

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

Minutes of Board Meeting
February 24, 2022
Via Zoom
Santa Fe, New Mexico

Present:

A.J. Forte	Executive Director, NMML
Andrew J. Burke	Public Member, Las Cruces, NM
Judi Kahl	Designee for Secretary, NM Environment Dept.
Leandro Cordova	Designee for Executive Director, NM Counties
Katherine Miller, Chair	Santa Fe County Manager
Marcos Trujillo	Designee for Secretary, Dept. of Finance/Admin.
Matthew Lovato	Designee for Secretary, NMENRD
Jon Clark	Designee for Secretary, NM Economic Development
Martin Suazo	Public Member, Las Vegas, NM

Finance Authority Staff:

Aaron Anaya	Austin Anaya
Bryan Otero	Carmela Manzari
Charlotte Larragoite	Cherise Martinez
Connie Marquez	Dan Opperman
Dan Opperman	Dora Cde Baca
John Brooks	Jolin Anaya
Kryshana Madrid	Leslie Medina
Lynn Taulbee	Maria Gallardo
Mark Lovato	Mark Montoya
Martin Ortega	Mary Finney
Marquita Russel	Michael Vonderheide
Michael Zavelle	Norman Vuylsteke
Oscar Rodriguez	Rio Trujillo
Ron Cruz	Ryan Decker
Ryan Olguin	Susan Pittard
Susan Rodriguez	Todd Johansen

Guests:

Sammie Vega	Socorro County
Susen Ellis	BOKF
Suzanne Bruckner	Sutin Thayer & Browne
Mark Mercer	Socorro County
Paul Ludi	Finance Director, Cibola County
Kate Fletcher	County Manager, Cibola County
Erik Harrigan	RBC Capital Markets

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

2.1 Approval of Agenda.

Member Suazo moved, seconded by Member Clark, to approve the agenda. The motion passed 9 - 0 on a roll call vote.

3.1 Approval of the January 27, 2022, Board Minutes.

Member Suazo moved, seconded by Member Clark, for approval of the January 27, 2022, Board minutes. The motion passed 9 – 0 on a roll call vote.

4.1 Report from the Chief Executive Officer. Ms. Marquita Russel reported on the following:

- ◆ Cannabis Microbusiness Loan Program: The Cannabis Microbusiness Program revised policies are on the agenda for approval and to provide a description of items needed and the process used to underwrite and monitor these loans. Staff is also proposing MOU’s with the Regulations and Licensing Division and the Economic Development Department to solidify the roles that each play in the administration of the program.
- ◆ FY 2023 Budget: Staff has begun planning for the FY2023 budget with management meetings to establish a shared set of operational, organizational and mission goals and initiatives which will be prioritized and presented to the Audit and Executive Committees in March before the first draft of the budget is produced. Staff expects to present a draft of the budget to the Audit Committee in April and a final version to the Board in May.
- ◆ Legislature: The NMFA’s core legislation passed through the Legislature without a dissenting vote through the process. The bills are expected to be signed by the Governor: 1) PPRF Authorization Bill (HB 42/a, Rep. Susan Herrera, and Sen. Bobby Gonzales) 2) WTB Authorization Bill (SB 17, Sen. Stuart Ingle and Rep. Randall Crowder) and 3) PPRF Appropriation Bill (SB 37, Sen. Nancy Rodriguez, and Rep. Ambrose Castellano)

The Legislature approved several pieces of legislation that directly impact NMFA. The Governor has until March 9, 2022, to sign the bills.

- ◆ Opportunity Enterprise Act (HB 7, Reps. Dixon, Egolf, Serrato and Martinez and Sen. Padilla in the Senate) This program is intended to support economic development by providing a ready stock of commercial and industrial space to support new and expanding businesses. The bill creates a 12-member Opportunity Enterprise Board (“OEB”), administered by the NMFA, that will work with the Economic Development Department to solicit projects and recommend them for funding to the NMFA.

The General Appropriation Act contains a \$70 million appropriation from LEDA funds not used for the LEDA Recovery Grant Program.

- ◆ Venture Capital Program Act (HB 104, Reps. Dixon, Serrato and Martinez and Sen. Hickey): This bill creates in NMFA a venture capital program. Investments may be made directly (with a

co-investor) or through a fund of funds. The General Appropriation Act contains \$35 million in appropriation for this program.

