Member Suazo moved, seconded by Member Lovato, for re-approval of City of Alcalde MDWC & MSWA Project WPF-4830. The motion passed 9 - 0.

20. Consideration and Recommendation for Re-Approval of Town of Red River (Taos County - Water System Improvement Project - WPF-4867. The Town of Red River ("Town") applied to the Water Project Fund ("WPF") for $1,292,000 for the Pioneer Tank Rehabilitation Project. WTB Funding Award - WTB10% loan - $129,200, WTB 90% grant - $1,162,800 totaling $1,292,000.

Member Suazo moved, seconded by Member Lovato, for re-approval Town of Red River Project WPF-4867. The motion passed 9 - 0.


The District received voter approval in February 2018 for $38,000,000 for school infrastructure within the District valid for four years. The District will issue General Obligation Bonds for $9,500,000 which 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 2018 audit received an unmodified opinion with 2 findings, neither a material weakness nor a significant deficiency.

Member Suazo moved, seconded by Member Lovato, for approval of Gadsden Independent School District Project PPRF-5012. The motion passed 9 - 0.

22. Consideration and Recommendation for Approval of City of Carlsbad (Eddy County) 2019 Refunding SSGRT - PPRF-5022. The City of Carlsbad ("City") applied to the Public Project Revolving Fund ("PPRF") for $4,035,238 to refund the Series 2009 Bond.

The City issued the 2009 bond on July 28, 2009 through a public sale with a par amount of $8,550,000 for the cost associated with infrastructure improvements. Under current market conditions, the refunding expects to achieve actual savings of approximately $517,976.27 through maturity, representing net present value savings of more than 13.4% over the life of the loan.

The City will pledge its distribution of the State Shared GRT towards the repayment of this loan. Moody's rated the City's GRT A3 in May 2018 requiring no Debt Service Reserve Fund.

The 2018 audit received an unmodified opinion with no new findings and no repeat material weaknesses or significant deficiencies.
Member Suazo moved, seconded by Member Lovato, for approval of City of Carlsbad Project PPRF-5022. The motion passed 9 - 0.

23. Consideration and Recommendation for Approval of City of Alamogordo (Otero County) - Series 2019 Refunding - PPRF-5013. The City of Alamogordo ("City") applied to the Public Project Revolving Fund ("PPRF") for $3,270,000 to refund 2009 loan PPRF-2283.

PPRF-2283 closed on June 18, 2009 with a par amount of $5,340,000 for water and wastewater infrastructure improvements.

The City will pledge the Net System Revenues of the Water and Sewer funds towards repayment of the loan. Under current market conditions, the refunding anticipates actual savings of approximately $364,799.15 through maturity representing net present value savings of more than 11.32% over the life of the loan.

The 2018 audit received an unmodified opinion with 8 findings including 3 material weaknesses and 2 significant deficiencies. The City provided a corrective action plan.

Member Suazo moved, seconded by Member Lovato, for approval of City of Alamogordo Project PPRF-5013. The motion passed 9 - 0.

Member Fulghiniti joined the meeting at 11:15 am.

24. Consideration and Recommendation for Approval of Town of Silver City (Grant County) - 2019 Infrastructure Loan - PPRF-5020. The Town of Silver City ("Town") applied to the Public Project Revolving Fund ("PPRF") for $616,247 for various repairs at Scott Park including electrical, plumbing, and mechanical systems, building construction, ADA bathrooms with needed fixtures and extensive concrete building foundation work.

The City will pledge its 5th increment of the Muni Local Option GRT as repayment for the loan.

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

Member Suazo moved, seconded by Member Lovato, for approval of Town of Silver City Project PPRF-5020. The motion passed 10 - 0.

25. Consideration and Recommendation for Approval of Town of Silver City (Grant County) - 2019 Fire Equipment Loan - PPRF-5015. The Town of Silver City ("Town"), applied to the Public Project Revolving Fund ("PPRF") for $554,157 to purchase a Pumper/Tanker to support fire suppression efforts.

The Department has an ISO rating of 4 with 2 main stations and 1 administration office receiving an annual base distribution of $194,253 from State Fire Protection Funds. The Department qualifies for $150,000 disadvantaged funding.
Member Suazo moved, seconded by Member Kopelman, for approval of Town of Silver City Project PPRF-5015. The motion passed 10 - 0.

