

*New Mexico Finance Authority*  
207 Shelby St.  
Santa Fe, NM 87501  
(505) 984-1454  
**Minutes of Board Meeting**  
**March 28, 2019**  
**Santa Fe County Commission Chambers**  
**Santa Fe, New Mexico**

**Present:**

Katherine Ulibarri, Chair	K. Ulibarri Consulting, LLC
William Fulginiti, Vice Chair	Executive Director, NMML
Steve Kopelman, Secretary	Executive Director, NMAC
Judi Kahl	Designee for Secretary, NM Environment Dept.
Olivia Padilla-Jackson	Secretary, Dept. of Finance & Administration
Sarah Cottrell Propst	Secretary, NMENRD
Blake Curtis ( <i>via conference</i> )	CEO, Curtis & Curtis

**Absent:**

Alicia Keyes	Secretary, Economic Development
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**Finance Authority Staff:**

Bryan Otero	Carmela Manzari
Connie Marquez	Frank Ibarra
Floyd Trujillo	Joe Durr
John Gasparich	Heather Boone
Leslie Medina	Mark Lovato
Marquita Russel	Michael Vonderheide
Norman Vuylsteke	Oscar Rodriguez
Ron Cruz	Rose Nikolai
Todd Johansen	Zach Dillenback

**Guests:**

Anne Browne	Sutin Thayer & Browne
Bradley Fluetsch	City of Santa Fe
Mel Morgan	Pojoaque Valley School District
Richard Stokes	Gila Regional Medical Center
Suzanne Bruckner	Sutin Thayer & Browne

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.**

**Member Fulginiti moved, seconded by Member Kahl, to approve the agenda. The motion passed 7 - 0.**

**3. Approval of the February 28, 2019 Board Minutes.**

**Member Padilla-Jackson moved, seconded by Member Kopelman, for approval of the February 28, 2019 Board Minutes. The motion passed 7 – 0.**

**4. Report from Chief Executive Officer.** Mr. Gasparich's report included the following:

- ◆ Mr. John Gasparich introduced two new staff members, Mr. Norman Vuylsteke in the Accounting Division and Rose Nikolai in IT.
- ◆ EnAble Update – Mr. Floyd Trujillo reported the completions are at 91% with significant progress made on the project. The Economic Development phase continues to go well with PPRF data phase progressing. There was a slight change to the project schedule involving funding sources.
- ◆ Update on Legislation - Mr. Gasparich reviewed the NMFA 2019 legislation passed during this session mentioning the legislation awaiting the Governor's signature specifically pertaining to NMFA. He briefly mentioned legislation indirectly affecting NMFA also awaiting signature.
- ◆ Board members expressed appreciation to staff for the effort and work during the past legislative session.

**5. Consideration and Approval of 2019 Open Meetings Act Resolution.** Staff recommends approval and adoption of the 2019 Open Meetings Resolution.

The Finance Authority Board is subject to the provisions of the Open Meetings Act. The Open Meetings Act, Section 10-15-1(D), NMSA 1978 requires the Board to determine annually what constitutes reasonable notice of its public meetings.

**Member Fulginiti moved, seconded by Member Kopelman, for approval of the 2019 Open Meetings Act Resolution. The motion passed 7 - 0.**

**6. Consideration and Approval of 2019 Inspection of Public Records Resolution and Policy.** Staff recommends approval and adoption of the 2019 Resolution for Inspection of Public Records and Policy.

The Resolution provides for adoption of the Finance Authority's Policy for Inspection of Public Records for 2019. The Policy sets forth the procedures for persons requesting access to public records, and otherwise complies with the requirements of the Inspection of Public Records Act §14-2-1 *et seq.*, NMSA 1978, as amended and supplemented from time to time.