- ◆ *Charter School Facility Improvements* (HB 43/aa, Rep. Garratt, Dixon, Brown and Hernandez and Sens. Hemphill and Diamond). This bill changes the formula for lease assistance and creates two mechanisms for charter school funding: 1) the Charter Facility Fund administered by the Public-School Capital Outlay Council (“PSCOC”) and 2) as amended, a small Charter School Facility Revolving Fund at NMFA. \$10 million of PSCOCs funds are transferred to NMFA to operate the program.
- ◆ *House Bill 148* (Reps. Dow and Martinez and Sen. Griggs) which extends by seven months the date by which NMFA may accept applications under the Small Business Recovery Fund and changes the reversion date from December 31, 2022, to December 31, 2023.

Public Lending Committee Report. (*Committee members are Mr. A.J. Forte, Chair, Secretary Debbie Romero (Mr. Marcos Trujillo), Secretary James Kenney (Ms. Judi Kahl), and Mr. Steve Kopelman (Mr. Leandro Cordova).*)

- 5.1 Update on Activities.** The Public Lending Committee met on February 16, 2022, via Zoom teleconference. Member Forte chaired the meeting with Members Cordova, Kahl, and Trujillo in attendance. The Committee considered the following:
1. *Local Government Planning Fund:* The Committee reviewed two LGPF applications and recommended both projects for approval on the Consent Agenda.
 2. *Public Project Revolving Fund:* The Committee reviewed five PPRF applications and recommended all five for Board approval.
 - ◆ Two PPRF projects requested loan amounts under \$500,000 and were placed on the Consent Agenda.
 - ◆ Three PPRF projects, based upon their size and complexity, appear on the Regular Agenda.
- 6.1 Consideration and Recommendation for Approval of the City of Belen (Valencia County) – Flood Control Master Plan – PG-5706.** The City of Belen (“City”) applied to the Local Government Planning Fund (“LGPF”) for \$25,000 to prepare a Flood Control Master Plan to alleviate ongoing flooding by identifying needs, evaluating alternatives, and impacts to the City.
- 6.2 Consideration and Recommendation for Approval of Canada de Los Alamos MDWC&MSWA (Santa Fe County) – Environmental Information Document – PG-5734.** The Canada de los Alamos MDWCA (“Association”) applied to the Local Government Planning Fund (“LGPF”) for \$50,000 to prepare an Environmental Information Document. The document will assist the Association's undertaking of a water improvement project needed in connecting to the Santa Fe County water system.
- 6.3 Consideration and Recommendation for Approval of Carrizozo Municipal School District (Lincoln & Socorro Counties) – Series 2022 General Obligation Bond – PPRF-5726.** The Carrizozo Municipal School District (“District”) applied to the Public Project Revolving Fund (“PPRF”) for \$400,000 to for school infrastructure.

In November 2021, the District received voter approval of \$600,000 to construct, remodel, make additions and furnish school buildings, purchase, or improve school grounds, or any combination of

these purposes within the District valid for four years. The District will issue General Obligation Bonds in the amount of \$400,000 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.

- 6.4 Consideration and Recommendation for Approval of Socorro County Midway Volunteer Fire Department - 2022 Equipment Loan – PPRF-5732.** Socorro County (“County”) on behalf of the Midway Volunteer Fire Department (“Department”) applied to the Public Project Revolving Fund (“PPRF”) for \$425,000 to finance the costs associated with the purchase of new fire apparatus and respective equipment.

The Department has an ISO class rating of five with two main stations and receives an annual base distribution of \$123,334. The Department will pledge State Fire Protection Funds as the revenue source for the loan, with the County contributing \$100,000 in Fire Excise Tax

The 2020 audit received an unmodified opinion with seventeen findings including one material weakness and one significant deficiency.

Member Suazo moved, seconded by Member Trujillo, for approval of Projects PG-5706, PG-5734, PPRF-5726, and PPRF-5732. The motion passed 9 – 0 on a roll call vote.

- 7.1 Consideration and Recommendation for Approval of Los Lunas School District No. 1 (Valencia County) –2022 School Improvement Loan – PPRF-5696.** The Los Lunas School District (“District”) applied to the Public Project Revolving Fund (“PPRF”) for \$6,000,000 to finance the costs associated with school improvements.

