

***New Mexico Finance Authority***  
**207 Shelby St.**  
**Santa Fe, NM 87501 (505) 984-1454**  
**Minutes of Board Meeting**  
**August 25, 2022**  
**Via Zoom Santa Fe, New Mexico**

**Present:**

Katherine Miller, Chair  
Alison Nichols  
Andrew J. Burke  
Cleve McDaniel  
Jon Clark

Judi Kahl

Marcos Trujillo

Matthew Lovato

Ronald Lovato  
Steve Kopelman

Public Member, Santa Fe, NM  
Designee, Executive Director, NMML  
Public Member, Las Cruces, NM  
NM Tech  
Designee for Secretary, NM Economic  
Development Department  
Designee for Secretary, NM Environment  
Department.  
Designee for Secretary, NM Department of Finance  
and Administration  
Designee for Secretary, NM Energy, Minerals and  
Natural Resources Department  
Public Member, Ohkay Owingeh, NM  
Executive Director, NM Counties

**Absent:**

Martin Abran Suazo, Vice Chair

Public Member, Las Vegas, NM

**Finance Authority Staff:**

Aaron Kayser  
Austin Anaya  
Bryan Otero  
Charlotte Larragoite  
Connie Marquez  
Delanne Reichard  
Joanne Johnson  
John Brooks  
Kamila Rahimi  
Lana Brown  
Mark Lovato  
Martin Ortega  
Michael Vonderheide  
Oscar Rodriguez  
Rio Trujillo  
Ryan Decker

Adam Johnson  
Brad Fluetsch  
Carmela Manzari  
Cherise Martinez  
Dan Opperman  
Dora Cde Baca  
Joe Maldonado  
Jolin Anaya  
Kryshana Madrid  
Leslie Medina  
Mark Montoya  
Marquita Russel  
Norman Vuylsteke  
Paul Romero  
Ron Cruz  
Ryan Olguin

Shawna Johnson  
Susan Rodriguez

Susan Pittard  
Todd Johansen

**Guests:**

Anthony Singh  
Cally Carswell  
Craig Dussinger  
Erik Harrigan  
Ivy Masterson  
Kyle Masterson  
Mark Valenzuela  
Nina Chavez  
Regina Gaysina  
Susen Ellis  
Suzanne Bruckner

RBC Capital Markets  
LFC  
Bank of America, Merrill Lynch  
RBC Capital Markets  
The Mem-o, LLC  
The Mem-o, LLC  
Bosque Advisory  
LFC  
RBC Capital Markets  
BofA  
Sutin Thayer Browne

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. **APPROVAL OF AGENDA.** Member Clark moved, seconded by Member Kopelman, to approve the agenda. The motion passed 9 – 0.

3. **APPROVAL OF BOARD MINUTES**

3.1 **Approval of the July 28, 2022 Board Minutes.** Member McDaniel moved, seconded by Member Clark, for approval of the July 28, 2022 Board minutes. The motion passed 9 – 0.

4. **REPORT FROM THE CEO**

4.1 **Report from the CEO.** Ms. Russel announced the hiring of Mr. George Elam as a Lead Application Architect-Developer and the resignation of Mr. Michael Zavelle at year end.

*The Opportunity Enterprise Review Board:* The board held its first meeting on August 24, to discuss business details which included presentations from economic professionals from throughout the State. Future meetings will address defining projects that qualify for funding, promulgating rules, and in conjunction with the Economic Development Department soliciting applications.

5. **OTHER ITEMS**

5.1 **Overview of Public Project Revolving Fund.** Mr. Michael Zavelle provided a detailed presentation of the Public Project Revolving Fund (“PPRF”) addressing the GRT impact on the PPRF and providing a status to date.

**5.2 Recovery Programs Status Report.** Mr. Adam Johnson’s presentation addressed the Recovery Programs, loans provided, defaults, and status.