**Member Padilla-Jackson moved, seconded by Member Kopelman, for approval of the 2019 Inspection of Public Records Resolution and Policy. The motion passed 7 - 0.**

**Report from the Public Lending Committee.** (*Committee members are William Fulginiti, Chair; Secretary Olivia Padilla-Jackson, Secretary James Kenney, and Mr. Steve Kopelman.*)

**7. Update on Activities.** Member Fulginiti presented the Public Lending Committee report on items discussed by the Committee at the meeting on March 21, 2019.



- 8. Consideration and Recommendation for Approval of City of Santa Fe (Santa Fe County) – 2019 Refunding Loan – PPRF-4937.** The City of Santa Fe (“City”) applied to the Public Project Revolving Fund (“PPRF”) for \$23,705,000 to refund Series 2009 PPRF-2328 Taxable Subordinate Lien GRT Bonds for economic savings, and amending the October 15, 2019 call date to coincide with the June 1, 2019 call date for efficiency purposes.

Originally issued for \$29,615,000, Series 2009 funded acquisition and improvement of land, buildings, and other real property owned by the College of Santa Fe, and associated costs of issuance. Based on the current market environment, refunding of the Series 2009 loan would likely achieve a net present value savings of approximately 10.14% equating to \$2,365,175 over the life of the loan with term extended by five years, from the term of the refunded bonds, for a twenty-year loan.

The bond will be secured within the City's subordinate Gross Receipts Tax (“GRT”) lien supported by State Shared GRT (1.225%), the first and second increments of Municipal Local Option GRT (0.25% each increment, 0.50% total), and the first increment of Municipal Infrastructure GRT (0.0625%). Staff utilized a three-year average of revenues consisting of \$57,782,856 resulting in a minimum debt service coverage of 2.60xs. The loan will maintain a contingent intercept.

The loan will not require a reserve fund based on Standard & Poor's "AA" rating on the City's subordinate lien and ‘AA+’ by Fitch. The subordinate lien has an established additional bonds test of 200% and currently has a strong debt service position at 2.60xs. The City requested an anytime call on the taxable loan. Staff priced a 100bp premium into the loan term. The final interest rates will be at the same rate of interest received on the NMFA’s 2019B bonds.

The 2018 audit received an unmodified opinion with two repeated material weaknesses and two repeated significant deficiencies. The City provided a corrective action plan. Mr. Bradley Fluetsch, CFA, responded to questions regarding the audit noting that improvements include implementation of new policies and hiring of new staff.

Member Kopelman felt that periodic updates from staff regarding projects with audit issues would be appropriate. In response to a question from Chair Ulibarri regarding routine monitoring on corrective action plans, Mr. Zach Dillenback said the Audit Policy as it currently exists provides guidelines by which staff can rate and risk adjust what a borrower's status is and deploy features into the loan agreements to mitigate risks. Staff can also require on-going reporting as a functionality but periodic and compliance testing does not currently exist.

**Member Fulginiti moved, seconded by Member Padilla-Jackson, for approval of City of Santa Fe Project PPRF-4937. The motion passed 7 – 0.**

- 9. Consideration and Recommendation for Approval of Pojoaque Valley Public School District (Santa Fe County) – Series 2019 GO Bonds – PPRF-4929.** The Pojoaque Valley Public School District (“District”), applied to the Public Project Revolving Fund (“PPRF”) for \$2,750,000 to finance District-wide school improvements.



In February 2017, the District received voter approval of \$5,500,000 for school infrastructure improvements, computer and hardware purchases, and matching funds for capital outlay purchase. The District will issue General Obligation Bonds for \$2,750,000 which NMFA will purchase through the PPRF. With this transaction, the District will have fully issued the amount authorized by the voters.

Member Padilla-Jackson summarized her concerns regarding this project. At the Public Lending Committee, a member raised concerns with audit findings relating to the material weakness findings from the 2018 audit. In particular, there was an operating deficit of approximately \$1.6 million in the operational. Member Padilla-Jackson learned there were some issues with proper budgeting controls, some issues with timeliness of recognizing revenues, and some lack of understanding of the budgeting and accounting processes. The staff is working very closely with PED and the school will be submitting timely requests for reimbursement. Mr. Mel Morgan highlighted some of the issues facing the school district when he assumed his position. Member Ulibarri said she appreciates the expertise Mr. Morgan brings forward, but cautioned about thinking about separation of duties.

