staff's PPRF Debt Management Committee has been reviewing the PPRF Rules and Loan Management Policies. These rules have had modest amendments over the years for various statutory changes, but have not had a comprehensive review in many years. Similarly, the PPRF Loan Management Policies need streamlining as they have become very difficult to follow for staff and clients. The rules will be presented to the NMFA Oversight Committee in August for approval and then both the rules and policies will return to the NMFA Board for final adoption in August.

Staff Update Congratulations to Ryan Olguin, who was promoted to Lead Finance Manager in July. Ryan joined NMFA as a commercial lender in 2019 and has been a critical part of the Regional Finance Team since the merger of the public and private lending teams in 2021.

Informational Only.

5. Other Items

5.1 Approval of Strategic Plan Goals. Staff presented the organization goals, mission, values, and competencies for the 2025-2027 NMFA Strategic Plan. After approval of the strategic goals and identity pieces, NMFA staff will present to the Executive Committee proposed objectives designed to meet the identified goals. Staff will then present the final proposed Strategic Plan to the Board for consideration and adoption. Staff recommends approval of the proposed 2025-2027 NMFA Strategic Plan as presented. Discussion ensued with staff answering questions from the Board.

Member Suazo moved, seconded by Member Nichols, for approval of agenda items 5.1. The motion passed 11 - 0.

5.2 Review of the Amended and Restated Public Project Revolving Fund ("PPRF") Rules. Staff presented the Amended and Restated Rules Governing the PPRF Program. The proposed amendments will be reviewed and approved by NMFA's Legislative Oversight Committee. Staff will incorporate Board feedback and bring a final version to the next board meeting.

Informational Only.

5.3 Review of the Amended and Restated Public Project Revolving Fund ("PPRF") Loan Management Policies. Staff presented the proposed amendments to the PPRF Loan Management Policies. The proposed policy amendments will be reviewed and approved by NMFA's Legislative Oversight Committee. Staff will incorporate Board feedback and bring a final version to the next board meeting.

Informational Only.

5.4 Review of the Housing Development Revolving Fund Rules. Staff presented the draft rules governing the Opportunity Enterprise Housing Development Program. NMFA presented the attached

Rules to the OE Board and to the NMFA Legislative Oversight Committee. The final step will be to bring these Rules back to the NMFA Board for final adoption at the August 29, 2024 meeting.

Informational Only.

5.5 Review of the Amended and Restated Opportunity Enterprise Revolving Fund Rules. Staff presented the draft amendments to the rules governing Opportunity Enterprise Assistance. NMFA presented the amendments to the OE Board and to the NMFA Legislative Oversight Committee. The final step will be to bring these Rules back to the NMFA Board for final adoption at the August 29, 2024 meeting.

Informational Only.

6. Public Lending Committee Report. *(Committee Members are Mr. A.J. Forte, Chair, (Ms. Alison Nichols), Secretary Wayne Propst (Mr. Marcos Trujillo), Secretary James Kenney (Ms. Kelsey Rader), Ms. Joy Esparsen (Mr. Richard Garcia) and Mr. Ron Lovato.*

6.1 Update on Activities. The Public Lending Committee met on July 17, 2024, via Zoom teleconference. Member Alison Nichols chaired the meeting with Members Marcos Trujillo, Joy Esparsen, and Kelsey Rader in attendance. Staff briefed Members on three planning grants and five PPRF projects. These projects were recommended to the Board by the committee. The committee reviewed one CIB project for the Village of Santa Clara. The committee recommends the project to the Board for approval.

Informational Only.

7. Consent Agenda.

7.1 Rio Chiquito Mutual Domestic Water Consumers & Mutual Sewage Works Association (the “Association”) (Santa Fe County). PG-6474. \$50,000. Environmental Information Document. The Association has come to the Local Government Planning Fund (“LGPF”) for an Environmental Information Document to assist their water system improvement project which includes: installation of a new water storage tank, demolition of existing two water storage tanks, construction of a retention pond for tank drain line discharge, and installation of new distribution waterlines. The water system improvement project is located entirely on BLM land and a comprehensive environmental review is required by BLM. This document will follow the DWSRF EID template.

7.2 Vadito Mutual Domestic Water Consumers Association (Taos County). \$50,000. PG-6490. Preliminary Engineering Report (“PER”). Vadito MDWCA is applying to the LGPF to fund a PER to investigate water system improvements and alternatives to include a hydrogeology study, a water supply well, and pumphouse. This report will also address a transmission line to a water storage tank, a water storage tank and the replacement of older distribution waterlines including water meters, gate valves, and fire hydrants. Upon investigating several alternatives, the engineering consultant will provide a recommended alternative including project cost estimates. This document will follow the RUS bulletin 1780-2.

7.3 Vadito Mutual Domestic Water Consumers Association (Taos County). PG6491. \$50,000. Water Asset Management Plan. Vadito MDWCA has applied to the LGPF to fund a Water Asset

Management Plan. This plan will include an asset inventory, level of service, critical assets, prioritization of assets, life-cycle costing and long-term funding strategies.

