

**New Mexico Finance Authority
207 Shelby St.
Santa Fe, NM 87501
(505) 984-1454**

**Minutes of Board Meeting
July 30, 2015
State Capitol – Room 322
Santa Fe, New Mexico**

Present:

John McDermott, Chair
William Fulginiti, Vice Chair
Katherine Ulibarri, Treasurer
Brett Woods
Stephanie Schardin Clarke
Wade Jackson
Steve Kopelman
Blake Curtis (*telephonically*)
Butch Tongate

McDermott Advisory Services, LLC
Executive Director, NMML
V/P for Finance/Operations, Central NMCC
Secretary Designee, NM Energy & Minerals
Secretary Designee, Dept. of Finance & Administration
Secretary Designee, Economic Development Dept.
Executive Director, NMAC
CEO, Curtis & Curtis, Inc.
Secretary Designee, NM Environment Dept.

Absent:

Jerry Jones
Terry White

CEO Stolar Research Corporations
CEO, Sunwest Trust, Inc.

Finance Authority Staff:

Bryan Otero
Connie Marquez-Valencia
Donna Maestas
Floyd Trujillo
John Brooks
Mark Dalton
Marquita Russel
Rod McNamara
Vince Lithgow
Zach Dillenback

Carmela Manzari
Dan Opperman
Dora Cde Baca
Frank Ibarra
Leslie Medina
Mark Lovato
Michael Zavelle
Robert Brannon
Yolanda Valenzuela

Guests:

Angie Gonzales
Blaine Brunson
Brad Patterson
Chip Pierce
Chuck Peck
Dan Donohue

Union Co.
Morgan Stanley
Ballard Spahr
Western Financial Group
Morgan Stanley
POD Inc.

Danielle Shurn
Donald Fennema
Erik Harrington
Frank Lauterbur
Gregory Borys
Helen Atkeson
Jill Sweeney
Jonas Nahoum
Jordan Chase
Leo Valdez
Linda Kehoe
Mark Horn
Paul Cassidy
Rick Martinez
Shelby Washington
Susen Ellis
Suzanne Bruckner
Tim McCue
Tracy Hofmann

NMED/DWB
Bank of Albuquerque
RBC Capital Markets
BofA Merrill Lynch
Morgan Stanley
Hogan Lovells US
Sherman & Howard
Virtue & Najjar
Hogan Lovells US
HSE
LFC
Pinnacle Bank
RBC Capital Markets
The Apricot Tree, LLC
Bank of America Merrill Lynch
Bank of Albuquerque
Sutin, Thayer & Browne
Bank of America Merrill Lynch
Sutin, Thayer & Browne

1. Call to Order and Roll Call.

Chair John McDermott called the meeting to order at 9:02 a.m. A roll call vote established a quorum.

2. Approval of Agenda.

Agenda Item 12 was deleted from the agenda.

Member Fulginiti moved, seconded by Member Ulibarri, for approval of the agenda. The motion passed 9 – 0.

3. Approval of the June 25, 2015 Board Minutes.

Member Fulginiti moved, seconded by Member Kopelman, for approval of the June 25, 2015 minutes. The motion passed 9 – 0.

4. Report from Chief Executive Officer.

Mr. Robert Coalter, CEO, reported on the following:

- ◆ Update on Bond Sale
- ◆ Update on financial system

5. Consideration and Recommendation for Approval of Senior Lien PPRF Revenue Bonds, Series 2015C, Bonds Sale Resolution, Final Official Statement, Eighty-Eighth Supplemental Indenture, Bond Purchase Agreement and Related Documents. Approval of Sale Resolution and related

documents for the New Mexico Finance Authority Senior Lien Public Project Revolving Fund Revenue Bonds, Series 2015C (the “Series 2015C Bonds”).

Agenda items 5 and 6 considered together, although voting on each specific agenda item will be separate.

Presented for review and approval were the Sale Resolution, Preliminary Official Statement, Bond Purchase Agreement, Eighty-Eighth Supplemental Indenture of Trust, Continuing Disclosure Undertaking and Disclosure Dissemination Agent Agreement for the Series 2015C Bonds.

