

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

**Minutes of Board Meeting  
February 23, 2017  
Commission Chambers, Santa Fe County  
Santa Fe, New Mexico**

**Present:**

John McDermott, Chair	McDermott Advisory Services, LLC
William Fulginiti, Vice-Chair	Executive Director, NMML
Katherine Ulibarri, Treasurer	V/P for Finance/Operations, Central NMCC
Butch Tongate	Secretary, NM Environment Dept.
Stephanie Clarke	Secretary Designee, Dept. of Finance & Administration
Ken McQueen	Secretary Designate, NM Energy & Minerals
Santiago Chavez	Designee - Executive Director, NMAC
Juan Torres	Secretary Designee, Economic Development Dept.

**Absent:**

Blake Curtis	CEO, Curtis & Curtis, Inc.
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**Finance Authority Staff:**

Bryan Otero	Carmela Manzari
Connie Marquez-Valencia	Dan Opperman
Dora Cde Baca	Floyd Trujillo
Frank Ibarra	Heather Boone
Lalleh Dayeny	Mark Dalton
Mark Lovato	Marquita Russel
Michael Vonderheide	Michael Zavelle
Oscar Rodriguez	Vince Lithgow
Zach Dillenback	

**Guests:**

Erik Harrigan	RBC Capital Markets
Anne Browne	Sutin, Thayer & Browne
Brad Patterson	Gilmore Bell
Clint Elkins	George K. Baum & Company
Helen Atkeson	Hogan, Lovells US LLP
Jerry Kyle	Andrews Kurth Kenyon
John Moore	Wells Fargo Securities

Larry Glandon  
Leo Valdez  
Mary Cooley  
Matt White  
Raheel Higi  
Suzanne Bruckner

Bank of America Merrill Lynch  
HSE  
HR Solutions, LLC  
City of Eunice  
George K. Baum & Company  
Sutin, Thayer & Browne

**1. Call to Order and Roll Call.**

Chair John McDermott called the meeting to order at 9:00 a.m. A roll call vote established a quorum.

**2. Approval of Agenda.**

Chair McDermott congratulated Member Ulibarri who Albuquerque First recently recognized as a Woman of Influence.

Chair McDermott noted a change to the agenda adding item 26a, Report from Mary Cooley, HR Consultant, regarding the recently completed compensation study and job descriptions consultation. Member McDermott said it is a briefing only with no action planned. Should there be questions regarding individual employees, the Board would consider those under Item 27, Executive Session, and the agenda will be amended to include employee performance reviews.

Member Clarke said it appears to be an expansion of the Executive Session and asked about notice requirement for adding additional items. Mr. Dan Opperman, General Counsel, said since it is a briefing, in order to capture Ms. Cooley's presentation, should questions arise regarding a specific employee, it would go forward under the exact exemption as allowed under the Open Meetings Act which was broadened in the event that issues arise. Mr. Opperman said there is no action planned aside from the agenda item following the Executive Session, namely the CEO contract. Mr. Opperman stated his belief it is sufficient notice especially with no action required.

**Member Torres moved, seconded by Member Fulginiti, to amend the agenda adding Item 26a to the agenda. The motion passed 8 – 0.**

**Member Ulibarri moved, seconded by Member Torres, to approve the amended agenda. The motion passed 8 – 0.**

**3. Approval of the January 26, 2017 Board Minutes.**

Member Clarke requested a correction on page 8 from "Kurth" to "Kyle."

**Member Fulginiti moved, seconded by Member Torres, for approval of the amended January 26, 2017 minutes. The motion passed 8 – 0.**

**4. Report from Chief Executive Officer.**

- ◆ Mr. Robert Coalter presented a progress report on the proposed NMFA legislation.
- ◆ Mr. Floyd Trujillo presented the 29<sup>th</sup> biweekly report. Production of the Water module continues to be successful. The implementation phase of the PPRF module continues with data loading as the key activity. PPRF User Acceptance Testing is ongoing. Approximately 2000 legacy PPRF loans need conversion and loading. The project remains green.

