

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

**Minutes of Board Meeting
September 27, 2018
State Capitol – Room 309
Santa Fe, New Mexico**

Present:

Katherine Ulibarri, Chair
William Fulginiti, Vice Chair
Ken McQueen, Secretary
Butch Tongate
Santiago Chavez
A.J. Forte
Juan Torres
Blake Curtis

K. Ulibarri Consulting LLC
Executive Director, NMML
Secretary, NM Energy & Minerals
Secretary, NM Environment Dept.
Designee, Executive Director, NMAC
Secretary Designee, Dept. of Finance & Administration
Secretary Designee, Economic Development Dept.
CEO, Curtis & Curtis

Finance Authority Staff:

Angela Quintana
Carmela Manzari
Frank Ibarra
Glen Gaylord
John Gasparich
LaRain Valdez
Lucas Elliott
Marquita Russel
Michael Vonderheide
Ron Cruz
Todd Johansen

Bryan Otero
Connie Marquez
Floyd Trujillo
Joe Durr
Heather Boone
Leslie Medina
Mark Lovato
Meca Broadway
Oscar Rodriguez
Thomas Donelan
Zach Dillenback

Guests:

Harry Romine
Karen Torres
Linh Nguyen
Leslie Hoffman
George Kubin
Susen Ellis
Anne Browne
Kimberly Simpson
Diahann Jacques
John Archuleta
Kelly Duran
Richard

JCI
NMED
LEH Consulting Group
LEH Consulting Group
Bank of Albuquerque
Bank of Albuquerque
Sutin Thayer & Browne
City of Grants
City of Espanola
George K. Baum & Company
City of Espanola
SAHC

1. **Call to Order and Roll Call.** Chair Katherine Ulibarri called the meeting to order at 9:00 a.m. A roll call established a quorum.

2. **Approval of Agenda.** Staff requested removal of Item 27 for future consideration.

Member Fulginiti moved, seconded by Member Chavez, to approve the amended agenda. The motion passed 8 - 0.

3. **Approval of the August 23, 2018 Board Minutes.**

Member Fulginiti moved, seconded by Member Curtis, for approval of the August 23, 2018 Board Minutes. The motion passed 8 – 0

4. **Consideration and Approval of Amended and Restated Bylaws.** Mr. Bryan Otero reviewed the proposed changes to the By-laws. Primary changes include elimination of the Treasurer position for the Board, proposed change to the Committee structure, and some minor clarification items including holdover Board members remaining in office until replacement or removal.

Member Chavez moved, seconded by Member Fulginiti, for approval of the amended and restated Bylaws. The motion passed 8 – 0.

5. **Appointment and Approval of Committee Memberships.** Ms. Heather Boone reviewed the proposed changes and duties for the newly aligned committees and committee charters, as well as proposed membership as appointed by the Chair.

- ◆ **Audit Committee:** Meets monthly, oversees the internal and external auditors, preparation of the financial statements, and compliance programs, and reporting. Members: A.J. Forte, Chair (Designee for Duffy Rodriguez), Katherine Ulibarri, Steve Kopelman (Designee Santiago Chavez), and Ken McQueen
- ◆ **Economic Development Committee:** Meets monthly, oversees the private lending program including behavioral health and primary capital care and New Market Tax Credit program. Members: Juan Torres, Chair (Designee for Secretary Matt Geisel), Blake Curtis, and Ken McQueen
- ◆ **Executive Committee:** Meets on an as-needed basis, focuses on management and corporate government, oversees the CEO, Code of Conduct, and similar functions. Members: Katherine Ulibarri, Chair, William Fulginiti, Vice-Chair (Designee Regina Romero), Ken McQueen, Secretary, and Butch Tongate (Designee Judi Kahl)
- ◆ **Finance & Disclosure Committee:** Amalgamation of Contracts, Disclosure, and Investment Committees. Members: Katherine Ulibarri, Chair, William Fulginiti (Designee Regina Romero, Juan Torres (Designee for Matt Geisel), and Blake Curtis
- ◆ **Public Lending Committee:** Replacement for Finance & Loan Committee – meets prior to each Board meeting, reviews public projects, oversees the portfolio, and receives reports on the portfolio performance. Members: William Fulginiti, Chair (Designee Regina Romero), Steve Kopelman (Designee Santiago Chavez), A.J. Forte (Designee for Duffy Rodriguez), and Butch Tongate (Designee Judi Kahl)

Member Chavez asked which Committee would receive proposed changes should Board members have suggestions or recommendations. Ms. Boone responded that each Committee, after appointments, should review their proposed charter and bring any changes to the Board for review and approval next month including changes to committees other than those they are on.