The selling group members provided an overview of the sale of the bonds and the marketing efforts.

The Series 2015C Bonds are being issued and sold by the Finance Authority in an amount to be determined, but not to exceed \$60,000,000, as authorized by the Board in the Authorizing Resolution. The Series 2015C Bonds are being sold pursuant to a negotiated sale. The proceeds of the Series 2015C Bonds will be used (a) to originate loans to or purchase securities from, or reimburse the Finance Authority for monies used to originate loans to or purchase securities from, the Series 2015C Governmental Units, the proceeds of which were or will be used to finance or refinance the Series 2015C Projects and (b) to reimburse the Finance Authority for and to finance Costs of Issuance of the Series 2015C Bonds as authorized under the NMFA Act and the Indenture.

A discussion ensued on the expectations of the offers that will occur in the upcoming months and the possible market rates at that time. Also discussed were rates going higher making inflation a possible risk.

In response to a question, Mr. Chip Pearce stated that the net present value savings on the refunding for the senior lien bonds was 3.54% with an average life of 15 years.

Member Fulginiti moved, seconded by Member Woods, for approval of Senior Lien PPRF Revenue Bonds, Series 2015C, Bonds Sale Resolution, Final Official Statement, Eighty-Eighth Supplemental Indenture, Bond Purchase Agreement, and Related Documents. Motion passed 9 – 0.

- 6. Consideration and Recommendation for Approval of Subordinate Lien PPRF Revenue Bonds, Series 2015D, Bonds Sale Resolution, Final Official Statement, Twelfth Supplemental Indenture, Bond Purchase Agreement and Related Documents.** Approval of Sale Resolution and related documents for the New Mexico Finance Authority Subordinate Lien Public Project Revolving Fund Revenue Bonds, Series 2015D (the “Series 2015D Bonds”).

Presented for review and approval are the Sale Resolution, Preliminary Official Statement, Bond Purchase Agreement, Twelfth Supplemental Indenture of Trust, Continuing Disclosure Undertaking and Disclosure Dissemination Agent Agreement for the Series 2015D Bonds.

The Series 2015D Bonds are being issued and sold by the Finance Authority in an amount to be determined, but not to exceed \$37,500,000, all as authorized by the Board in the Authorizing

Resolution. The Series 2015D Bonds are being sold pursuant to a negotiated sale. The proceeds of the Series 2015D Bonds will be used (a) to originate a loan to a governmental entity of the State that will be used to finance a Project for such governmental entity and (b) to pay Costs of Issuance of the Series 2015D Bonds as authorized under the NMFA Act and the Indenture.

Member Ulibarri moved, seconded by Member Woods, for Approval of Subordinate Lien PPRF Revenue Bonds, Series 2015D, Bonds Sale Resolution, Final Official Statement, Twelfth Supplemental Indenture, Bond Purchase Agreement, and Related Documents. The motion passed 9 – 0.

- 7. Report from Finance & Loan Committee.** *Committee members are William Fulginiti, Chair; Secretary Tom Clifford; Mr. Jerry Jones; Ms. Katherine Ulibarri; and Mr. Steve Kopelman.*

Member Fulginiti presented projects 8 - 11 placed on the consent agenda. The Finance & Loan Committee recommended approval of the following projects. Mr. Dillenback read the projects into the record.

- 8. Consideration for Approval of the Village of Columbus (Luna County) – LEDA/Comprehensive Plan – 3380-PG.** The Village of Columbus (“Village”) applied for Local Government Planning Fund (“LGPF”) funding for \$50,000 to fund a Local Economic Development Act (LEDA) Plan.

The Plan will promote public support of economic development to foster, promote, and enhance local economic development efforts.

Pursuant to Section 5.2 of the Rules Governing the Local Government Planning Fund, 100% of the report cost qualifies for funding. The Village is considered a disadvantaged entity with a median household income (MHI) of \$16,506 which is approximately 37% of the State's MHI.