The District's FY2018 audit had one repeated material weakness and one new material weakness including one repeated significant deficiency. The District provided a corrective action plan.

**Member Fulginiti moved, seconded by Member Padilla-Jackson, for approval of Pojoaque Valley Public School District Project PPRF-4929. The motion passed 7 – 0.**

- 10. Consideration and Recommendation for Approval of Quay County, Bard-Endee FD – 2019 Equipment Loan – PPRF-4928.** Quay County ("County") applied to the Public Project Revolving Fund ("PPRF") for \$150,000 to finance costs associated with the purchase of a new fire apparatus and respective equipment.

The County will pledge State Fire Protection Funds as the revenue source for this loan. The County has an ISO class rating of 8 with two main stations and one substation receiving an annual distribution of \$123,338. The County will contribute \$322,800 toward the purchase which includes an FY2019 New Mexico Fire Protection Grant of \$100,000.

The 2017 audit received an unmodified opinion with 2 findings neither a material weakness nor a significant deficiency.

**Member Fulginiti moved, seconded by Member Kopelman, for approval of Quay County Project PPRF-4928. The motion passed 7 – 0.**

- 11. Gila Regional Medical Center Overview.** Mr. Ron Cruz presented a brief synopsis of the Gila Regional Medical Center ("GRMC") which is a component unit of Grant County operating independently at the direction of the Medical Center Board of Trustees who are appointed by Grant County Commission.

GRMC and UNMH collaborated to provide cancer services in Grant County and surrounding areas with GRMC applying for funding including IT equipment, renovation of the chemotherapy clean room, and a PET scanner presented through agenda items 12, 13, 14, and 15 which follow on the agenda. The



Legislature passed House Bill 558 authorizing NMFA to issue cigarette tax bonds and appropriate excess funds to GRMC contingent upon the Governor signing the bill.

- 12. Gila Regional Medical Center (Grant County – Cash Appropriation from the Rural County Cancer Treatment Fund - SAP-4939.** Gila Regional Medical Center (“GRMC”) requests approval for a direct appropriation as outlined in 2019 HB 558.

HB 558, approved during the 2019 legislative session, authorized the GRMC to receive an appropriation from the Rural County Cancer Treatment distribution of cigarette tax revenues. GRMC must use the appropriation for capital projects including IT equipment, renovations to the chemotherapy clean room, and a positron emission tomography ("PET") scanner.

NMFA analyzed the Rural Cancer Treatment Fund for capacity and financing options to fund projects authorized by HB558 for the hospital. Based on staff’s analysis, the accumulation of excess rural county cancer treatment revenue has grown to where it can accommodate funding GRMC’s request without impairing the existing cigarette tax revenue bonds that are outstanding. NMFA will directly appropriate \$525,000 from excess accumulated revenues generated by the Rural County Cancer Treatment distribution of the cigarette tax currently sitting in the fund.

**Member Fulginiti moved, seconded by Member Kahl, for approval of Gila Regional Medical Center Project SAP-4939. The motion passed 7 – 0.**

- 13. Gila Regional Medical Center (Grant County) – 2019 Cigarette Tax Revenue Bond - PPRF-4939** Staff requests approval to issue cigarette tax bonds for \$162,465 with repayment by the NMFA’s receipt of the cigarette tax distributions to the Rural County Cancer Treatment Fund.

HB558 authorized the New Mexico Finance Authority ("NMFA") to issue and sell bonds in an amount not to exceed \$1,250,000 for the GRMC capital projects including IT equipment, renovations to the chemotherapy clean room, and a positron emission tomography (PET) scanner.

Repayment of the bonds will be from the sixty-two hundredths percent (.62%) of the cigarette distribution made to the NMFA pursuant to Section 7-1-6.11 NMSA 1978. Based on NMFA’s analysis, accumulation of excess rural county cancer treatment revenue has grown to where it can accommodate funding GRMC’s request without impairing the existing cig tax revenue bonds outstanding.