**5. Report from the Finance & Loan Committee.** *(Committee members are William Fulginiti, Chair; Secretary Duffy Rodriguez (Ms. Stephanie Clarke, designee for Secretary Rodriguez), Ms. Katherine Ulibarri, and Mr. Steve Kopelman.)*

Member Ulibarri presented the Committee Report.

**6. Consideration and Recommendation for Approval of Senior Lien PPRF Revenues Bonds, Series 2017A, Sale Resolution, Final Official Statement, Ninety-Fourth Supplemental Indenture, Bond Purchase Agreement and Related documents.** Staff requests approval of the Sale Resolution and related documents for the Finance Authority's Series 2017A Bonds.

Pursuant to a negotiated sale, the Finance Authority sold its Series 2017A Bonds in an amount of \$60,265,000, all as authorized by the Board in the Authorizing Resolution. The proceeds of the Series 2017A Bonds will reimburse the Finance Authority for moneys used originating loans to or purchasing securities to finance certain Projects or reimbursing loans previously made to or securities purchased from such governmental entities, and (b) to reimburse the Finance Authority for and to finance Costs of Issuance of the Series 2017A Bonds.

Presented for review and approval by Brad Patterson, Gilmore & Bell, were the Sale Resolution, Preliminary Official Statement, Bond Purchase Agreement, Ninety-Fourth Supplemental Indenture of Trust, Continuing Disclosure Undertaking and Disclosure Dissemination Agent Agreement for the Series 2017A Bonds.

Mr. Michael Zavelle briefly reviewed the proposed bond issues. Mr. John Moore, Wells Fargo Bank and Mr. Eric Harrington, RBC Capital Markets reported on market conditions mentioning the favorable results of the sale of the 2017A Bonds and the 2017B Bonds (considered in agenda item #7). Mr. Chip Pierce, Western Financial Group, reported on the bond sale for both issues.

**Member Ulibarri moved, seconded by Member Clarke, for approval of Senior Lien PPRF Revenues Bonds, Series 2017A, Sale Resolution, Final Official Statement, Ninety-Fourth Supplemental Indenture, Bond Purchase Agreement, and Related documents. The motion passed 8 – 0.**

**7. Consideration and Recommendation for Approval of Subordinate Lien PPRF Revenue Refunding Bonds, Series 2017B, Sale Resolution, Final Official Statement, Fourteenth Supplemental**

**Indenture, Bond Purchase Agreement, and Related Documents.** Staff requests approval of the Sale Resolution and related documents for the Finance Authority's Series 2017B Bonds.

Pursuant to a negotiated sale, the Finance Authority sold its Series 2017B Bonds in an amount of \$68,015,000, all as authorized by the Board in the Authorizing Resolution. The proceeds of the Series 2017B Bonds will be used to reimburse the Finance Authority for moneys used to currently refund the Finance Authority's PPRF 2006C, 2007A and 2007C Bonds, and to reimburse the Finance Authority for and to finance Costs of Issuance of the Series 2017B Bonds.

Presented for review and approval by Brad Patterson, Gilmore & Bell, were the Sale Resolution, Preliminary Official Statement, Bond Purchase Agreement, Fourteenth Supplemental Indenture of Trust, Escrow Agreement, Continuing Disclosure Undertaking and Disclosure Dissemination Agent Agreement for the Series 2017B Bonds.

**Member Ulibarri moved, seconded by Member Clarke, for approval of Subordinate Lien PPRF Revenue Refunding Bonds, Series 2017B, Sale Resolution, Final Official Statement, Fourteenth Supplemental Indenture, Bond Purchase Agreement, and Related Documents. The motion passed 8 – 0.**

- 8. Update of Fire Protection Fund & Law Enforcement Protection Fund PPRF Loans.** Mr. Zach Dillenback updated the Board on HB 4 and the decision to temporarily suspend lending for loans with a proposed pledge of either Fire Protection or Law Enforcement Protection funds.