- 9. Consideration for Approval of the City of Socorro (Socorro County) – Water Conservation Plan -3369-PG.** The City of Socorro (“City”) applied for Local Government Planning Fund (“LGPF”) funding for \$37,500 to fund a Water Conservation Plan (“WCP”).

The WCP will include recommended alternatives for water resource management, water conservation, water quality, protection of the public welfare and timelines for implementing the water plan.

Considered a disadvantaged entity with a median household income (MHI) of \$32,115 which is 72% of the State's MHI, the City qualifies for 50% of the report cost as grant funds. The local burden ratio is 1.19x the State's water rate burden entitling the City to an additional 25% as grant funds for a total combined grant award of 75% up to \$37,500.

- 10. Consideration for Approval of East Culpepper Flats DWCA (San Juan County) – Environmental Information Document – 3375-PG.** East Culpepper Flats DWCA (“Association”) applied for Local Government Planning Fund (“LGPF”) funding for \$50,000 to fund an Environmental Information Document (“EID”).

The Association will use the proceeds of the grant to perform an EID to meet the requirements of the Drinking Water State Revolving Loan Fund State Environmental Review Process (SERP) to support environmental compliance and permitting for the East Culpepper Flats 574 Regional Pipeline Connection Project.

Pursuant to the rules governing the LGPF, 100% of the requested amount qualifies as grant funds for Planning Grant Qualified Entities without gross receipts taxing authority serving fewer than 250 connections. The Association currently has an approved PER grant with NMFA with disbursement of funds facilitated on 05/22/2015.

11. Consideration for Approval of the Village of Cuba (Sandoval County) – Asset Management Plan – 3376-PG. The Village of Cuba (“Village”) applied for Local Government Planning Fund (“LGPF”) funding for \$44,733 to fund an Asset Management Plan (“AMP”)

The Village will use the proceeds of the grant to perform an AMP in accordance with procedures and standards set by the A.M. Kan criteria. The manual will assist the Village's staff and the community in understanding how to update and maintain a Water Asset Management Plan.

The Village has a median household income (MHI) of \$38,594 which is 85.90% of the State's average, qualifying the Village for 25% of the requested grant funds. The local burden ratio is 1.18xs comparative to the State's water rate burden which qualifies the Village for an additional 25% of the requested grant funds for a combined 50% of the plan costs up to \$44,733.

Member Fulginiti moved, seconded by Member Woods, for approval of Consent Agenda items 8 – 11. The motion passed 9 – 0.

12. Consideration for Approval of El Prado W&SD (Taos County) – Refinancing and New Money – 3332-PP. Agenda item removed from the agenda. Member Clarke noted that the item moved forward through Finance/Loan Committee without a recommendation.

13. Consideration for Approval of Union County – Hospital Loan Refinancing – 3384-PP. Union County (“County”) applied to the Public Project Revolving Loan Fund (“PPRF”) for \$1,201,155 for loan refinancing .

Starting in 2005, the County has undertaken four separate PPRF loans to expand and renovate the Union County General Hospital (“Hospital”). The Hospital is a 25 bed acute care facility and qualifies for government reimbursements through the Medicare Flexibility Program as designated by its “Critical Access” status. Critical Access hospitals are reviewed every six years for compliance and the Hospital was re-qualified in 2013. The County owns the real property and certain personal property used to operate the Hospital. The County has an agreement with Community Hospital Corporation (“CHC”), a not-for-profit organization based out of Plano, Texas, for the operations of the Hospital.

The Hospital has made a successful turnaround with its new operator and is rebuilding cash balances and community confidence. NMFA's refinancing of the County's first PPRF hospital loan last year (closed October 2014) greatly assisted the Hospital with cash flow relief. The Hospital is in need of a new HVAC unit but is still not in the financial position to bear the expense without impacting needed reserves on hand. The proposed refinancing is structured so that the Hospital will realize the savings up front so that the debt service relief can be applied to the new HVAC cost. Staff is setting the pricing on the refinancing loan in accordance with the PPRF refunding policy. Refinancing the loan will result in approximately \$85,000 in savings for the Hospital which creates a net present value savings of 7.23%.

