

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

**Minutes of Board Meeting**  
**April 27, 2023**  
**Via Zoom**

**Present:**

Kathy Keith, Chair	LANL
Alison Nichols	Designee for Executive Director, NMML
Judi Kahl	Designee for Secretary, NM Environment Dept.
Marcos Trujillo	Designee for Secretary, NM Dept. of Finance/Admin.
Matthew Lovato	Designee for Secretary, NM EMNRD
Richard Garcia	Designee for Executive Director, New Mexico Counties
Sam Collins	Designee for Secretary, NM Economic Development

**Absent:**

Martin Suazo, Vice-Chair	Public Member, Las Vegas, NM
Ronald Lovato	Public Member, Ohkay Owingeh
Andrew Burke	Public Member, Las Cruces, NM
Cleve McDaniel	New Mexico Tech

**Finance Authority Staff:**

Aaron Kayser	Adam Johnson
Angela Quintana	Brad Fluetsch
Bryan Otero	Carmela Manzari
Charlotte Larragoite	Cherise Marquez
Connie Marquez	Dan Opperman
Delanne Reichard	Dora Cde Baca
Jeff Baade	Joanne Johnson
Joe Maldonado	John Brooks
Jolin Anaya	Kryshana Madrid
Lawrence Pierce	Leslie Medina
Lucas Elliot	Lynn Taulbee
Mark Dalton	Mark Lovato
Mark Montoya	Marquita Russel
Mary Finney	Michael Vonderheide
Nicole McCollum	Norman Vuylsteke
Oscar Rodriguez	Paul Romero
Rio Trujillo	Ron Cruz
Ryan Decker	Ryan Olguin
Sharon Romero	Susan Pittard
Susan Rodriguez	Theresa Garcia
Todd Johansen	Todd Johansen

**Guests:**

Alan Woolever	GilmoreBell
Alex Florez	GilmoreBell
Blake Breil	
Brian Birk	Sun Mountain Capital
Cally Carswell	LFC
Carla Najjar	Virtue Najjar
Craig Dussinger	Bank of America Merrill Lynch
Dan Brooks	Sun Mountain Capital
David Lynn	Mission Driven Finance
Dixon Sperry	Mission Driven Finance
Greg Stuart	Sunrise Clinics
Helen Atkeson	Hogan Lovells
Jennifer Fabion	
Jerry Kyle	Orrick, Herrington & Sutcliffe
Johanna Georgilas	Sunrise Clinics
Johnny Matthews	
Kaeley Weimerskirch	RBC Capital Markets
Katie Johnson	Next Street
Katherine Barnes	
Khea Lim	Lloyd Architects
Ismael Torrez	LFC
Lauren Grattan	Mission Driven Finance
Lee Rand	Sun Mountain Capital
Lori Ortiz	Town of Hurley
Nina Chavez	LFC
Pam Ortiz	Virtue Najjar
Pat Brynes	Laguna Vista Fire Department
Randal Brown	Sunrise Clinics
Rashad Masri	GPA Fixed Income
Regina Gayson	RBC Capital Markets
Richard Virtue	Virtue Najjar
Ruby Lopez	City of Socorro
Sheb Mirando	Lloyd Architects
Stephen Nunez	Next Street
Susen Ellis	BOKF
Suzanne Bruckner	Sutin Thayer & Browne
Wade Jackson	Sutin, Thayer, Brown
Wayne Lloyd	Lloyd Architects

- 1. Call to Order and Roll Call.** Chair Kathy Keith called the meeting to order at 9:01 a.m. A roll call established a quorum.
- 2. Approval of Agenda.** Member Trujillo moved, seconded by Member Nichols, to approve the agenda. The motion passed 7 – 0 on a voice vote.

### 3. **Approval of Minutes.**

**3.1 Approval of the March 23, 2023 Board Minutes.** Member Nichols moved, seconded by Member Trujillo, for approval of the March 23, 2023, Board minutes. The motion passed 7 – 0 on a voice vote.

### 4. **Appointment of Nominating Committee for Election of Officers.**

**4.1 Appointment of Nominating Committee for Election of Officers – Section 5.9 of Bylaws.** Annual appointment of Nominating Committee for the election of FY24 NMFA Board Officer positions of Vice Chair and Secretary. Members Trujillo, Garcia and Nichols volunteered to serve as the Nominating Committee and will provide recommendations to the Board at a subsequent meeting.