Mr. Zach Dillenback noted that at the last meeting, the Board discussed HB 4 moving through the Legislative session regarding fire protection and law enforcement. Since that time, HB 4 passed both houses and has been signed by the Governor'.

Mr. Dillenback said that the two issues of concern are how the legislation affects the NMFA's portfolio, and the impact on NMFA borrowers. At present, the NMFA receives an annual intercept each July which contains one year's receipt of debt service. With the proposed changes, it is no longer a pay in advance arrangement, and has been changed to an accrual basis.

Although staff hopes this is a temporary suspension for fire and law enforcement loans, it does not believe it would be appropriate to present those loans until it is determined how funds are going to flow.

Chair McDermott asked if this change affects previous loans made with the previous commitment. Mr. Dillenback noted there was a floor amendment making the position that HB 4 would not impair NMFA's loans. Mr. Coalter said Mr. David Abbey, Legislative Council Services, indicated HB4 would not affect previous loans. The NMFA will continue to evaluate this matter.

Mr. Zach Dillenback read consent agenda items 9-17 into the record, as follows:

- 9. Consideration and Recommendation for Approval of Town of Red River (Taos County) – Equipment – 3703-PP.** The Town of Red River (“Town”) applied for Public Project Revolving Loan Fund (“PPRF”) financing for \$79,810 to finance the costs associated with a new street sweeper.

The Town pledged Municipal Gross Receipts Tax (“MGRT”) as security and repayment. The MGRT adopted on April 1983 and enacted in January 1984 imposed the 1st increment of one-fourth of one percent (.25%). NMFA staff averaged three fiscal years of MGRT revenues of \$116,276 to determine debt service coverage of 7.24xs. The Town's GRT generation reflects an increasing trend from 2015 vs. 2014 with year over year increases from 2013 to 2014. As a disadvantaged entity, the loan received a 0% interest rate and includes NMFA's maintenance fee of .10%.

With the MGRT revenue intercepted, the NMFA Trustee holds the project proceeds for disbursement. The requisition process mitigates the risk of misuse of funds.

The Town's FY 2016 audit received an unmodified opinion with zero findings. Per policy, no further action is required.

- 10. Consideration and Recommendation for Approval of City of Moriarty (Torrance County) – Water Asset Management Plan – 3695-PG.** The City of Moriarty (“City”) applied for Local Government Planning Fund (“LGPF”) financing for \$37,500 for an Asset Management Plan (“AMP”) to develop an AMP, meeting A.M. Kan Work Manual criteria to assist with management and sustainability of the water system.

Considered a disadvantaged entity with a median household income (“MHI”) of \$30,694 or 68.26% of the State's MHI, the City qualifies for 50% or a maximum up to \$25,000 of the report cost. The Local Burden Ratio is 1.32xs the State ratio, which qualifies the City to receive an additional 25% up to a maximum amount of \$12,500 of grant funds for combined grant funding of 75% or a maximum amount of \$37,500.

- 11. Consideration and Recommendation for Approval of City of Moriarty (Torrance County) – Preliminary Engineering Report - 3696-PG.** The City of Moriarty (“City”) applied for Local Government Planning Fund (“LGPF”) financing for \$37,500 for a Preliminary Engineering Report (“PER”) to complete an upgraded PER addressing water distribution system improvements including identification of existing distribution system shortcomings, development of potential improvements, and development of improvement projects, priorities, costs and time-line for implementation as per USDA Bulletin 1780-3.

As a disadvantaged entity with a median household income (“MHI”) of \$30,694 which is 68.26% of the State's MHI, the City qualifies for 50% or a maximum up to \$25,000 of the report cost as grant funds. The Local Burden Ratio is 1.32xs of the State ratio qualifying the City to receive an additional 25% up to a maximum amount of \$12,500 for a combined 75% in grant funds for a maximum amount of \$37,500.

**12. Consideration and Recommendation for Approval of Village of Willard (Torrance County) – Water/Wastewater Asset Management Plan - 3681-PG.** The Village of Willard (“Village”) applied for Local Government Planning Fund (“LGPF”) financing for \$50,000 for a Water/Wastewater Asset Management Plan to map the existing water system, improve, refine, and document asset management practices and funding strategies for the system and related property owned by the Village. The Village will follow the procedures and standards as prescribed by the A.M. Kan work standards.