In November 2019, the District received voter approval of \$22,000,000 for projects identified on the District’s 2017-2022 Facility Master Plan valid for four years. The District will issue General Obligation Bonds for \$6,000,000 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 2020 audit received an unmodified opinion with eight findings neither material weaknesses nor significant deficiencies.

- 7.2 Consideration and Recommendation for Approval of Des Moines Municipal School District (Union & Colfax Counties) – Series 2022 General Obligation Bond – PPRF-5729.** Des Moines Municipal School District (“District”) applied to the Public Project Revolving Fund (“PPRF”) for \$2,100,000 to finance the costs associated with school improvements.

In November 2021, the District received voter approval of \$2,100,000 for projects identified in the district’s 2021-2026 Facility Master Plan valid for four years. The District will issue General Obligation Bonds for \$2,100,000 which NMFA will purchase with the PPRF. The District will

also contribute \$177,241 toward the project from a PSFA match.

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 2020 audit received an unmodified opinion with one finding neither a material weakness nor a significant deficiency.

7.3 Consideration and Recommendation for Approval of Cibola County – 2022 Construction Loan – PPRF-5708. Staff requests a change in the loan status for Cibola County Project PPRF-5708 from tax-exempt to taxable.

The Board approved loan PPRF-5708 loan for Cibola County (“County”) on December 16, 2021, for \$1,777,778 to purchase and remodel a building including the installation of a new HVAC system.

The pledged revenue for the loan is the County’s Local Option Gross Receipts Tax (“CLOGRT”). The loan’s debt service coverage ratio was approved at 2.07xs with an anytime call.

On January 27, 2022, NMFA received communication from the County that portions of the PPRF loan proceeds, yet be awarded, have been expended by the County. Because the expenditures to be reimbursed from PPRF-5708 occurred outside the allowable reimbursement period for a tax-exempt loan, staff recommends changing the loan status to taxable, thus allowing for the reimbursement of the expenditures.

The par amount and the term of the loan will remain the same. The new debt service coverage ratio coverage is 1.98xs retaining the anytime call option.

Member Suazo moved, seconded by Member Kahl, for approval of Projects PPRF-5733, PPRF-5729, and PPRF-5708. The motion passed 8 – 0 with Member Cordova absent for the vote.

Economic Development Committee Report (*Committee members are Secretary Alicia Keyes (Mr. Jon Clark), Chair, Secretary Sarah Cottrell Propst (Mr. Matthew Lovato), and Secretary James Kenney (Ms. Judi Kahl).*)

8.1 Update on Activities - The Economic Development Committee met on Tuesday, February 15, 2022, with Members Clark, Lovato, and Kahl in attendance. Items discussed included:

1. *Private Lending Portfolio Report* - Staff presented the Private Lending Portfolio Report noting that all loans were current.
2. *New Markets Tax Credit Policies*- Staff presented amendments to the NMTC Policies and Procedures and NMTC Lending and Credit Policies. These policies guide the application process and structuring of Finance New Mexico investments. The Finance New Mexico Advisory Board, and the Economic Development Committee reviewed, and recommended approval as presented.
3. *Cannabis Microbusiness Program* – Staff presented amendments to the Cannabis Microbusiness Program to clarify underwriting criteria, application requirements, loan terms and overall guidance to the Program. The Economic Development Committee reviewed, and recommended approval as

presented.

9.1 Consideration and Recommendation for Approval of Revisions to NMTC Credit and Lending Policies. Staff recommends approval of the proposed revisions to the NMTC (“NMTC”) Lending and Credit Programs.

Over the last several months, as part of a regular review of the NMTC program policies, the NMFA has been reviewing changes to the New Markets Tax Credits Policies originally established in May 2008 and updated three times with the last update in November 2021. The NMTC Lending and Credit Policies incorporate the CDFI Allocation Agreement requirements that the funds be delivered as either equity or debt with flexible and non-traditional lending criteria and provide the framework for structuring Finance New Mexico’s investments. All policies are reviewed and revised periodically to adapt to current program targets, market conditions and other elements.

The main area that has been reviewed is the Exit Fee for Finance New Mexico (“FNM”). Staff reassessed the current Exit Fee against other CDEs in the industry. Given there are more CDEs entering the New Mexico market, staff evaluated how to stay competitive in the New Mexico market. The revision gives potential borrowers a clearer understanding of how to calculate FNM Fees and puts FNM in line with the other CDEs that may enter the New Mexico Market.

The policy changes the calculation of the Exit Fee for future transactions making it more competitive, more affordable, and places it in line with other CDEs.