Member Fulginiti moved, seconded by Member Chavez, for approval of Committee membership appointments. The motion passed 8 – 0.

6. Discussion Regarding Committee Charters. Discussed as part of agenda item 5.

7. Report from Chief Executive Officer.

- ◆ Mr. John Gasparich reported the Accounting Department is fully staffed. Mr. Oscar Rodriguez introduced the newest staff members including Mr. Glen Gaylord, Mr. Thomas Donelan, and Ms. Meca Broadway.
- ◆ The Audit is ongoing with Moss Adams proceeding on schedule and completing field work. Moss Adams cleared findings in last year's audit and contemplates not finding any in the 2018 audit.
- ◆ EnABLE Update: Mr. Floyd Trujillo reported working with project team and vendor to prepare schedule to complete project by December. A major change is moving items that do not impact going live to next calendar year, full staffing in Accounting will help, along with the contract staff on board. Mr. Wesley Miller reported that 72% of the high level tasks are complete and as those tasks are completed will fall off the list. Mr. Gasparich noted that EnAble should be the system of record by January 1 but there could be some slippage. Phase 2 will address other work in terms of reports that not needed on a daily basis.

Member Forte joined the meeting at 9:35 a.m.

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

8. Update on Activities. Member Fulginiti presented the Finance & Loan Committee report on items considered by the Committee.

9. Consideration and Recommendation for Approval of Village of Red River (Taos County) – 2019 Drinking Water Loan – DW-4792. The Village of Red River ("Village") applied to the Drinking Water State Revolving Loan Fund ("DWSRLF") for \$2,110,900 to fund Phase II of the Town's water distribution system.

Phase II includes the replacement of the water line along High Street and Prospector Trail, extension of the water line in the Bitter Creek Canyon, installation of the remaining four pressure reducing stations, the replacement of the Water Reclamation Facility 2-inch HDPE water line, and installation of fire hydrants and related appurtenances.

The project's ranking on the FY 2019 Annual DWSRLF Fundable Priority List qualifies the Village for 50% principal forgiveness.

Member Fulginiti moved, seconded by Member Curtis, for approval of Village of Red River Project DW-4792. The motion passed 8 – 0.

- 10. Consideration and Recommendation for Approval of Village of Eagle Nest (Colfax County) – 2019 Drinking Water Loan – DW-4795.** The Village of Eagle Nest (“Village”) applied to the Drinking Water State Revolving Loan Fund (“DWSRLF”) for \$1,414,000 to plan, design, construct the Eagle Nest Willow Creek tank, water lines, and well house improvements for the Eagle Nest Water System.

The project’s ranking on the FY2019 Annual DWSRLF Fundable Priority List qualifies the Village for 50% principal forgiveness.

Member Fulginiti moved, seconded by Member Tongate, for approval of Village of Eagle Nest Project DW-4795. The motion passed 8 – 0.

- 11. Consideration and Recommendation for Approval of City of Tucumcari (Quay County) - 2019 Drinking Water Loan – DW-4801.** The City of Tucumcari (“City”) applied to the Drinking Water State Revolving Loan Fund (“DWSRLF”) for \$1,500,000 to design and construct a 165,000 gallon water storage tank to insure water and water quality for the City’s water users.

The project’s ranking on the FY 2019 Annual DWSRLF Fundable Priority List qualifies the City for 75% principal forgiveness.

Member Fulginiti moved, seconded by Member Torres, for approval of City of Tucumcari Project DW-4801. The motion passed 8 – 0.

- 12. Consideration and Recommendation for Approval of Lower Rio Grande Public WWA (Doña Ana County) – 2019 Drinking Water Loan – DW-4796.** The Lower Rio Grande Public WWA (“Association”) applied to the Drinking Water State Revolving Loan Fund (“DWSRLF”) for \$1,729,692 for Phase II improvements.

The Association purchased the Valle Del Rio system in 2016 with funding through 3394-DW. Phase 1 improvements are under construction following completion of an appraisal, engineering evaluation, and Professional Engineering Report (“PER”).

The PER recommended replacement of all service lines and tank rehabilitation, and noted the future need for main line replacement. The Project amendments include design and construct improvements including storage tank rehab, replacement of water mains and service lines, repaving, and installation of fire hydrants.

Member Fulginiti moved, seconded by Member Torres, for approval of Lower Rio Grande Public WWA Project DW-4796. The motion passed 8 – 0.