GRMC will utilize funds for projects allowable under the Act to assist in the purchase of a Positron Emission Tomography (PET) scanner not covered by the direct loan (PPRF- 4883). Staff structured the bonds to withstand an annual 3% decline in generated pledged revenue. The structure of the proposed bonds maintains the same decline in debt service.

The 2018 audit received an unmodified opinion with 5 findings including 3 material weaknesses and 1 significant deficiency. The GRMC provided a corrective action plan. Member Kopelman asked if GRMC addressed the material weaknesses and significant deficiency in the audit. Mr. Cruz noted GRMC initiated an agreed upon procedure on the first two items of the material weaknesses,



and implemented changes for the two new findings. Regarding indigent charity care, GRMC did have a policy in place; however, the staff at that time was not following the policy.

**Member Fulginiti moved, seconded by Member Kahl, for approval of Gila Regional Medical Center Project PPRF-4939. The motion passed 7 – 0.**

- 14. Consideration for Approval of Authorizing and Delegating Resolution for the Issuance and Sale of the New Mexico Finance Authority Rural County Cancer Treatment Center/Cigarette Tax Revenue Bonds, Series 2019, and the Transfer of Excess Balances from the Rural County Cancer Treatment Fund to Gila Regional Medical Center ("GRMC") in Grant County, New Mexico for Certain Capital Projects Including the Purchase of a Positron Emission Tomography Scanner.** Ms. Suzanne Bruckner presented the authorizing and delegating resolution for the issuance and sale of the New Mexico Finance Authority Rural County Cancer Treatment Center/Cigarette Tax Revenue Bonds, Series 2019 in an aggregate principal amount not to exceed \$162,465 for the purpose of providing funds to purchase a Positron Emission Tomography ("PET") Scanner for the GRMC in Grant County, New Mexico, pay costs of issuance of the series 2019 bonds and fund a reserve account (the "Project");

The Resolution further authorizes the use of \$525,000 of excess balances in the Rural County Cancer Treatment fund for the project; delegating to certain members and officers of the Finance Authority the authority to determine the final terms of the series 2019 Bonds, subject to the parameters established herein including, without limitation, the dates, maturities, redemption provisions, interest rates, sale prices and payment terms; providing for the payment of the principal of and interest on the Series 2019 Bonds from the sixty-two hundredths percent (.62%) distribution of cigarette tax revenues made pursuant to Section 7-1-6.11(e) NMSA 1978 and the pledge of such revenue by the New Mexico Finance Authority; providing for the form, execution and other details concerning the bonds and the funds appertaining thereto; providing for the purchase of the Series 2019 Bonds with moneys in the Public Project Revolving Fund or proceed of Pubic Project Revolving Fund Revenue Bonds.

Member Padilla-Jackson asked if the Board had previously considered this particular type of bond noting that \$162,000 seems small for issuing on the open market. Mr. Zach Dillenback explained there are a couple of programs that NMFA administer by statute State Building Bonds, Energy Efficiency and Renewable Energy Bonds and various Cig Tax Distributions that the State has defined the beneficiaries as Department of Health, UNM Health Sciences Center, Rural Cancer Treatment Fund, of which there is bonding capacity assigned to it with NMFA issuing the bonds. Mr. Dillenback said that with the size of the bonds, and NMFA's credit rating, it makes more sense to place into the PPRF.

Regarding the parameter at 6%, Member Padilla-Jackson felt tightening closer to market conditions would be appropriate at some point given that approval is up to 6% and is only half of that.