9.2 Consideration and Recommendation for Approval of Revisions to NMTC Policies and Procedures. Staff recommends adoption of the proposed revisions to the 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 how the program will be operated. While the Policies and Procedures have been amended periodically, since their establishment in 2008, they have required that Finance New Mexico offer access to NMTC allocation through periodic competitive application rounds.

For clarification and transparency to the Public, Section H.1.(c) in the Policies and Procedures Policies, staff excludes the Small Loan Pool from the competitive ranking process and refers to the Small Loan Pool Policies for governance of the applications that will be received.

In addition, to conforming to existing practice used by NMFA, Section H.1.(b) eliminates any marketing requirements for the Economic Development Department who can still refer projects to NMFA for the NMTC program.

Member Clark moved, seconded by Member Suazo, for approval of Revisions to NMTC Credit and Lending Policies and Revisions to NMTC Policies and Procedures agenda items 9.1 and 9.2. The motion passed 8 – 0 on a roll call vote with Member Lovato absent for the vote.

10.1 Consideration and Recommendation for Approval of the Cannabis Microbusiness Program Policies. Staff recommends approval of the proposed revisions to the Cannabis Microbusiness Program Policies.

On November 30, 2021, the New Mexico Finance Authority Oversight Committee approved the Cannabis Microbusiness Program (“CMP”). The CMP Rules and Policies first adopted in November 2021 may be revised from time-to-time, particularly given the recent nascence of the industry in New Mexico with the passage of House Bill 2, the Cannabis Regulation Act (“CRA”), which came into effect in June 2021 and legalized adult use cannabis. Retail sale of commercial cannabis is anticipated to commence no later than April 1, 2022.

NMFA staff is working to operationalize CMP toward opening applications in March or April 2022. In advance of opening applications. Staff proposes revising the CMP Policies by :

- ◆ Additional detail regarding underwriting criteria that will apply to technical and managerial capacity and business plans.
- ◆ An amended list of Application Requirements in alignment with the program application.
- ◆ Clarification that the address of the licensed premises of the Eligible Applicant will be utilized for purposes of Application Prioritization.
- ◆ Clarification that loan terms and loan amounts where a fixed 2% interest rate applies includes three (3) years and \$100,000.
- ◆ Clarification that cannabis and cannabis products are not an acceptable form of collateral.
- ◆ Clarification that borrowers will be required to bank exclusively with a financial institution approved by NMFA and authorize the sharing of bank account information and additional monitoring requirements.

Member Clark moved, seconded by Member Suazo, for approval of the Cannabis Microbusiness Program Policies. The motion passed 9 – 0 on a roll call vote.

Finance & Disclosure Committee Report. (*Committee members are Mr. Martin Suazo, Chair, Mr. A.J. Forte, and Secretary Alicia Keyes (Mr. Jon Clark).*)

- 11.1 Update on Activities.** Members of the Finance & Disclosure Committee met on February 16, 2022. Present via Zoom teleconference were Members Suazo, Clark, Forte, and Trujillo with Member Suazo chairing the meeting. Alison Nichols was present as a non-voting guest.
1. *Staff presented Review of the Preliminary Official Statement (“POS”) for the New Mexico Finance Senior Lien Public Project Revolving Fund Revenue Bonds, Tax-Exempt Series 2022A.* Staff was joined by Jerry Kyle, Jr. (Disclosure Counsel, Orrick Herrington & Sutcliffe) in presenting the review of the POS for the Series 2022A PPRF Bonds. Staff discussed the underlying transaction, explained the process by which the Committee performs its review, and Mr. Kyle walked the members of the Committee through a detailed discussion of the POS. The Committee voted unanimously to recommend the POS to the full Board.
 2. *Staff Presented the following Notifications:*
 - a. *\$32,000,000 Line of Credit Draw:* On January 31, NMFA completed a \$32,000,000 draw on its line of credit, which will be repaid on April 1, 2022.
 - b. *NMDOT – BNSF Line of Credit:* NMDOT is required by terms of its agreement with BNSF Railroad, in order to operate the Rail Runner, to maintain a \$50,000,000 line of credit that acts as a backstop to any liability that may arise from operating the train. The current

agreement with Wells Fargo expires on June 30, 2022. Wells Fargo has agreed to extend the line of credit for an additional 3 years. It is expected that the NMFA Board will approve the extension contingent upon the State Transportation Commission approving the extension at a special meeting.