- 13. Consideration and Recommendation for Approval of City of Truth or Consequences (Sierra County) – 2019 Drinking Water Loan – DW-4794.** The City of Truth or Consequences (“City”) applied to the Drinking Water State Revolving Loan Fund (“DWSRLF”) for \$1,241,085 to fund replacement of high risk water lines identified in the Asset Management Plan.

Components that make up the City’s Water System are near or beyond their useful life. Prioritized for replacement or improvement, some of these components are critical to supplying safe drinking water to the community.

The project's ranking on the FY 2019 Annual DWSRLF Fundable Priority List qualifies the City for 50% principal forgiveness.

Member Fulginiti moved, seconded by Member Torres, for approval of City of Truth or Consequences Project DW-4794. The motion passed 8 – 0.

- 14. Consideration and Recommendation for Approval of Miami Water Users Association (Colfax County) – 2019 Drinking Water Loan – DW-4799.** The Miami Water Users Association (“Association”) applied to the Drinking Water State Revolving Loan Fund (“DWSRLF”) for \$202,600 to fund the design and construction of a Disinfection By-Products Treatment and Reduction System (“System”).

The New Mexico Environment Department (“NMED”) approved the Association’s 2017 preliminary engineering report addressing the System to comply with the terms of an NMED Administrative Order related to the regulatory limits of the disinfection by-products of the water treatment system and the requirement to implement a treatment system to correct the issues.

The Association qualifies for 75% principal forgiveness, due to the project's ranking on the FY 2019 Annual DWSRLF Fundable Priority List.

Member Fulginiti moved, seconded by Member Chavez, for approval of Miami Water Users Association Project DW-4799. The motion passed 8 – 0.

- 15. Consideration and Recommendation for Approval of Eldorado WSD (Santa Fe County) – 2019 Drinking Water Loan – DW-4800.** The Eldorado WSD (“District”) applied to the Drinking Water State Revolving Loan Fund (“DWSRLF”) for \$1,515,000 to fund the construction of a new booster pump station and a water transmission line.

The 2017 Utility Master Plan identified the need for sufficient infrastructure to deliver reliable water efficiently throughout the District’s system.

The project's ranking on the FY 2019 Annual DWSRLF Fundable Priority List qualifies the District for principal forgiveness.

Member Fulginiti moved, seconded by Member Curtis, for approval of Eldorado WSD Project DW-4800. The motion passed 8 – 0.

- 16. Consideration and Recommendation for Approval of Eldorado WSD (Santa Fe County) – 2019 Drinking Water Loan – DW-4971.** The Eldorado WSD (“District”) applied to the Drinking Water State Revolving Loan Fund (“DWSRLF”) for \$252,500 to fund the replacement of manual direct-read and radio-read meters with new Automatic Meter Reading (AMR) technology.

The project continues the District’s transition from a manual to cellular technology by installing electronic smart meters for cellular reading/monitoring by both the utility and its customers.

Member Fulginiti moved, seconded by Member Forte, for approval of Eldorado WSD Project DW-4971. The motion passed 8 – 0.

- 17. Consideration and Recommendation for Approval of Village of Magdalena (Socorro County) - 2019 Drinking Water Loan – DW-4798.** The Village of Magdalena applied to the Drinking Water State Revolving Loan Fund (“DWSRLF”) for \$500,000 to finance the Planning, Design, and Construction of new water well.

Currently, three production wells with corresponding capacities comprise the water supply and storage system. The Village is concerned that as the water system ages, remediation/improvements will not be sufficient to maintain current production levels.

Member Fulginiti moved, seconded by Member Chavez, for approval of Village of Magdalena Project DW-4798. The motion passed 8 – 0.

- 18. Consideration and Recommendation for Approval of Rodarte MDWCA (Taos County) - 2019 Drinking Water Loan – DW-4797.** The Rodarte Mutual Domestic Water Consumers Association (“Association”) applied to the Drinking Water State Revolving Loan Fund (“DWSRLF”) for \$53,158 to fund the external and internal rehabilitation of an existing 22,500 gallon water storage tank to insure water quality for the Association.

A 2016 professional inspection of the tank recommended fabrication and installation of a frost proof vent with stainless steel screen and exterior roof blast, cleaning, prime coating, and finish coating of roof and sides, and cleaning, riming, and finish coating of the tank’s interior.

Member Fulginiti moved, seconded by Member Torres, for approval of Rodarte MDWCA Project DW-4797. The motion passed 8 – 0.