The County pledged the net system revenues of the Hospital and the 3rd increment (0.125% increment) as security to the loan. Net hospital revenues decreased significantly in FY 2013 prior to the change out of the Hospital operator. Since CHC has been the operator of the Hospital, net hospital revenues have increased approximately 50%. Staff used FY 2014 net hospital revenue numbers based on the change in hospital operator. Net hospital revenues cover all four PPRF hospital loans at 2.18 x coverage. The County's local option GRT pledge serves as credit enhancement and increases total coverage to 2.34x. County GRT increased 1% in FY 2014 over FY 2013. Staff used FY 2014 GRT numbers to align with FY 2014 net hospital revenue.

The County and Hospital are current with their respective audits. Of particular note, is the County's improvement from its FY 2013 audit where it had a multiple opinion (because of the Hospital, its component unit, and its proper booking as a capital asset) with nine findings (three material weaknesses) to an unmodified opinion with three findings (no material weaknesses or significant deficiencies) for its FY 2014 audit. NMFA staff does not feel that the County's FY 2014 compliance findings require additional conditions or covenants.

The Board briefly discussed last year's reporting of the hospital's poor management, negative asset management issues, and the adverse results of the County's prior audit. Ms. Gonzales acknowledged the problems the hospital faced last year; however, they have since hired a new management company, retained a doctor who is committed to both the hospital and community, and hired a new Chief Executive Officer. Ms. Gonzales said the improvements have increased revenues, transformed the operation of the hospital, and enhanced the patient volume.

Mr. Dillenback noted that staff's analysis indicated an increasing trend of patient service revenues.

Member Fulginiti moved, seconded by Member Kopelman, for approval of Union County Project 3384-PP. The motion passed 9 – 0.

14. Consideration for Approval of the Cloudcroft Municipal School District (Otero County) – School Improvements – 3372-PP. Cloudcroft Municipal School District ("District") applied to the Public Project Revolving Loan Fund ("PPRF") for \$1,875,000 for school improvements.

In February 2014, the District received voter approval for infrastructure improvements. The District will issue General Obligation Bonds which the NMFA will purchase with the Public Project Revolving Fund.

The NMFA processing fee is capitalized into the first ten years of the loan, in the amount of 0.1638% added to the market rate. The NMFA maintenance fee of 0.100% was applied to the life of the loan. The interest rate also includes a 0.75% credit margin.

The District is current with its audits and financial reporting. The FY 2014 report received an unmodified opinion with nine findings, no material weaknesses, and nine significant deficiencies. The District has provided a letter of explanation detailing how the significant deficiencies have been or will be resolved. At the Chair's request, Ms. Maestas summarized the District's corrective action taken to address the significant deficiencies in the audit findings.

Member Woods asked if school district projects initially go before the Public School Facility Authority ("PSFA") for funding. Mr. Eric Harrington, Financial Advisor for the District, explained certain projects receive partial funding from PSFA and the districts are required to fund the remaining portion. All projects are included in the District's master plan that is submitted to the State. The District then assesses the funding they anticipate receiving from the State and any shortfall is handled through a bond issue. It was also noted that some projects are not eligible for PSCOC funding.

Member Fulginiti moved, seconded by Member Tongate, for approval of Cloudcroft Municipal School District Project 3372-PP. The motion passed 9 – 0.

15. Consideration for Approval of the Lordsburg Municipal School District (Hidalgo County) – School Improvements – 3371-PP. The Lordsburg Municipal School District "District") applied to the Public Project Revolving Loan Fund ("PPRF") for \$2,000,000 for school improvements.

In February 2013, the District received voter approval for infrastructure improvements. The District will issue General Obligation Bonds which the NMFA will purchase with the Public Project Revolving Fund.