- c. *Coastal Cloud Inc. Contract Amendment*: The NMFA entered into a Third Amendment to Coastal Cloud, Inc.'s contract for emergency procurement to finalize the post Go Live Implementation for the Stimulus Program Platforms.
- d. *Assurance and Advisory Services – Status Update*: The NMFA agreement with BD US LLP was finalized and fully executed on February 7, 2022.

11.2 Consideration for Approval of the Authorizing and Delegating Resolution for the New Mexico Finance Authority Senior Lien Public Project Revolving Fund Revenue Bonds, Series 2022A, Preliminary Official Statement, One-Hundred and Sixth Supplemental Indenture of Trust and Related Documents.

Review of the substantially final Preliminary Official Statement to be used in the marketing of Senior Lien Public Project Revolving Fund Revenue Bonds, Series 2022A Bonds to include an authorizing and delegating resolution that will among other things, direct NMFA staff and its consultants to prepare for the issuance of the Series 2022A Bonds, and delegate to certain members and officers of the Finance Authority the authority to determine the final terms of the Series 2022A Bonds, subject to certain parameters.

The Series 2022A Bonds will be issued in an approximate amount not to exceed \$81,500,000 and will be used by the NMFA for the purposes of (i) originating loans to or purchasing securities from certain governmental entities that will be used to finance certain Projects for such governmental entities or reimbursing loans previously made to or securities purchased from such governmental entities, and (ii) paying costs incurred in connection with the issuance of the Series 2022A Bonds. NMFA staff and consultants will continue to prepare for the sale of the Series 2022A Bonds, now expected to occur in June 2022.

Mr. Dan Opperman, Mr. Michael Zavelle, Mr. Jerry Kyle, and Mr. Brad Patterson reviewed and discussed the proposed POS and the authorizing and delegating resolution. The Board selected Member Trujillo as the authorized designee for the bond sale.

Member Suazo moved, seconded by Member Burke, for approval of the Authorizing and Delegating Resolution for the NMFA Senior Lien PPRF Bonds, Series 2022A, POS, One-hundred and Sixth Supplemental Indenture of Trust and Related Documents. The Motion passed 9 – 0 on a roll call vote.

11.3 Consideration for Approval of a Third Amendment to the New Mexico Department of Transportation BNSF Taxable Line of Credit. Approval of a Third Amendment to the NMDOT BNSF Taxable Line of Credit.

On behalf of NMDOT, NMFA has in place a \$50 million line of credit with Wells Fargo Bank provide funds to finance certain contingent obligations of the NMDOT pursuant to agreements between the NMDOT and the BNSF Railway Company (“BNSF”) in conjunction with the Rail Runner project. Should this line not be in place, NMDOT would be required to borrow \$50 million

through a bond issue and invest the proceeds in 30-day US Treasury instruments held by the Trustee. Because of the minimum bank rating requirements and the low cost of the line, a very limited number of banks are willing and able to be the bank provider. Consequently, the original line was set up to have a three-year maturity with the ability to extend for an additional three years every three years if Wells Fargo, NMFA and NMDOT all agree and if terms remain unchanged. Wells Fargo has agreed to extend the line for an additional three years until June 2025 under existing terms and NMDOT is expected to pass a resolution at a special meeting of the Commission.

The commitment fee for the line is 20bp a year or \$100,000. This compares with a riskier and unhedged floating rate bond issue's cost of about \$1,200,000 per year at current interest rates. Cost, bonding capacity, risk avoidance and administrative efficiency all benefit from extension of the line. Seeking to rebid the line of credit would be more likely to increase the cost than lower it. Since the original line of credit was placed with Wells Fargo in 2013, banking reserve requirements have increased funding costs for bank lines of credit. This line of credit has never been drawn and is almost certain never to be drawn.

Given the unique aspects of the line and required purpose served, extension of the line of credit under existing terms for an additional three years with Wells Fargo bank is highly recommended by NMFA staff. Due to timing constraints, the NMFA Board is asked to pass the resolution, authorizing the NMFA to enter into the Third Amendment, such authorization contingent upon the State Transportation Commission passing its resolution.

Member Suazo moved, seconded by Member Cordova, for approval of a Third Amendment to the New Mexico Department of Transportation BNSF Taxable Line of Credit. The motion passed 9 – 0 on a roll call vote.