- 19. Consideration and Recommendation for Approval of Doña Ana MDWCA (Doña Ana County) — Southeast Collection System - CIF-4634.** San Ysidro Southeast Collection System, continuation of two previously funded Colonias applications. - Recommended Funding: 90% grant - \$990,000 and 10% loan - \$110,000 totaling \$1,100,000. Revised approval is attributable to additional Severance Tax Bond funds available for 2018 CIF Projects.

Member Fulginiti moved, seconded by Member Chavez, for approval of Doña Ana MDWCA Project CIF-4634. The motion passed 8 – 0.

- 20. Consideration and Recommendation for Approval of Grant County – Rosedale Road – CIF-4644.** Rosedale Road Phase II Reconstruction and safety improvements located between Mesa Road intersections with Rosedale Road Silver City limits - Recommended Funding: 90% grant - \$990,000 and 10% loan - \$110,000 totaling \$1,100,000. Revised approval is attributable to additional Severance Tax Bond funds available for 2018 CIF Projects.

Member Fulginiti moved, seconded by Member Chavez, for approval of Grant County Project CIF-4644. The motion passed 8 – 0.

- 21. Consideration and Recommendation for Revised Approval of Santa Ana Hospitality Corporation (Sandoval County) – 2018 Tamaya Improvement & Expansion Loan - PPRF-4764.** Santa Ana Hospital Corporation (“SAHC”) applied for revised approval of credit change and reduction of the loan amount for Project PPRF-4764.

The revised request includes a revised loan amount lower than projected in June, and a change in the credit structure resulting from the reluctance by the Hyatt pertaining to some of the documented changes in the payment waterfall. Previously, the waterfall had positioned NMFA’s monthly debt service in a manner that NMFA fees would come immediately after Hyatt received its management fee and before funding certain reserves. Hyatt is reluctant to include language in the management agreement that requires a monthly debt service payment. The change moves NMFA’s credit position when the loan expense is paid, one notch lower which deteriorates NMFA’s credit position slightly. Hyatt agreed to fund a separate cash deposit control agreement of 13 months’ worth of debt service sitting in an account at all times. Between the cash deposit and the traditionally funded debt service account, there should be approximately 2 years’ of debt service available at all times effectively making this 10 year loan an 8 year loan. Additionally, the Santa Ana Pueblo has pledged its full faith and credit, essentially guaranteeing the loan.

Member Fulginiti moved, seconded by Member Forte, for revised approval of Santa Ana Hospitality Corporation Project PPRF-4764. The motion passed 8 - 0.

- 22. Consideration and Recommendation for Approval of City of Espanola (Rio Arriba County) – 2018 AMI & Meter Water Project & USDA Refunding – PPRF-4804.** The City of Espanola applied to the Public Project Revolving Fund for \$3,941,145 to finance infrastructure and costs related to the installation of a new water meter project, and refunding of the City’s Series 1997A USDA Water System Improvement Revenue Bonds originated in the amount of \$707,200.

The new water meter project consist of an Advanced Metering Infrastructure (AMI) System, Meter Replacements, and Supervisory Control and Data Acquisition (SCADA) upgrades, related appurtenances, and essential training and respective services.

The Net System Revenues of the Water and Wastewater Enterprise Funds (“Funds”) will secure the loan and the current refunding bonds. To determine debt service coverage of 6.31xs, staff used the average available revenue of FY2017 of the Net System Revenues of the Funds resulting in base pledged revenues of \$2,241,577.

Under current market conditions, the refunding expects to achieve savings of approximately \$96,105, representing net present value savings of more than 19 % over the life of the loan. The maturity of the refunding bonds shortens the term of the refunded bonds by two years.

The 2017 audit received an unmodified opinion with 3 findings none a material weakness nor a significant deficiency.

Member Fulginiti moved, seconded by Member Chavez, for approval of City of Espanola Project PPRF-4804. The motion passed 8 – 0.

- 23. Consideration and Recommendation for Approval of City of Las Cruces (Doña Ana County) – 2018 Heavy Equipment Loan – PPRF-4788.** The City of Las Cruces (“City”) applied to the Public Project Revolving Fund for \$2,800,000 to purchase and equip two public works utility vehicles/trucks.

The City will pledge the Gasoline Tax Revenue as revenue towards the loan.

The 2017 audit received an unmodified opinion with zero findings.

Member Fulginiti moved, seconded by Member Chavez, for approval of City of Las Cruces Project PPRF-4788. The motion passed 8 – 0.