**6. PUBLIC LENDING COMMITTEE REPORT** (*Committee members are Mr. A.J. Forte, Chair (Ms. Alison Nichols), Secretary Debbie Romero (Mr. Marcos Trujillo), Secretary James Kenney (Ms. Judi Kahl), Mr. Steve Kopelman (Mr. Richard Garcia/Ms. Joy Esparsen, Mr. Ronald Lovato).*

**6.1 Update on Activities.** The Public Lending Committee met on August 17, 2022, via Zoom with Member Steve Kopelman chairing the meeting and Members Marcos Trujillo and Judi Kahl in attendance. The Committee reviewed and recommended nine projects to the Board for approval including a New Mexico State University infrastructure project which is the first time NMSU will borrow from the PPRF.

**7. REGULAR AGENDA**

**7.1 New Mexico State University (Doña Ana County) – Series 2022 Infrastructure Loan - PPRF-5907.** New Mexico State University (“NMSA”) applied to the Public Project Revolving Fund (“PPRF”) for \$28,800,000 to fund infrastructure improvements at the University's main campus in Las Cruces, NM. Member Burke recused himself from voting on the project having been involved with the project during his tenure with NMSU.

**Member Clark moved, seconded by Member Matthew Lovato, for approval of item 7.1. The motion passed 8 – 0.**

**7.2 Dexter Consolidated School District No. 8 (Chaves County) – Series 2022 General Obligation Bond - PPRF-5903.** The Dexter Consolidated School District (“District”) applied to the Public Project Revolving Fund (“PPRF”) for \$800,000 to finance projects within the District.

The District received voter approval of \$2,500,000 for school infrastructure. The District will issue General Obligation Bonds for \$800,000 which NMFA will purchase with the PPRF. Section 22-18-13 NMSA 1978 guarantees payment by the Department of Finance and Administration (“DFA”) should the District default significantly which reduces the GO Bond purchase risk. (*Also applies to agenda items 7.6, 7.7 and 7.9.*)

**7.3 Grant County – Refunding Loan – PPRF-5904.** Grant County applied to the Public Project Revolving Fund (“PPRF”) for \$5,229,615 to refund Series 2014 for economic savings.

The Series 2014 originated on September 11, 2014 and was issued for \$6,200,000. Under current market conditions refunding is expected to achieve actual savings of approximately \$172,751.60 representing net present value savings of more than 3.39% over the life of the loan.

NMFA policies require non-technical refunding of PPRF loans to achieve no less than 3.0% NPV savings. This loan is presented at current interest rates without 75bp added as it cannot achieve 3%

savings with the 75bp added. However, the loan will be required to achieve 3% savings at then current interest rates when the final debt service schedule is prepared prior to closing. The 2021 audit received an unmodified opinion with one finding neither a material weakness nor a significant deficiency.

**7.4 City of Gallup (McKinley County) – Wastewater Reclamation Project – PPRF-5859.** The City of Gallup (“City”) applied to the Public Project Revolving Fund (“PPRF”) for \$6,075,000 to finance the construction of a proposed wastewater reclamation mainline to deliver up to 1.25 million gallons per day of treated sewage effluent from the existing wastewater treatment plant to the existing golf course via a newly constructed pipeline system. The City is pledging revenues generated by the Joint Utilities Fund. The loan does not have a debt service reserve fund; however, the City will be required to cash fund a debt service reserve fund over a two-year period if loan coverage falls below 2.0xs coverage. The 2021 audit received an unmodified opinion with three findings neither a material weakness nor a significant deficiency.

**7.5 City of Eunice (Lea County) – Construction Loan – PPRF-5885.** The City of Eunice (“City”) applied to the Public Project Revolving Fund (“PPRF”) for \$2,415,000 to finance the construction and improvements to the Eunice rodeo arena.

The City will be contributing \$1,915,417.12 to the project and will pledge State Shared GRT as repayment. The 2021 audit received an unmodified opinion with three findings including a prior year material weakness and a prior year significant deficiency.

**7.6 Pojoaque Valley Schools (Santa Fe County) – Series 2022 General Obligation Loan – PPRF-5908.** The Pojoaque Valley Schools (“Schools”) applied to the Public Project Revolving Fund (“PPRF”) for \$2,750,000 to finance District-wide school improvements.

The District received voter approval In February 2017 for \$5,500,000 for school projects. The District will issue General Obligation Bonds \$2,750,000 which NMFA will purchase with the PPRF. The 2021 audit received an unmodified opinion with four findings none a material weakness or a significant deficiency.