The Village has a median household income (“MHI”) of \$32,596 which is 72.49% of the State's MHI qualifying for 50% or \$25,000 of the report cost as grant funds. The Local Burden Ratio is 1.58xs the State ratio which qualifies the Village to receive an additional 50% or \$25,000 for a combined total of \$50,000 in grant funds.

**13. Consideration and Recommendation for Approval of Town of Mountainair (Torrance County) – Water/Wastewater Asset Management Plan - 3684-PG.** The Town of Mountainair (“Town”) applied for Local Government Planning Fund (“LGPF”) funding for \$50,000 for a Water/Wastewater Asset Management Plan (“Plan”) to assist the Town in mapping the existing water system, improve, refine, and document asset management practices and funding strategies for the system and related property.

As a disadvantaged entity with a median household income (“MHI”) of \$20,132 or 44.77% of the State's MHI, the Town qualifies for 75% or up to \$37,500 of the report cost. The Local Burden Ratio is 1.65xs of the State ratio qualifying them for an additional 50% or up to a maximum amount of \$25,000 for a combined total of 100% or \$50,000 in grant funds.

**14. Consideration and Recommendation for Approval of Village of Cloudcroft (Otero County) – Water Asset Management Plan – 3704-PG.** The Village of Cloudcroft (“Village”) applied for Local Government Planning Fund (“LGPF”) funding for \$25,000 for an Asset Management Plan following A.M. Kan procedures and standards.

The Village has a median household income (“MHI”) of \$42,222 which is 93.89% of the State's MHI qualifying them for 25% up to a maximum of \$12,500 of the report cost as grant funds.

**15. Consideration and Recommendation for Approval of City of Ruidoso Downs (Lincoln County) – Preliminary Engineering Report – 3705-PG.** The City of Ruidoso Downs (“City”) applied for Local Government Planning Fund (“LGPF”) funding for \$50,000 for a Preliminary Engineering Report (“PER”) to assist the City in planning for growth and addressing current infrastructure needs focusing on replacing aging and deteriorating infrastructure.

Considered a disadvantaged entity with a median household income (“MHI”) of \$28,031 or 62.34% of the State's MHI, the City qualifies for 50% or a maximum up to \$25,000 of the report cost as grant funds. The Local Burden Ratio is 1.98xs of the State ratio qualifying the City for an additional 50% up to a maximum amount of \$25,000 for a combined 100% maximum amount of \$50,000.

**16. Consideration and Recommendation for Approval of Big Mesa Mutual Domestic Water Association (San Miguel County) – Preliminary Engineering Report – 3693-PG.** The Big Mesa

Mutual Domestic Water Association (“Association”) applied for Local Government Planning Fund (“LGPF”) funding for \$50,000 for a Preliminary Engineering Report (“PER”) to analyze and improve the water system, update the existing PER, and aid in improving their treatment system and facilities.

As a disadvantaged entity with a median household income (“MHI”) of \$28,292 or 62.92% of the State's MHI, the Association qualifies for 50% or \$25,000 of the report cost as grant funds. The local burden ratio is 2.63xs the State's water rate burden qualifying the Association to receive an additional 50% or \$25,000 as grant funds for a 100% grant award up to the maximum amount of \$50,000.

- 17. Consideration and Recommendation for Approval of Eldorado Area Water & Sanitation District (Santa Fe County) – Preliminary Engineering Report – 3702-PG.** The Eldorado Area Water & Sanitation District (“District”) applied for Local Government Planning Fund (“LGPF”) funding for \$50,000 for a Preliminary Engineering Report (“PER”) to identify, address, and rank shortcomings and deficiencies and update the Water Master Plan/PER.

The District's median household income (“MHI”) is \$64,129 or 142.61% of the State's MHI. The District’s local burden ratio is 2.73xs the State's water rate burden qualifying the Association for 75% of the PER’s cost not to exceed \$50,000.