- 24. Consideration and Recommendation for Approval of Tularosa Municipal School District (Otero County) – Series 2018 General Obligation Bonds – PPRF-4789.** The Tularosa Municipal School District (“District”) applied to the Public Project Revolving Fund (“PPRF”) for \$800,000 for school infrastructure.

The District received voter approval in February 2016 for school improvements valid for four years. The District will issue General Obligation Bonds in the amount of \$800,000 which the NMFA will purchase with the PPRF.

The GO Bond purchase risk is significantly reduced by Section 22-18-13 NMSA, 1978 which guarantees payment by the Department of Finance and Administration (“DFA”) should the District default.

The 2017 audit received an unmodified opinion with 1 finding, neither a material weakness nor a significant deficiency.

Member Fulginiti moved, seconded by Member Torres, for approval of Tularosa Municipal School District Project PPRF-4789. The motion passed 8 – 0.

- 25. Consideration and Recommendation for Approval of Texico Municipal School District (Curry County) – Energy Efficiency & Renewable Energy Bonds – PPRF-4803.** The Texico Municipal School District applied to the Public Project Revolving Fund for \$400,491 to finance infrastructure upgrades to various buildings.

The District seeks the issuance of Energy Efficiency and Renewable Energy (“EERE”) Bonds to finance infrastructure upgrades on the District’s various buildings. Yearout Energy Services completed an energy audit for the District which the Energy Minerals and Natural Resources Department (“EMNRD”) reviewed and certified the need to issue bonds.

The State’s GRT secures and repays the bonds. For EERE Bonds related to public school districts, the Public Education Department (“PED”) reduces the benefiting District’s State Equalization Guarantee distribution by 90% of the certified amount to reimburse the State for its GRT contribution for debt service.

The 2017 audit received an unmodified opinion with zero findings.

Member Fulginiti moved, seconded by Member Torres, for approval of Texico Municipal School District Project PPRF-4803. The motion passed 8 – 0.

- 26. Consideration and Recommendation for Approval of Series 2018 Energy Efficiency and Renewable Energy Bonds, Authorizing and Delegating Resolution.** A Resolution authorizing the issuance of New Mexico Finance Authority Energy Efficiency and Renewable Energy Bonds for the Texico Municipal School District, Series 2018Bin an aggregate principal amount not to exceed \$460,345.

The funding provides for energy efficiency upgrades on the District’s various buildings; payment of the principal of and interest on the bonds from monies deposited in the energy efficiency and renewable energy bonding fund and the pledge of such revenue by the New Mexico Finance Authority. The resolution further provides for the purchase of the Series 2018B Bonds with proceeds of New Mexico Finance Authority Public Project Revolving Fund revenue bonds and authorizes all other actions necessary to the consummation of the transactions contemplated by this resolution and related matters.

Member Fulginiti moved, seconded by Member Chavez, for approval of the Series 2018 Energy Efficiency and Renewable Energy Bonds Authorizing Resolution. The motion passed 8 – 0.

- 27. Consideration and Recommendation for Approval of Village of Causey (Roosevelt County) – 2018 New Ambulance Loan – PPRF-4785.** Removed from Agenda.

- 28. Consideration and Recommendation for Approval of City of Grants (Cibola County) – 2018 Fire Equipment Loan – PPRF-4802.** The City of Grants (“City”) applied to the Public Project Revolving Fund for \$365,000 to finance the cost associated with the purchase of a new Fire Engine, Fire Command Vehicle, and Fire Rescue Bed/Truck.

The Department has an ISO rating of four with two Main Stations receiving a minimum yearly Fire Protection Fund allocation of \$129,502.00.

The 2017 audit received a qualified opinion with 7 findings including 3 material weaknesses addressing not reconciling cash on a timely basis, capital assets, and internal controls over financial reporting. The City provided a corrective action plan.

Member Fulginiti moved, seconded by Member Chavez, for approval of City of Grants Project PPRF-4802. The motion passed 8 – 0.

- 29. Consideration and Recommendation for Approval of City of Socorro (Socorro County) – 2018 Equipment – PPRF-4790.** The City of Socorro applied to the Public Project Revolving Fund for \$327,244 to purchase a Wheel Tractor-Scraper with an extended 24-month warranty for the Solid Waste Department.

The City will pledge the Net Systems Revenue of the Joint Enterprise Fund comprised of natural gas, water wastewater, solid waste, landfill, and recycling operations as pledged revenue.

The 2017 audit received an unmodified opinion with 3 findings, neither a material weakness nor a significant deficiency.