**7.7 Gadsden Independent School District (Doña Ana County) – Series 2022 General Obligation Bond – PPRF-5889.** The Gadsden Independent School District (“District”) applied to the Public Project Revolving Fund (“PPRF”) for \$9,500,000 for school projects.

Gadsden Independent School District (“District”) received voter approval for \$38,000,000 for school infrastructure. The District will issue General Obligation Bonds for \$9,500,000 which NMFA will purchase with the PPRF.

**7.8 Springer Municipal Schools (Colfax County) – Education Technology Note – PPRF-5905.** The Springer Municipal Schools (“Schools”) applied to the Public Project Revolving Fund (“PPRF”) for \$275,000 to finance the purchase of Education Technology Equipment for District-wide projects.

The District will enter a lease-purchase agreement with NMFA secured by ad valorem property tax. Under the terms of the lease-purchase agreement the NMFA takes title to the equipment for the length of the agreement by means a security interest with the District retaining all ownership responsibilities. The 2021 audit received an unmodified opinion with three findings none a material weakness nor a significant deficiency.

**7.9 Springer Municipal Schools (Colfax County) – Series 2022 General Obligation Loan – PPRF-5906.** The Springer Municipal Schools (“Schools”) applied to the Public Project Revolving Fund (“PPRF”) for \$725,000 for school improvement projects.

The District received voter approval of \$2,500,000 for school infrastructure valid for four years. The District will issue General Obligation Bonds for \$725,000 which NMFA will purchase with the PPRF. The 2021 audit received an unmodified opinion with three findings none a material weakness nor a significant deficiency.

**Member McDaniel moved, seconded by Member Kopelman, for approval of Agenda Items 7.2 – 7.9. The motion 10 – 0.**

**8. ECONOMIC DEVELOPMENT COMMITTEE REPORT** *(Committee members: Secretary Alicia Keyes (Mr. Jon Clark), Chair, Secretary Sarah Cottrell Propst (Mr. Matthew Lovato), Secretary James Kenney (Ms. Judi Kahl), Secretary Debbie Romero (Mr. Marcos Trujillo) and Mr. Ronald Lovato.*

**8.1 Update on Activities.** The Economic Development Committee met on Tuesday, August 16, 2022, via Zoom. Member Jon Clark chaired the meeting with Members Matthew Lovato, Ronald Lovato, Marcos Trujillo, and Judi Kahl in attendance. Agenda items included Review of Private Lending Portfolio, update on Los Alamos Co-op and Taos Mountain Energy Foods, one Cannabis Microbusiness Program project, and one Small Loan Pool application sent for Board approval. Staff provided an updated status report on the Recovery Programs.

**9. CANNABIS MICROBUSINESS PROGRAM (CMP)**

**9.1 The Mem-o LLC (Sandoval County). CMP-5895 – \$250,000.** Staff recommends approval of a \$250,000 Cannabis Microbusiness Program Loan for The Mem-o, LLC to support the renovation and equipping of a 3,000 sq ft commercial cannabis facility in Cuba, NM.

This loan will be a direct obligation of Mem-o, LLC. The Masterson will carry numerous personal joint guarantees for the loan. A 1st Mortgage on the Property located in Cuba, NM valued at \$76,512 will provide security. There will be lease secured between Masterson Management Group and Mem-o, LLC. and a 1st UCC Filing secured on the Culture Equipment valued at \$46,914. The Mastersons applied to NMEDD Collateral Assistance for \$100,000. The total estimated collateral value is \$223,426, bringing the LTV for this request to 90%.

**Member Clark moved, seconded by Member Trujillo, for approval of Project CMP-5895. The motion passed 9 – 0 with Member Matthew Lovato absent for the vote.**

## **10. NEW MARKETS TAX CREDIT SMALL LOAN POOL**

**10.1 National Veterans Wellness and Healing (Colfax County) – SLP-5805 - \$1,290,000 – Revised Approval.** Staff recommends revised approval of the Small Loan Pool NMTC financing for \$290,000 for National Veterans Wellness and Healing Center (“NVWHC”).

NVWHC requested a \$290,000 increase to their loan allowing for the completion of three additional cabins after they received a higher-than-expected appraisal. The \$1,290,000 loan to NVWHC will be made by Finance New Mexico-Investor Series XXXIV, LLC with capital provided by US Bancorp CDC (expected) and Finance New Mexico Service Company. Security will be the 1st Mortgage filing on the property at Angel Fire.