**Member Fulginiti moved, seconded by Member Propst, for approval of Authorizing and Delegating Resolution for the Issuance and Sale of the New Mexico Finance Authority Rural County Cancer Treatment Center/Cigarette Tax Revenue Bonds, Series 2019, and the Transfer of Excess Balances from the Rural County Cancer Treatment Fund to Gila Regional Medical Center in Grant County, New Mexico for Certain Capital Projects Including the Purchase of a Positron Emission Tomography Scanner. The motion passed 7 - 0.**



**15. Consideration and Recommendation for Approval of Gila Regional Medical Center (Grant County) - 2019 IT Equipment Replacement and Oncology Loan – PPRF-4893.** The Gila Regional Medical Center (“GRMC”) applied to the Public Project Revolving Fund (“PPRF”) for \$3,094,856 to modernize and replace IT infrastructure/equipment, and provide for Oncology services to Grant County and surrounding communities in southwest New Mexico.

The IT project portion includes replacing servers, associated software, managed switches, and hardware maintenance for five years. Funding for the IT portion includes taxable and tax-exempt with the GRMC receiving \$150,000 of the proceeds at a 2.0% disadvantaged rate.

The GRMC will pledge Net System Revenue as repayment for the loan. Discussion ensued on volatility with Net System Revenue with Mr. Cruz noting that staff used a 5 year average versus the 3 year average typically used.

**Member Fulginiti moved, seconded by Member Padilla-Jackson, for approval of Gila Regional Medical Center Project PPRF-4893. The motion passed 7 – 0.**

**16. Consideration and Recommendation for Approval of Lincoln County, Bonito Fire Station – 2019 Infrastructure Loan – PPRF-4935.** Lincoln County (“County”), Bonito Fire Department, (“Department”) applied to the Public Project Revolving Fund (“PPRF”) for \$819,687 to construct a new fire station replacing the Sun Valley Station which provides coverage to the Alto, NM area.

The Department currently has an ISO rating of 6 with three main stations and one substation receiving an annual base distribution of \$175,752 from State Fire Protection Funds. The County will contribute \$306,461 towards the project.

The 2018 audit received an unmodified opinion with 4 findings including 1 significant deficiency. The County provided a corrective action plan.

**Member Fulginiti moved, seconded by Member Kopelman, for approval of Lincoln County, Bonito Fire Station Project PPRF-4935. The motion passed 7 – 0.**

**17. Consideration and Recommendation for Approval of Eddy County, Otis VFD – 2019 Fire Equipment Loan – PPRF-4932.** Eddy County, Otis VFD (“County”) applied to the Public Project Revolving Fund (“PPRF”) for \$334,509 to purchase firefighting equipment.

The Department currently has an ISO rating of 4 with two main stations receiving an annual base distribution of \$129,502 from State Fire Protection Funds. The County will contribute \$100,000 towards this project

The 2017 audit received an unmodified opinion with 3 findings, none a material weakness or significant deficiency.

**Member Fulginiti moved, seconded by Member Kopelman, for approval of Eddy County, Otis VFD Project PPRF-4932. The motion passed 7 – 0.**

**18. Consideration and Recommendation for Approval of Village of Causey (Roosevelt County) – 2019 New Ambulance Loan – PPRF-4785.** The Village of Causey (“Village”) applied to the Public Project Revolving Fund (“PPRF”) for \$206,103 to purchase an ambulance supporting emergencies in the Village.

The Village currently has an ISO rating of 5 with one main station receiving an annual base distribution of \$61,667 from State Fire Protection Funds.

The 2018 audit received an unmodified opinion with 1 finding neither a material weakness nor a significant deficiency.

**Member Fulginiti moved, seconded by Member Padilla-Jackson, for approval of Village of Causey Project PPRF-4785. The motion passed 6 – 0 with Member Kopelman out for the vote.**

**19. Consideration and Recommendation for Approval of Southwest Solid Waste Authority (Grant County) – 2019 Equipment Loan – PPRF-4940.** The Southwest Solid Waste Authority (“Authority”) applied to the Public Project Revolving Fund (“PPRF”) for \$929,972 to purchase equipment for use at the landfill.

Grant County, Towns of Silver City, Hurley, and Santa Clara and the City of Bayard, through a Joint Powers Agreement, will operate the equipment at the landfill for the residents of Silver City and Grant County.