26. Consideration and Recommendation for Approval of City of Lovington (Lea County) - 2019 New Court Facility - AOC Lease Appropriation - PPRF-5016. The City of Lovington ("City") applied to the Public Project Revolving Fund ("PPRF") for $7,000,000 to construct a new court facility collaborating with the Administrative Office of the Courts ("AOC") who will enter a long-term lease with the City that would pay for the debt service as well as maintenance and operation of the facility.

The City requests capitalized interest for the first two years of the loan to allow for site acquisition and construction. The City and the AOC will have a thirty-year lease agreement that includes rent payments of 100% of the City's annual debt service for financing of the construction of the facility. In addition, staff will maximize proceeds with current market rates not to exceed the minimum 1.00xs loan coverage limits and Board approval requirements.

The approval and closing of these loans, PPRF-5016 and PPRF-5023, represent appropriation risk loans in the PPRF new indenture subordinate lien. The PPRF subordinate lien capacity is currently $13,750,023. The successful closing of these loans will leave net capacity for future considerations in the PPRF subordinate lien at $750,023.

The 2018 audit received an unmodified opinion with 6 findings including 3 repeat material weaknesses and 1 new significant deficiency. The City provided a corrective action plan. A short discussion ensued regarding audit findings, appropriation risk and possible increased risk.

Member Suazo moved, seconded by Member Lovato, for approval of City of Lovington Project PPRF-5016. The motion passed 10 - 0.

27. Consideration and Recommendation for Approval of City of Belen (Valencia County) - 2019 New Court Facility - AOC Lease Appropriation - PPRF-5023. The City of Belen ("City") applied to the Public Project Revolving Fund ("PPRF") for $6,000,000 to construct a new court facility in collaboration with the Administrative Office of the Courts ("AOC") who will enter into a long-term lease with the City that would pay for the debt service and maintenance and operation of the facility.

The City and the AOC will enter into a thirty-year lease agreement that includes rent payments of 100% of the City's annual debt service for financing of the construction of the facility. Staff will maximize proceeds with current market rates not to exceed the minimum 1.00xs loan coverage limits and Board approval requirements. The PPRF Loan Management Policies allow for maximized loans when staff has specifically identified the loan as such in the recommendation, the loan meets minimum coverage requirements, and the maximized increase is within 10% of what the Board approved.

The FY2018 audit had one repeat significant deficiency, two significant deficiencies, one repeat material weakness, and 8 non-compliance findings. The City provided corrective action plan.
Member Suazo moved, seconded by Member Lovato, for approval of City of Belen Project PPRF-5023. The motion passed 10 - 0.

28. Consideration and Recommendation for Revised Approval of City of Albuquerque (Bernalillo County) - Series 2019 Fire Building Loan - PPRF-4770. The City of Albuquerque ("City") applied to the Public Project Revolving Fund ("PPRF") for $2,740,555 to finance equipment and acquisition of an existing facility located at 7601 Los Volcanoes NW, Unit B for use as a fleet maintenance and repair center to service several emergency response vehicles for the Albuquerque Fire Rescue Department ("AFD").

The lot is approximately 2.5 acres with an existing building of approximately 8,860 square feet with the seller constructing an approximate 4,200 sq. ft. addition prior to closing. The Board approved a similar loan request about one year ago for a different property; however, the project fell through after Board approval leaving the AFR to pursue a different location.

The City has an ISO rating of 1 with 16 main stations and 8 substations receiving an annual base distribution of $1,752,884 from the State Fire Protection Funds.

The 2018 audit received an unmodified opinion with 7 findings including 2 significant deficiencies and no material weaknesses. The City provided a corrective action plan.

Member Suazo moved, seconded by Member Kopelman, for revised approval of City of Albuquerque Project PPRF-4770. The motion passed 10 - 0.

29. Consideration and Recommendation for Approval of Luna County - 2019 Equipment Loan - PPRF-5005. Luna County, ("County") applied to the Public Project Revolving Fund ("PPRF") for $972,550 to purchase and equip several public works utility vehicles/trucks.

The City will use the Gasoline Tax Revenue as pledged revenue towards the loan and qualifies for disadvantaged funding totaling $150,000.

The 2018 audit received an unmodified opinion with 1 finding, a repeat significant deficiency.

Member Kopelman moved, seconded by Member Lovato, for approval of Luna County Project PPRF-5005. The motion pass 10 - 0.

30. Next Board Meeting
    Thursday, September 26, 2019 – 9:00 a.m.
    State Capitol – Room 309
    Santa Fe, New Mexico

31. Adjournment

Member Suazo moved, seconded by Member Lovato, to adjourn the meeting. The motion passed 10 - 0.
The meeting adjourned at 12:15 p.m.

Secretary

9/26/19

Date