**Member Ulibarri moved, seconded by Member Tongate, for approval of consent agenda items 9 – 17. The motion passed 8 – 0.**

- 18. Consideration and Recommendation for Approval of City of Eunice (Lea County) – Street Improvements – 3699-PP.** The City of Eunice (“City”) applied for Public Project Revolving Loan Fund (“PPRF”) financing for \$5,359,223 for a variety of street improvement projects.

The City will be pledging Local Option Municipal Infrastructure GRT, Municipal GRT, and Municipal Capital Outlay GRT. Staff completed an analysis of the Municipal Infrastructure and Municipal GRT and used a three year average to determine coverage. Accordingly, staff used the last five months of the Municipal Capital Outlay GRT projecting the remaining seven months with the average since tax implementation occurred in 2016. The above interest rate includes a 0.75% credit margin.

The City is up-to-date with its audits and financial reporting. The 2016 Audit resulted in an unmodified opinion with 11 findings, two Material Weaknesses and no prior year Significant Deficiencies. Per policy, the City provided corrective action plan.

At closing, NMFA’s trustee holds the project fund proceeds utilizing a requisition process for fund distribution thereby mitigating misuse of funds.

**Member Ulibarri moved, seconded by Member Fulginiti, for approval of City of Eunice Project 3699-PP. The motion passed 8 – 0.**

**19. Debt Management Policies on Special Reserve Accounts: Changes to the Contingent Liquidity Account; Establishment of a Sundry Uses Reserve Account; Ending the Moratorium on Appropriation Loans.** Staff recommends approval of the proposed Special Reserve Accounts policy changes and incorporation of the Sundry Uses Reserve Fund into the Subordinated Indentures of Trust with the next PPRF subordinate lien bond issue.

The Public Project Revolving Fund achieved an AAA/Aa1 senior lien bond rating by judiciously structuring underlying PPRF loans and by effectively utilizing legislative and strategic credit enhancements.

The key PPRF credit enhancement is the 75% share of GGRT received by the PPRF established by statute. Funded reserve accounts in the form of an indentured Common Debt Service Reserve Fund (“CDSRF”) applicable only to the senior lien and a non-indentured Contingent Liquidity Account (“CLA”) applicable to both the senior lien and the subordinate lien are the visible strategic credit enhancements. An additional strategic credit enhancement includes a PPRF portfolio management approach that ensures that loan revenues exceed bond debt service by no less than 5% per year and total PPRF revenues exceed bond debt service by 30% per year.

The proposed new Special Reserve Accounts policy proposal includes:

- A new Sundry Uses Reserve Fund (“SURF”) is included in the Subordinated Indentures of Trust with the SURF having similar purposes to the CLA but with the addition of a credit enhanced Appropriation Loan Program.
- Funds now in the CLA will fund the SURF.
- Create a new Appropriation Loan Program to make AOC, charter school, State lease appropriation, and Federal Payment in Lieu of Taxes (“PILT”) loans in the subordinate lien.
- The SURF would have a maximum funding level equal to the CDSRF funding level and a minimum funding level at the higher of half the CDSRF funding level or half the amount of appropriation loans outstanding.
- Cap appropriation loans at twice the CDSRF funding level.

Mr. Zavelle said if approved today, at the next Board meeting, Counsel will present different scenarios on the implications of the changes.

Chair McDermott agreed this is a very creative way of serving those underserved entities while making use of funds.

Member Ulibarri noted the Finance/Loan Committee moved this item forward with no recommendation to the Board. Member Clarke said she would like more time to review internally, noting her concern about reducing flexibility of the State to sweep funds if needed.

After some discussion, Chair McDermott directed staff to continuing exploring and seek input from the directors of the Legislative Finance Council Service and Department of Finance & Administration.

**No action was taken.**



**20. Consideration of Modifications to Loan Presentations.** Staff requests approval of the proposed modification of the PPRF presentation format.