The District qualifies as a disadvantaged entity; therefore \$200,000 of the loan amount received the 0% disadvantaged funding. The NMFA processing fee is capitalized into the first ten years of the loan, in the amount of 0.2301% added to the market rate. The NMFA maintenance fee of 0.100% was applied to the life of the loan. The above interest rate also includes a 0.75% credit margin.

The District is current with its audits and financial reporting. The FY 2014 report received an unmodified opinion with three findings, no material weaknesses, and no significant deficiencies.

Member Fulginiti moved, seconded by Member Clarke, for approval of Lordsburg Municipal School District Project 3371-PP. The motion passed 9 – 0.

16. Consideration for Approval of the Hatch Valley Public Schools (Dona Ana County) – School Improvements - 3374-PP. Hatch Valley Public Schools (“Schools”) applied to the Public Project Revolving Loan Fund (“PPRF”) for \$800,000 for school improvements.

In February 2013, the Schools received voter approval for school infrastructure improvements. The Schools will issue General Obligation Bonds which the NMFA will purchase with the Public Project Revolving Fund.

The Schools qualifies as a disadvantaged entity; therefore \$200,000 of the loan amount received the 0% disadvantaged funding. The NMFA processing fee is capitalized into the first ten years of the loan, in the amount of 0.1126% added to the market rate. The NMFA maintenance fee of 0.100% was applied to the life of the loan. The above interest rate also includes a 0.75% credit margin.

The Schools is current with its audits and financial reporting. The FY 2014 report received an unmodified opinion with six findings, one material weakness, and no significant deficiencies. The Schools has provided a letter of explanation describing how the material weakness has been resolved.

Member Fulginiti moved, seconded by Member Ulibarri, for approval of Hatch Valley Public Schools Project 3374-PP. The motion passed 9 – 0.

17. Consideration for Approval of Pojoaque Valley Public School District (Santa Fe County) – School Improvements – 3383-PP. The Pojoaque Valley Public School District (“District”) applied to the Public Project Revolving Loan Fund (“PPRF”) for \$2,000,000 to finance the costs associated with various school improvements.

In February 2013, the District received voter approval to construct, remodel, make additions to and furnish school buildings, purchase or improve school grounds, or any combination of these purposes within the District. The District will issue General Obligation Bonds which the NMFA will purchase with the Public Project Revolving Fund.

The NMFA processing fee (capitalized origination fee) has been included in the interest rate at an additional .18% above the market rate yielding a fee of \$15,000 (NPV of \$15,103) over the 10 year term of the loan. NMFA's maintenance fee of 0.10% has been applied to the entire financing structure. The interest rate also includes a .75% interest rate cap on the market component for Board approval purposes.

The District's FY 2014 audit yielded an unmodified opinion with 2 findings. The 2 significant deficiencies consisted of: 1) Missing documentation in personnel files and 2) Activity fund deposits and the 24 hour deposit rule. Staff deems the findings to pose no direct credit risk.

Member Fulginiti moved, seconded by Member Tongate, for approval of Pojoaque Valley Public School Project 3383-PP. The motion passed 9 – 0.

18. Consideration for Approval of Texico Municipal School District (Curry/Roosevelt County) – Infrastructure – 3373-PP. Texico Municipal School District (“District”) applied to the Public Project Revolving Loan Fund (“PPRF”) for \$2,000,000 to finance school infrastructure improvements.

In February 2015, the District received voter approval to fund school infrastructure improvements. The District will issue General Obligation Bonds which the NMFA will purchase with the Public Project Revolving Fund.

The District qualifies as a disadvantaged entity with its Median Household Income (MHI) of \$31,833, which is 70.85% of the State's MHI. Therefore \$200,000 of the loan amount received the 0% disadvantaged funding.

The NMFA processing fee has been included in the interest rate at an additional .18% above the market rate yielding a fee of \$15,000 (NPV of \$15,118) over the 10 year term of the loan. NMFA's maintenance fee of 0.10% has been applied to the entire financing structure. The interest rate represents the final rates for the loan.

The District's FY 2014 audit was unmodified with 0 findings. The District is current with its audits.