Member Fulginiti moved, seconded by Member Chavez, for approval of City of Socorro Project PPRF-4790. The motion passed 8 – 0.

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

- 30. Update on Activities.** The Economic Development Committee met on September 18, 2018. In addition to reviewing the Private Lending Portfolio Report, staff provided an update on the status of the loan participation with International Bank, Tri-County Community Services ceasing its operation and the status of the loan, and the New Markets Tax Credit closing of Urban Hospitality. The closing will likely take longer than the 60 days provided in policy because of the backup of deals at the investor. Because the delay was outside the applicant's control, staff anticipates bringing an extension request before the Board in the future.

In response to a questions from Member Torres regarding submittal of a new NMTC application, Ms. Russel noted the application was submitted in June; however, expects no response until winter 2019.

Report from the Audit Committee. *Committee members are Chair A.J. Forte (Secretary Designee for Secretary Duffy Rodriguez), Mr. Ken McQueen, Mr. Steve Kopelman, and Ms. Katherine Ulibarri.)*

- 31. Update on Activities.** The Audit Committee met September 24, 2018. Staff updated the Committee on the status of the Internal Audit contract and external audit.
- 32. Financial Year End Close (unaudited).** Mr. Oscar Rodriguez reviewed the unaudited financial statements. Member Chavez noted that the Audit Committee did hold an Entrance Conference at the Audit Committee with a quorum present.

33. Compliance Exceptions Report. Ms. Heather Boone presented the Compliance Exceptions Report. The Executive Committee approved the Orientation and Training Plan in August. Chair Ulibarri commented that in the course of reviewing the By-laws she did hear some feedback that Executive Committee often does not report in a formal manner to the Board. Chair Ulibarri indicated that in the future, the Executive Committee will present formal reports to the Board when the Committee does meet.

Strategic Planning Task Force Report (*Ms. Katherine Ulibarri, Mr. William Fulginiti, Mr. Juan Torres, Mr. Steve Kopelman, and Mr. Santiago Chavez*)

34. Strategic Planning Status Report. Ms. Boone presented the Strategic Planning Status Report. Three items were briefly discussed, namely discussions from the focus group, a subsequent presentation to the New Mexico Oversight Committee, and final objectives presented to the Board by the end of September.

Ms. Leslie Hoffman and Mr. Linh Nguyen, LEH Consulting Group, who served as facilitators during the Strategic Planning process, presented their findings and comments heard at the Focus Group meetings. Discussion ensued on incorporating the Strategic Plan into the Board process, the use of the dash board tool to maintain connectivity between the Board and staff, and ongoing stock holder strategy.

35. Consideration and Recommendation of the New Mexico Finance Authority Strategic Plan.

Member Fulginiti moved, seconded by Member Chavez, for approval of the New Mexico Finance Authority Strategic Plan. The motion passed 8 – 0.

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

36. Update on Activities. Mr. Bryan Otero presented the Contracts Committee report for the September 24, 2018 meeting. Items discussed included extension of legal contracts for an additional year, notification of Sole Source contract to Mr. Robert Brannon, and an update on the internal audit contract.

37. Executive Session: Closed Session to Discuss Matters Subject to Attorney-Client Privilege Pertaining to Threatened or Pending Litigation Related to the International Bank Loan Participation and the Tri-County Community Services, Inc. Behavioral Healthcare Loan as Allowed by NMSA 1978, Section 10-5-1 (H) (7).

Chair Ulibarri entertained a motion for the NMFA Board of Directors to go into Executive Session to discuss matters subject to Attorney-Client Privilege pertaining to threatened or pending litigation related to the International Bank Loan Participation and the Tri-County Community Services, Inc. Behavioral Healthcare Loan -as allowed by NMSA 1978, Section 10-15-1 (H) (7).

Member Fulginiti moved, seconded by Member Chavez, to go into Executive Session as allowed by NMSA 1978, Section 10-15-1 (H) (7). On a roll call vote, the motion passed 8 – 0.

RETURN TO OPEN MEETING

Chair Ulibarri 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 matters Subject to Attorney-Client-Privilege pertaining to the International Bank Loan Participation and Tri-County Community Services, Inc. Behavioral Healthcare Loan."


38. Next Board Meeting

Thursday, October 25, 2018 – 9:00 a.m.
State Capitol, Room 309
Santa Fe, NM


39. Adjournment

Member Torres moved, seconded by Member Curtis, to adjourn the meeting. The motion passed 8-0.

The meeting adjourned at 11:10 a.m.



Secretary



Date