Staff manually completes the current presentations for submission to the Finance and Loan Committee and the NMFA Board. With the NMFA's migration of the PPRF program to the EnABLE system, staff reviewed the presentation format to reduce redundant information and facilitate the automation of the presentations' compilation.

Member Ulibarri said Finance & Loan Committee did not move forward with a recommendation. Mr. Dillenback said staff is at a point with EnAble where changing the format for Board presentations is appropriate.

Discussion ensued on improving the presentation materials as well as condensing the materials presented. Chair McDermott mentioned the difficulty facing Board members in reviewing 600 plus pages of documentation prior to a Board meeting.

**Member Ulibarri moved, seconded by Member Torres, for approval of modifications to PPRF presentation format. The motion passed 8 – 0.**

**Report from the Chairperson of the Economic Development Committee.** *Committee members are Mr. Juan Torres, Chair (Secretary Designee for Secretary Designate Matt Geisel) and Mr. Blake Curtis.*

**21. Update on Activities.** The items that follow, as agenda items 22 and 23 are staff recommendations as the Committee did not meet in February due to lack of a quorum.

**22. Consideration & Recommendation for Approval of a Prioritization for Rural Round 23 NMTC Applications.** Pursuant to policy, staff recommends not prioritizing any applications for Rural Round 23.

Projects appearing on the NMTC priority list must have an average minimum score of 60 points and must be determined to be of at least "Moderate" readiness for a project to move forward.

Two applicants submitted applications by the January 20, 2017 deadline. The evaluation committee vetted both applications and the consensus was that these applications did not meet program requirements to move forward either based upon the review of the project or for determination of project readiness. Both applications were missing substantial information with neither project meeting the 60 point threshold or the readiness threshold and would not be in a position to meet the timeliness for the NMTC financing process.

**Member Torres moved, seconded by Member Chavez, not to prioritize any applications for Rural Round 23 for NMTC. The motion passed 8 – 0.**

**23. Consideration & Recommendation for Approval to Amend the NMTC Policies & Procedures.**

Staff recommends adoption of the proposed revisions to the amended NMTC Policies and Procedures.

Since the establishment of Finance New Mexico's NMTC program, NMFA, on behalf of Finance New Mexico, has operated the program using three sets of policies, with its Policies and Procedures acting as the primary guidance for operating the program. While amended periodically, the Policies and Procedures have required since their establishment in 2008 that Finance New Mexico offer access to NMTC allocation through periodic competitive application rounds.

In 2013, the NMTC Economic Impact Policies provided that applications must receive an average score of at least 60 points and a readiness determination of at least "moderate" in order to move forward in the application process. Since that time, several applicants have had to submit applications through several rounds prior to receiving the requisite score to move on resulting in a delay of some projects and for some projects not moving forward at all.

Given the difficulty of placing credits in rural communities, staff believes that eliminating the competitive application process for projects in rural New Mexico will allow staff adequate time to work with clients in rural areas to develop applications as they come forward on a first come, first serve basis thereby increasing the likelihood of success. The proposed policy changes eliminate the competitive application process for projects in rural areas, while keeping the competitive application process for projects in urban areas.

In response to a question from Member McQueen regarding rural or urban categories, Ms. Marquita Russel explained the process detailing the qualifiers for each category.

**Member Torres moved, seconded by Member Tongate, for adoption of the proposed revisions to the amended NMTC Policies and Procedures. The motion passed 8 – 0.**

**Report from the Chairperson of the Audit Committee.** *Committee members are Chair Stephanie Clarke (Secretary Designee for Secretary Designate Duffy Rodriguez), Mr. Ken McQueen, Mr. Steve Kopelman, and Ms. Katherine Ulibarri.*

- 24. Update on Activities.** Member Clarke presented the Audit Committee report for February 20, 2017 meeting. The items discussed include RSM's internal audit update, an amendment to RSM's internal audit contract aligning the annual contract renewal and expiration dates to the fiscal year timeline, REDW invoices, and the Findings Status Matrix. Staff presented and the Committee accepted the January financial statements for presentation to the Board. The Committee inquired about staff's plan to ensure timely presentation of the FY18 annual budget with the CEO indicating that staff plans to bring a budget plan to the Board for review in April.