Member Fulginiti moved, seconded by Member Ulibarri, for approval of Texico Municipal School District Project 3373-PP. The motion passed 9 – 0.

19. Consideration for Approval of Colfax County – Fire Equipment – 3368-PP. Colfax County (“County”) applied to the Public Project Revolving Loan Fund (“PPRF”) for \$199,559 to finance the costs associated with purchasing a new fire pumper truck to replace aging equipment.

The County will pledge its State Fire Protection funds as the revenue source. The County has an ISO class rating of 9 with one main station and receives an annual base distribution of \$49,324. The County has a median household income of \$37,734, which is approximately 84% of the State's MHI. Eligible for disadvantaged funding, the County qualifies for up to \$75,000 at a 3% interest rate; however, with current rates below 3%, staff will only utilize the disadvantaged funding at closing should rates increase. The County will contribute \$240,000 of accumulated funds toward this project.

The County is current with its audit and financial reporting. The FY 2014 audit received an unmodified opinion with five findings, none of which are material weaknesses or significant deficiencies.

Member Fulginiti moved, seconded by Member Kopelman, for approval of Colfax County Project 3368-PP. The motion passed 9 – 0.

Report from the Chairperson of the Audit Committee. *Committee members are Secretary Tom Clifford, Chair; Secretary David Martin; Mr. Steve Kopelman; and Ms. Katherine Ulibarri.*

20. Update on Activities. Member Clarke reported on the Audit Committee meeting of July 27, 2015.

The agenda included the entrance conference for the Finance New Mexico (FNM) FY15 audit, a review of the preliminary financial statements for the period ending June 30, 2015, an update on the Findings Status Matrix/Dashboard, and an update on the status of the internal audit. Ms. Ulibarri and Ms. Brazil left the meeting after the FNM entrance conference, so a quorum was no longer present.

Because a quorum was not present, the Chair instructed staff to present the June financial statements to the full Board as an action item for approval and acceptance.

The Internal Audit page of the Findings Status Matrix/Dashboard will include an outline of the FY16 internal audit plan. The entrance conference for NMFA's FY15 financial statement audit was held July 20, 2015 with REDW. In the interest of providing the public with as much information as possible, beginning with FY15 NMFA's financial statement presentation will be comparative (i.e. both FY14 and FY15 information will be presented). The submission of NMFA's financial statements to the Office of the State Auditor is scheduled for November 2, 2015.

21. Consideration for Acceptance of the Financial Reporting for the period ending June 30, 2015.

Mr. Robert Brannon provided a summary of the Financial Report for the period ending June 30, 2015.

Member Clarke moved, seconded by Member Kopelman, to accept the Financial Report for the period ending June 30, 2015. The motion passed 9 - 0.

Report from the Chairperson of the Economic Development Committee. *Committee members are Mr. Jerry Jones, Chair; Mr. Terry White, Vice-chair; Mr. Blake Curtis; and Secretary Jon Barela or his designee.*

22. Update on Activities. Ms. Marquita Russel reported on the Economic Development Committee meeting held on July 22, 2015. In addition to reviewing the Private Lending Portfolio Report, Private Lending Jobs report and the pipeline report, the Committee considered agenda item 23 on today's agenda.

23. Consideration and Recommendation for Approval of a 90-Day Extension on the Construction Line of Credit for Permian Hotel 1, LLC.

Consideration and Approval of a Request for a 90 day extension on a Construction Line of Credit for Permian Hotel 1, LLC. Staff recommends approval of an extension of participation with Artesia National Bank for the construction of a Hampton Inn located in Artesia, NM. The construction began later than expected due to delays in the permitting process and weather related issues in the area. The 90 day extension will allow the construction to continue until November 2015. The Economic Development Committee reviewed the project and unanimously recommends approval.

Member Jackson moved, seconded by Member Fulginiti, for approval of a 90- Day Extension on the Construction Line of Credit for Permian Hotel 1, LLc. The motion passed 9 - 0.