**Member Clark moved, seconded by Member Kahl, for revised approval of Project SLP-5805. The motion passed 10 – 0.**

## **11. FINANCE & DISCLOSURE COMMITTEE REPORT** *(Committee members: Mr. Martin Suazo, Chair, Mr. A.J. Forte (Ms. Alison Nichols), Secretary Debbie Romero (Mr. Marcos Trujillo) and Mr. Steve Kopelman (Mr. Richard Garcia/Ms. Joy Esparsen)).*

**11.1 Update on Activities.** The Finance & Disclosure Committee met on August 17, 2022, via Zoom. Member Martin Suazo chaired the meeting with members Marcos Trujillo and Richard Garcia in attendance. Presentations included procurement notifications for three companies, the Investment Report for period ending July 30, 2022, request to issue RFPs for legal services and investment advisory services for the Venture Capital Program, and review of the budget performance report.

**11.2 Budget Performance Report as of June 30, 2022.** Mr. Oscar Rodriguez and Mr. Norman Vuylsteke presented the Performance Report as of June 30, 2022 noting that FY2022 closed ahead of the budgeted amount for net revenue, below the total revenue budget, and below the total expenditure budget. The better-than-budgeted net result contributed to a better ending balance in the Operating Fund than expected at the start of FY 2023,

## **12. AUDIT COMMITTEE REPORT** *(Committee members: Mr. Andrew Burke, Chair, Mr. Martin Suazo, Secretary Sarah Cottrell Propst (Mr. Matthew Lovato), Secretary Alicia Keyes (Mr. Jon Clark) and Mr. Cleve McDaniel.*

**12.1 Update on Activities.** The Audit Committee met on August 17, 2022, via Zoom. Member Andrew Burke chaired the meeting with Members Matthew Lovato and Cleve McDaniel in attendance. The Committee approved adding two informational items to the agenda and changing the order of items presented. Discussion included presentation of the implementation of the Enterprise Risk Management Framework, review of the financial statements and financial performance indicators, an update on the FY2022 audit, and an update on the office building project.

**12.2 Acceptance of the June 30, 2022 Financial Statements.** Staff presented NMFA's Statement of Net Position, Statement of Revenues, Expenses and changes in Net position, and Statement of Cash Flows for June 2022. June 30 marks the end of the fiscal year thus Moss Adams will rely on these statements to complete the NMFA annual audit. This was an information item.

**13. EXECUTIVE SESSION**

**13.1 Closed Session to Discuss Matters Pertaining to the Purchase, Acquisition or Disposal of Real Property, as allowed by NMFA 1978, Section 10-15-1(H)(8).**

Chair Miller entertained a motion for the NMFA Board of Directors to go into Executive Session to Discuss Matters Pertaining to the Purchase, Acquisition or Disposal of Real Property, as Allowed by NMSA 1978, Section 10-15-1(H)(8)”

**Member Clark moved, seconded by Member Kopelman, to go into Executive Session to Discuss Matters Pertaining to the Purchase, Acquisition or Disposal of Real Property, as Allowed by NMSA 1978, Section 10-15-1(H)(8)”. The motion passed 10 – 0.**

Return To Open Meeting

**Member McDaniel moved, seconded by Member Clark, to return to open meeting. The motion passed 10 – 0.**

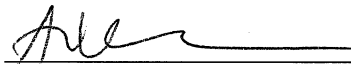
Chair Miller stated “We are now in open meeting. Let the record reflect that the Board took no action during the closed meeting and the only things discussed were Matters Pertaining to the Purchase, Acquisition or Disposal of Real Property, as Allowed by NMSA 1978, Section 10-15-1(H)(8).”

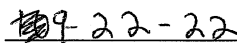
**14. NEXT BOARD MEETING**

**14.1 Thursday, September 22, 2022 at 9:00 a.m. Via Zoom**

**15. ADJOURNMENT**

**Member Clark moved, seconded by Member Burke to adjourn the meeting. The motion passed 10 – 0 on a voice vote. The meeting adjourned at 11:45 a.m.**

  
Secretary

  
Date