The Authority will utilize Solid Waste Net System Revenue as pledged revenue towards loan repayment.

The 2018 audit received an unmodified opinion with 2 findings neither a material weakness nor a significant deficiency.

**Member Fulginiti moved, seconded by Member Kahl, for approval of Southwest Solid Waste Authority Project PPRF-4940. The motion passed 6 – 0 with Member Kopelman out for the vote.**

**20. Consideration and Recommendation for Approval of Town of Elida (Roosevelt County) - 2019 Equipment Loan – PPRF-4941.** The Town of Elida (“Town”) applied to the Public Project Revolving Loan Fund (“PPRF”) for \$92,038 to purchase a new ambulance.

The Fire Department (“Department”) currently has an ISO rating of 6 with two main stations receiving an annual base distribution of \$117,168 from State Fire Protection Funds. The Town will contribute \$110,000 towards this project. The Department will also utilize a 2019 State Fire Marshal’s Fire Protection Grant and carry forward funds to complete the purchase.

At Member Fulginiti's request, Mr. Ron Cruz explained disadvantaged funding.

The 2017 audit received an unmodified opinion with zero findings.



**Member Fulginiti moved, seconded by Member Kahl, for approval of Town of Elida Project PPRF-4941. The motion passed 6 – 0 with Member Kopelman out for the vote.**

- 21. Consideration and Recommendation for Approval of City of Socorro (Socorro County) – 2019 Equipment Loan – PPRF-4930.** The City of Socorro applied to the Public Project Revolving Fund (“PPRF”) for \$150,000 to purchase 188 commercial dumpsters for the Solid Waste Department.

The City will use the Net Systems Revenue of the Solid Waste Fund as pledged revenue for the loan.

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

**Member Fulginiti moved, seconded by Member Padilla-Jackson, for approval of City of Socorro Project PPRF-4930. The motion passed 7 – 0.**

- 22. Consideration and Recommendation for Approval of City of Socorro (Socorro County) – 2019 Road Improvements – PPRF-4938.** The City of Socorro applied to the Public Project Revolving Fund for \$349,400 to refund Series 2002 PPRF-1083 loan, and to acquire new money to finance road improvements covering paving of several streets throughout the city.

The City will pledge the first and second increments of the Municipal Infrastructure GRT as the revenue source for this loan. Under current market conditions, the refunding anticipates achieving actual savings of approximately \$1,811.26 which represents net present value savings of more than 3.09% over the life of the loan.

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

**Member Fulginiti moved, seconded by Member Kopelman, for approval of City of Socorro Project PPRF-4938. The motion passed 7 – 0.**

- 23. Consideration and Recommendation for Amended Approval of KEWA/Santo Domingo Pueblo of Pledged Revenue (Sandoval County) – 2010 Building Loan – PPRF-2473.** KEWA/Santo Domingo Pueblo (“Pueblo”) applied to the Public Project Revolving Loan Fund (“PPRF”) for amended approval changing the current pledged revenue on loan PPRF-2473.

PPRF-2473, closed in August 2010, funded construction of a Head Start Facility for the Pueblo with tax on retail gasoline sales as pledged revenue. The Pueblo is requesting replacement of the gasoline tax distribution with a Gasoline Tax Sharing Agreement (“Agreement”) between the New Mexico Department of Transportation (“NMDOT”), the New Mexico Taxation and Revenue Department (“NMTRD”), the Pueblo, and Kewa Gas Limited wherein NMTRD pays the Pueblo \$170,000 per month not to distribute gasoline for resale outside the Pueblo boundaries.

The Agreement requires using the proceeds for the Pueblo's infrastructure and infrastructure services. As the Head Start building is part of the Pueblo's infrastructure, the use of these funds for the Head Start facility satisfies the stipulation on use of funds. The Agreement expires July 1, 2024 with the Pueblo anticipating renewal on or prior to expiration.