Report from the Chairperson of the Contracts Committee. *Committee members are Secretary Ryan Flynn, Chair; Secretary Jon Barela; Mr. Steve Kopelman; and Mr. Jerry Jones.*

24. Update on Activities. Mr. Dan Opperman reported on the Contracts Committee meeting held on July 29, 2015. The Committee discussed the following:

- ◆ Consideration and approval for the selection of a vendor for the Bond Banking & Loan Management System, as recommended by the Evaluation Committee. Five responses to the RFP were received, and the Evaluation Committee narrowed the selection to 2 providers. Both providers made oral presentations to the Evaluation Committee and submitted best and final offers. The Evaluation Committee selected Technology Partnership Group, Inc. as the recommended vendor.

The Contracts Committee provided the provisional, unanimous approval to enter into contract negotiations with Technology Partnership Group, Inc., conditioned upon a final review and approval by the Contracts Committee after obtaining a final project plan with major milestones. It is anticipated that a proposed final contract which includes such information will be presented to the Contracts Committee no later than 60 days from today, although that may be sooner.

Chair McDermott asked Mr. Dan Donahue, POD Inc., the contracted IV&V vendor, to report on the process of the system's project. Mr. Donahue explained that IV&V provided an outside third party evaluation of the IT project. He reviewed the procurement process prior to the release of the RFP and noted that it was adequately detailed. It also included technical requirements, clear goals and objectives, and sufficient information for the vendors to provide a response. Five vendors responded and were evaluated. A vendor was selected and the product met most of the function requirements. Mr. Donahue felt the NMFA process was excellent.

The Board briefly discussed how best to keep information flowing to them on the continuing process. Mr. Coalter felt the IT Steering Committee would be the best option. Chair McDermott commended senior staff for their efforts with the process.

- ◆ Consideration and recommendation for extension of the BNSF Taxable Revolving Line of Credit Agreement for an additional 3 year period. The extension Resolution will first go before the New Mexico State Transportation Commission on August 20, 2015 and then to the Finance Authority Board at its August 27, 2015 meeting. The BNSF Line of Credit can be extended up to 3 years if Wells Fargo Bank agrees to extend the Agreement on the same terms. Wells Fargo has agreed to extend the Agreement on the same terms and conditions.
- ◆ Consideration and approval of the issuance of a Request for Fee Proposals and Firm Qualifications for the Tax-Exempt (\$90MM) and Taxable (\$10MM) Revolving Lines of Credit Facilities for the Finance Authority's PPRF Program. The lines of credit are used to provide interim financing for PPRF loans from time to time. The interim financing is usually for a period of less than three months and is used to finance PPRF loans from the loan closing dates until the loans are reimbursed by the issuance of PPRF bonds. The loans financed are the sole collateral pledged to

the lines of credit though proceeds from the reimbursement of PPRF bonds are pledged to repay outstanding line of credit draws.

- ◆ Consideration and approval the issuance of a Request for Fee Proposals and Firm Qualifications for the Taxable Revolving Line of Credit Facility in connection with up to \$50MM State Transportation Taxable Revolving Line of Credit. The purpose of the line of credit is for collateral posting, as needed, in connection with the NMDOT/NMFA's outstanding \$420MM swap program. The revolving line of credit is to be provided from one or more qualified commercial banks.

Member Fulginiti moved, seconded by Member Kopelman, to approve the Contracts Committee Report. The motion passed 9 – 0.

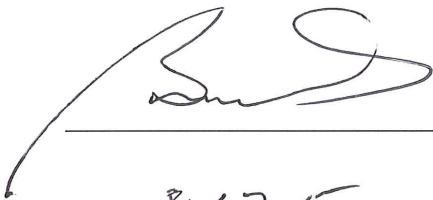
Other Items

25. Next Board Meeting

Thursday, August 27, 2015 – 9:00 a.m.
State Capitol – Room 322
Santa Fe, NM

26. Adjournment

The meeting adjourned at 10:43 a.m.



Secretary

8.27-15

Date