7.4 San Jon School District (the “District”) (Quay County). PPRF-6483. \$250,000. 2024 General Obligation Bond. The District has applied to the PPRF for financing of projects. In November 2023, the District received voter approval of \$350,000 to erect, remodel, furnish, and make additions to school buildings, including teacher housing, purchase or improve school grounds; purchase computer software and hardware for student use in the public schools. This approval is valid for a period of four years. The District will issue General Obligation Bonds in the amount of \$250,000 which NMFA will purchase with the PPRF.

Member Suazo moved, seconded by Member Nichols, for approval of agenda items 7.1 – 7.4. The motion passed 11-0.

8. Regular Agenda.

8.1 Santa Clara, Village of (Grant County). CIF-6436. \$2,230,000. Water Well Rehab. Design and construct/rehabilitation of wells, reservoirs and valves.

8.2 Vaughn Municipal School District (the “District”) (Guadalupe County). PPRF-6480. \$600,000. 2024 General Obligation Bond. In November 2023, the District received voter approval of \$2,400,000 to construct, remodel, make additions and furnish school buildings, purchase or improve school grounds, or any combination of these purposes. This approval is valid for a period of four years. The District will issue General Obligation Bonds in the amount of \$600,000 which NMFA will purchase with the PPRF. The proceeds will be used for projects consistent with the District's 2024-2028 Facility Master Plan.

8.3 Cuba Independent School District (the “District”) (Chavez County). PPRF-6484. \$4,500,000. 2024 General Obligation Bond. In November 2023, the District received voter approval of \$6,500,000 to erecting, remodeling, making additions to and furnishing school buildings including teacher housing; purchasing or improving school grounds; purchasing computer software and hardware for student use in public schools. This approval is valid for a period of four years. The District will issue General Obligation Bonds in the amount of \$4,500,000 which NMFA will purchase with the PPRF. The proceeds will be used for district-wide facility projects and capital needs as identified in their previous 2019-2023 five-year Facilities Master Plan.

8.4 Dexter Consolidated School District (the “District”) (Chavez County). PPRF-6485. \$600,000. 2024 General Obligation Bond. In November of 2023, the District received voter approval of \$1,200,000 to erect, remodel, equip and furnish school buildings; purchase or improve school grounds; purchase computer software and hardware for student use in public schools; provide matching funds for capital outlay projects funded pursuant to the Public-School Capital Outlay Act; or any combination of these purposes within the District's 2023-2028 Facility Master Plan.

8.5 City of Truth or Consequences (the “City”) (Sierra County). PPRF-6486. \$1,680,000. 2024 Purchase and Infrastructure Loan. The City applied to the PPRF for funding to purchase and renovate an existing facility for Law Enforcement. The Police Department has outgrown their current location due to increases in new officers and staff. This requires a move to a more updated facility that is closer to

downtown in order to manage traffic concerns and public safety. The City will pledge its portion of State Shared Gross Receipts Tax as the source of revenue for this loan. An appraisal accepted by the New Mexico Taxation and Revenue Department's Property Tax Division is a condition of closing for this loan. The Mayor of the City addressed the Board, answered questions from the Board members, and provided additional commentary related to this project.

Member Suazo moved, seconded by Member Garcia, for approval of agenda items 8.1 – 8.5. The motion passed 11-0.

9. **Economic Development Committee Report.** *(Committee members: Secretary Mark Roper, Chair (Mr. Sam Collins), Secretary Dylan Fuge (Mr. Ben Shelton), Secretary James Kenney (Ms. Kelsey Rader), Secretary Wayne Propst (Mr. Marcos Trujillo) and Mr. Ronald Lovato.*

9.1 Update on Activities. A quorum of the Economic Development Committee met on Tuesday, July 16, 2024, via Zoom teleconference. Member Sam Collins chaired the meeting with Members Teresa Constantinidis, and Ben Shelton in attendance. Staff presented the Private Program Monitoring Report for July 2024. This was an informational item.

Staff recommended the approval of an amended investment commitment from \$4 million to up to 7.5 million to VamosVentures Fund II, L.P. The Committee recommended approval of the increase to the NMFA Board of Directors.

Staff recommended for approval the Preliminary Approval of a \$10 million transaction for Garrett Development Sunshine, LLC (NMTC-6487) for the Array Solar Project and the Request to Open Round 33 for Rural Projects Only for New Markets Tax Credits.

Informational Only.

9.2 Recommendation of Amended Investment Commitment to VamosVentures Fund II, L.P. Staff presented for approval an amended investment commitment to VamosVentures Fund II, L.P from \$4 million to up to \$7.5 million. The final commitment amount will be determined by the amount of private matching capital investing in subsequent closings of the fund, and legal negotiation and closing on final terms, not to exceed \$7.5 million.

Staff recommends an amended approval of up to \$7.5 million to VamosVentures Fund II, L.P. as presented, (anticipated to be SSBCI funded) from the Venture Capital Program Fund, subject to satisfactory negotiation of legal terms and closing.

Member Collins moved, seconded by Member Suazo, for approval of agenda items 9.2. The motion passed 11-0.