Should the proceeds from the Agreement become unavailable to pay the loan obligation, the Pueblo would revert to using the tax on retail gasoline sales for repayment. The coverage on the proposed loan will be 4.69xs with required coverage at 1.25xs.

**Member Fulginiti moved, seconded by Member Kopelman, for approval of KEWA/Santo Domingo Pueblo Project PPRF-2473. The motion passed 7 – 0.**

- 24. Consideration and Recommendation for Amended Approval of Rodarte MDWCA, (Taos County) – 2019 Drinking Water Loan – PPRF-4797.** The Rodarte Mutual Domestic Water Consumers Association (“Association”) applied to the Drinking Water State Revolving Loan Fund (“DWSRLF”) for \$62,632 for increases in the loan amount and Principal Forgiveness Subsidy for DW-4797.

The Association received amended approval in November 2018 for \$52,632 to fund the rehabilitation of a 22,500-gallon water storage tank. The approval was for a \$13,158 loan with a principal forgiveness subsidy of \$39,474, with a 7-year term, coverage ratio of 3.41xs, and an interest rate of .25%.

The project has since incurred additional engineering costs. The Association is requesting an additional \$2,500 for a new loan amount of \$15,658, principal forgiveness subsidy of \$46,974 with coverage at 2.87xs for a total of \$62,632.

**Member Fulginiti moved, seconded by Member Kopelman, for amended approval of Rodarte MDWCA Project PPRF-4797. The motion passed 7 – 0.**

**Report from the Audit Committee.** (*Committee members are Secretary Olivia Padilla-Jackson, Chair, Secretary Sarah Cottrell Propst, Ms. Kathy Ulibarri, and Mr. Steve Kopelman.*)

- 25. Update on Activities.** Member Padilla-Jackson reported on the Audit Committee meeting of March 20. Items discussed included EnAble update, and Risk Assessment presentation which Member Padilla-Jackson requested sharing with the full Board. Member Padilla-Jackson also requested that Mr. Oscar Rodriguez to briefly mention in his presentation, the work on the Financial Performance matrix.

- 26. Consideration and Recommendation for Approval of 2nd Quarter Financial Statements.** Mr. Oscar Rodriguez reviewed the 2nd quarter financial statement for period ending December 31, 2018.

**Member Padilla-Jackson moved, seconded by Member Kopelman, for approval of 2nd Quarter Financial Statements. The motion passed 6 - 0.**

Mr. Rodriguez reported he is working on developing key indicators in preparing the financial statements which, in the past, contained many types of information with a decision made to taper that back. At the last Audit Committee meeting, Mr. Rodriguez presented a list of potential performance indicators, some



measuring solvency and liquidity, operational efficiency etc. The Committee directive was to continue developing and provide financial indicators from a comparable bank.

*Member Padilla-Jackson departed the meeting at 10:40 a.m.*

**27. Compliance Exceptions Report.** Ms. Heather Boone reviewed the Compliance Exceptions Report. The payroll portion is complete and no longer using manual spreadsheets with changes made to the procedures. There were no changes on procedures at this time. Efforts will focus on internal controls, policies and procedures without affecting the EnAble implementation. Regarding the Succession Plan, Mr. Gasparich said he hopes to present to the Board next month.

**28. 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 Kopelman moved, seconded by Member Fulginiti, to go into Executive Session as allowed by NMSA 1978, Section 10-15-1 (H) (7). On a roll call vote, the motion passed 6 – 0.**

RETURN TO OPEN MEETING

**Member Kopelman moved, seconded by Member Fulginiti, to reconvene in open session. The motion passed 6 - 0.**

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.”

**29. Next Board Meeting**

Thursday, April 25, 2019 – 9:00 a.m.  
State Capitol, Room 322  
Santa Fe New Mexico

**30. Adjournment**

**Member Kopelman moved, seconded by Member Fulginiti, to adjourn the meeting. The motion passed 6-0.**

The meeting adjourned at 11:05 a.m.

  
\_\_\_\_\_  
Secretary

4-25-19  
\_\_\_\_\_  
Date