Chair McDermott asked when the process begins for selecting a new auditing firm. Mr. Oscar Rodriguez reported the RFP is drafted and the NMFA is awaiting approval to begin the procurement process by the State Auditor's office.

**25. Consideration and Acceptance of the Financial Report for period ending January 31, 2017.** Mr. Oscar Rodriguez provided a summary of the Financial Report for the period ending January 31, 2017.

Member Chavez expressed appreciation for Mr. Rodriguez' work since joining the Authority adding he is looking forward to changes staff may be proposing to the report form.

**Member Clarke moved, seconded by Member Chavez, for acceptance of the Financial Report for period ending January 31, 2017. The motion passed 8 - 0.**

**Report from the Chairperson of the Contracts Committee.** *(Committee members are Chair Butch Tongate, Mr. Juan Torres (Secretary Designee for Secretary Designate Matt Geisel), and Mr. Steve Kopelman.*

**26. Update on Activities.** Mr. Dan Opperman, General Counsel, reported the Contracts Committee met on February 20, 2017.

**Mr. Zach Dillenback introduced Ms. Lalleh Dayeny who joins the staff as a Lending Officer.**

Mr. Bryan Otero reported the one item discussed and approved by the Contracts Committee for recommendation to the Audit Committee was the amendment to RSM's internal audit contract aligning the annual contract renewal and expiration dates to the fiscal year timeline.

**26a.** Ms. Dora Cde Baca, CAO, reported the HR audit commenced in April 2016 including personnel file reviews, compensation study, and revised job descriptions providing career ladder up to 6 levels. She said Ms. Cooley is currently working on performance evaluations.

In response to a question from Chair McDermott regarding how often compensation studies would be appropriate, Ms. Cooley expressed belief that 4 years would be appropriate with the tool developed with this audit.

**Presentation on HR Report (Mary Cooley).** Ms. Mary Cooley reviewed the process involved in auditing and preparing the HR report. She detailed the numerous meetings with management, staff, and contacts with other similar organizations including banking, legal, human resources, administration, and executive management.

Ms. Cooley said job descriptions needed updating but for the most part were correct. She noted turnover is low and for the most part 85% fell within the pay ranges moving toward the mid-point.

Discussion ensued with Ms. Cooley responding to questions from the Board. Chair McDermott noted the Executive Committee met and received Ms. Cooley's report that was very helpful.

**27. Executive Session – Closed meeting to discuss limited personnel matters regarding employee performance reviews and the annual CEO review as allowed by NMSA 1978, Section 10-15-1(H)(2)**

Chair McDermott entertained a motion for the NMFA Board of Directors to go into Executive Session to discuss limited personnel matters regarding the annual CEO review pursuant to NMSA 1978, Section 10-15-1(H)(2).

**Member Ulibarri moved, seconded by Member Torres, to convene in Executive Session. On a roll call vote, the motion passed 8 – 0.**

RETURN TO OPEN MEETING

Chair McDermott stated, “We are now in open meeting. Let the record reflect that no action was taken during the closed meeting and the only things discussed were limited personnel matters including the annual CEO review and contract.”

**28. Consideration and Approval of CEO Contract.**

**Member Tongate moved, seconded by Member Clarke, to table the decision on the changes to the contract. The motion passed 8 – 0.**


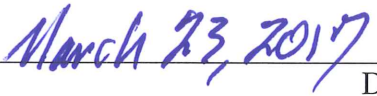
**29. Next Board Meeting**

Thursday, March 23, 2017 – 9:00 a.m.  
Santa Fe County Commission Chambers  
102 Grant Ave.  
Santa Fe, NM

**30. Adjournment**

**Member Torres moved, seconded by Member Ulibarri, to adjourn the meeting. The motion passed 8 – 0.**

The meeting adjourned at 11:10 a.m.

  
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Secretary  
  
\_\_\_\_\_  
Date