9.3 Preliminary Approval of \$10,00,000 New Markets Tax Credit (“NMTC”) Allocation for Garrett Development Sunshine, LLC (“GDS”) (NMTC-6487). Staff presented an executive summary of NMTC allocation project for GDS. Staff introduced GDS President Jeff Garrett, Vice President Richard Starr, and Finance Director Wyatt Brown, who provided a brief background of the organization.

Staff went over the terms and financing structure of the transaction. The proposed transaction complies with all NMFA policies. Staff recommends preliminary approval of the New Markets Tax Credit financing for GDC Sunshine, LLC

Member Collins moved, seconded by Member Suazo, for approval of agenda items 9.3. The motion passed 11-0.

9.4 Recommendation and Request to Open Round 33 for Rural Projects Only. Staff presented a Request to open Round 33 of a New Markets Tax Credit (“NMTC”) application cycle for Rural Projects Only. Staff proposes that an application cycle for Rural projects only be open from August 1 - September 16, 2024, allowing 45 days to apply. The application cycle will use the remaining \$7 million of the NMTC allocation from the 2022. Staff recommends approval to open Round 33 of competitive applications for rural projects only.

Member Suazo moved, seconded by Member Lovato, for approval of agenda items 9.4. The motion passed 11-0.

10. Finance and Disclosure Committee Report. *(Committee members: Mr. Martin Suazo, Chair, Mr. A.J. Forte (Ms. Alison Nichols), Secretary Wayne Propst (Mr. Marcos Trujillo), Secretary Melanie Kenderdine (Mr. Ben Shelton) and Ms. Joy Esparsen (Mr. Richard Garcia).*

10.1 Update on Activities. A quorum of the Finance & Disclosure Committee met on Wednesday, July 17, 2024, via Zoom teleconference. Member Martin Suazo chaired the meeting with Members Marcos Trujillo, Joy Esparsen, and Kelsey Rader in attendance.

Staff and Deanne Woodring from Government Portfolio Advisors provided an overview of the investment/portfolio report as of June 2024 and provided the monthly high-level outlook for the PPRF program. These were informational items. Staff recommended approval for a Waiver of Section II A.3 of the Publicly Distributed Bond Issuance and Underwriter Policy with Underwriter Pool Requirements, which pertains to the annual requirement to issue an RFP. The Committee recommends approval from the Board.

Informational Only.

10.2 Presentation of the Investment Report. Mr. Mark Lovato presented the investment report for June 2024, noting total funds invested of \$1,397 million, \$1,207 million of which are NMFA funds and \$190 million of which are New Mexico Department of Transportation funds. Mr. Lovato provide an overview of the NMFA Portfolios and provided an update to NMFA’s net income.

Informational Only.

10.3 Waiver of the Annual RFP Requirement for the NMFA Underwriter Pool. Staff presented for approval a waiver of Section II.A.3 of the Publicly Distributed Bond Issuance and Underwriter Policy with Underwriter Pool Requirements (“Underwriter Pool Policy”) pertaining to the annual requirement to issue an RFP.

Staff explained that given program demand and the capitalization of the PPRF, the NMFA finds itself issuing bonds less frequently. NMFA staff believe that given the amount of time it takes to issue and score the RFP, and the time and attention that the underwriters must put forth to provide a response to the RFP, NMFA would be better served, and the pool would be more evenly distributed, if the requirement to issue the RFP was waived for the FY25 pool, and the current pool extended for an additional year. NMFA intends to bring proposed changes to the Underwriter Pool Policy in the next several months, one of which will be the requirement to issue the RFP every 2 years.

Staff recommends a waiver of Section II.A.3 of the Underwriter Pool Policy to extend the current underwriter pool for an additional year.

Member Suazo moved, seconded by Member Garcia, for approval of agenda item 10.3. The motion passed 11-0.

- 11. Audit Committee Report.** *Committee members: Mr. Andrew Burke, Chair, Mr. Martin Suazo, Secretary Melanie Kenderdine (Mr. Ben Shelton), and Secretary Mark Roper (Mr. Sam Collins).*

11.1 Update on Activities. A quorum of the Audit Committee met on Wednesday, July 17, 2024, via Zoom teleconference. Member Martin Suazo chaired the meeting with Members Andrew Burke, Teresa Costantinidis, Sam Collins, and Benjamin Shelton in attendance.

Agenda items included Net Position, Statement of Revenues, Expenses and Changes in Net Position (Income Statement), and Statement of Cash Flows as of May 2024. The financial statements were reviewed and accepted by the Committee. Staff from Moss Adams, LLC and staff presented the status and current timeline of the FY 2024 External Audit. Both reported that the audit exercise is on track to allow for an exit conference at the Board meeting in September. This was an informational item.

The Committee received an update on the building project which continues to be on schedule and continues to stay within the approved budget. Staff reported that the final shipment of structural steel is expected by the end of July after which time significant progress can be made. Staff reported no new change orders were approved though orders are expected in the near future. This was an informational item.

Informational Only

- 12. Next Board Meeting.** August 29, 2024 at 9:00 a.m. at the NM State Capitol, Room 307.
- 13. Adjournment.** The meeting adjourned at 11:15 a.m.



09 / 03 / 2024

Secretary

Date