Audit Committee Report (*Committee members are Mr. Andrew Burke, Chair, Mr. Martin Suazo, Secretary Sarah Cottrell Propst (Mr. Matthew Lovato), and Mr. Steve Kopelman (Mr. Leandro Cordova).*)

- 12.1 Update on Activities.** The Audit Committee met on February 16, 2021, via Zoom. Members Burke, Suazo, Lovato, and Cordova were in attendance. At Member Burke's request, Member Suazo chaired the meeting.

Staff presented the financial statements for December of 2021 and it was noted that the foundation of NMFA's normal business cycle comes in December. Volumes for loan closings and draws on construction accounts are usually at their lowest point at the start of the winter season. At other times of the calendar year, there are big streams of monies flowing out of NMFA's coffers. In December, however, the largest stream is the first coupon payment (interest only) on the PPRF bonds, which is usually close to \$30 million. With NMFA also operating the Small Business Recovery Loan Program ("SBRL") this year, the expected outflow of monies to fund new loans is much higher.

By the end of December, it was expected that there would be a large outflow of monies. The results of the expectation have been reflected in the financial statements. Restricted cash, which includes the cash that had been compiling since July, dropped \$46.7 million. Staff reported that the other aspects of NMFA's financial position also reflect what was expected. There are no other relevant changes to report.

Prior to concluding their remarks, staff advised the Committee that they are taking a closer look at how allowance for bad debt is measured. Currently, \$15.0 million, it stands more than seven times higher than last year. This increase is due to the inclusion of an allowance of a flat 10% of SBRL loans receivable (principal), \$13.0 million at the end of December. The methodology for calculating second largest component of this line item, \$1.6 million for the PPRF is quite different and more complex. The allowance for the other funds where it is reported, are also a simple percentage (5%) of the loan's receivable. This major increase in value and the variation in methodology advocate for more study. Staff noted that at this point, they do not have a recommendation to make, either to keep with the status quo or change it. However, they want to inform the Committee that they will be observing it and will bring to the Committee whatever conclusions are reached.

- 12.2 Acceptance of the Financial Report for the Quarterly December 31, 2021.** Mr. Oscar Rodriguez NMFA's balance sheet, income statement and cash flow statement as of December 31, 2021. The financial statements reflect where NMFA was expected to be at this point in the business cycle, which is when NMFA dispenses cash built up in the bond debt service accounts to the bond holders Net position is \$600.9 million, an increase of \$26.1 million from December 2020 and an increase of \$7.1 million from FY 2021 year-end.

Member Burke moved, seconded by Member Suazo, to accept the Financial Report for the Quarterly ending December 21, 2021. The motion passed 9 – 0 on a roll call vote.

- 13.1 Presentation of Approved FY2021 Audit Report by External Auditor, Moss Adams, LLC.** Ms. Tish Lurie, Moss Adams, external auditors for the NMFA provided a short synopsis on the 2021 audit report which had been previously reviewed with the Board of Directors at a prior meeting in Executive Session.
- 14.1 Executive Session – Closed Session to Discuss Limited Personnel Matters Regarding the CEO as Allowed by NMSA 1978, Section 10-15-1(H)(2).**

Chair Miller entertained a motion for the NMFA Board of Directors to go into Executive Session to discuss Limited Personnel Matters regarding the CEO as allowed by NMSA 1978, Section 10-15-1(H)(2).

Member Suazo moved, seconded by Member Clark, that the Board convene in a closed meeting. The motion passed 9 – 0 on a roll call vote.

Upon returning to open session, Chair Miller 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 regarding the CEO as allowed by NMSA 1978, Section 10-15-1(H)(2).

- 14.2 Consideration for Approval of CEO Contract.** Chair Miller reported a contract with Ms. Russel had been prepared in conjunction with outside counsel, Ms. Paula Maynes, and recommended approval of the contract.

Member Suazo moved, seconded by Member Clark, for approval of the CEO contract. The motion passed 9 – 0 on a roll call vote.

15.1 Next Board Meeting

Thursday, March 24, 2022 – 9:00 a.m.

Via Zoom

Santa Fe New Mexico

16.1 Adjournment

Member Suazo moved, seconded by Member Clark, to adjourn the meeting. The motion passed 9 – 0 on a voice vote.

The meeting adjourned at 10:57 a.m.

Katherine Miller

Chair

3/28/2022

Date