### 5. **Open Meetings Act Resolution.**

**5.1 Approval of Open Meetings Act Resolution 2023.** Staff recommends Board approval of the 2023 Open Meetings Resolution.

The NMFA Board is subject to the provisions of the Open Meetings Act. The Open Meetings Act, Section 10-15-1(D), NMSA 1978 (“OMA”) requires the Board to determine annually what constitutes reasonable notice of its public meetings including virtual meetings. The Resolution contained all of the required provisions in compliance with the OMA.

**Member Garcia moved, seconded by Member Lovato, for approval of the 2023 Open Meetings Act Resolution. The motion passed 7 – 0 on roll call vote.**

### 6. **Report from the Chief Executive Officer.**

#### 6.1 **Report from the CEO.**

✓ *Staffing Update:* Sharon Romero joined the NMFA on April 17 as Lead Program Administrator. Brian DuBoff will be joining the NMFA on May 1 as the Managing Director of Community and Economic Development. John Brooks is the newest graduate of the Council of Development Finance Authorities program for Development Finance Certified Professionals.

✓ *Legislative Update:* Governor Lujan Grisham signed all NMFA’s bills, including SB 423 – NMFA Operating Capital Bill (Senator Nancy Rodriguez and Representative Linda Serrato), SB 402/a 0 NMFA Venture Capital Fund (Senator Martin Hickey, Representatives Linda Serrato and Meredith Dixon), as well as House Bill 2 which contains a \$15 million appropriation to the Venture Capital Fund.

✓ *Program Development Updates:*

*Opportunity Enterprise Review Board:* The Opportunity Enterprise Review Board met in April to approve its rules and policies governing the review and prioritization of projects eligible to receive financial assistance from the NMFA-administered Opportunity Enterprise

Revolving Fund.

*Early Childhood Education and Care Department Grants:* Last year NMFA entered into Memoranda of Agreement with the ECECD to help them deliver one-time federal funding to support two separate grant programs for childcare providers. The first program provides a total of \$11 million to new and expanding childcare providers who agree to add new slots for quality child-care.

The second program involved the disbursement of federal Stabilization Grants to providers who did not take advantage of the funding in the first round. ninety-seven awards for \$6.5 million was disbursed.

- ✓ *FY 2024 Operating and Capital Budget Initial Draft:* The Finance & Disclosure committee reviewed the first draft of the proposed operating budget which contains an approximate 17% increase, consisting of seven new staff members (10% increase) as well as increases from moving to a larger employer pool for health insurance, a 5% merit pool, and the second tranche of equity adjustments arising from the December 2022 Job Classification and Market Compensation Study.

*Job Classification and Market Compensation Study:* In December 2022, NMFA contracted with Mary Cooley of HR Solutions, LLC to perform a comprehensive market analysis and to update NMFA's classifications using updated job descriptions. In January 2023, the Board approved a realigned budget that allowed NMFA to use vacancy savings in the FY23 operating budget to make equity adjustments in the salaries of more than half of our employees bringing them to either 80% or 85% of the market average, depending on tenure. No senior managers received equity adjustments, though some mid-line managers were included in the first group. The FY 2024 budget contains additional resources to make a second set of equity adjustments to bring salaries to 85-90% of the salary market averages.

The economy and job market has changed particularly since 2016 when NMFA last updated its pay bands. During the first year of the pandemic there was virtually no turnover at NMFA. However, in calendar year 2022 NMFA experienced a combined turnover and vacancy rate of just under 30% with fifteen employees leaving in calendar year 2022 and NMFA unable to fill six expansion positions. Employees reported leaving for higher-paying jobs and remote working conditions.

## 7. Other Items.

**7.1 Presentation on the NMFA Office Building Project.** Lloyd and Associates provided an update on the new NMFA office renovation and additions. Discussed were project costs, the Site Plan, overall project description, floor plans, overbuilding design, schedule, exterior and interior design, interior finishes, and proposed schedule. The Board strongly supported the project and acknowledged that budget adjustments may be required.

**7.2 Update on Implementation of Venture Capital Program Act.** Staff presented an update on the implementation of the Venture Capital Program Act. The Act was created during the 2022

Legislative Session by HB 104 and authorizes the NMFA Board to make investments in venture private equity funds and New Mexico businesses. Senate Bill 402 amended the Act in 2023. NMFA is developing a strategy to differentiate the program from the venture capital programs at the State Investment Council and the New Mexico Economic Development Department. The NMFA strategy will target diversified sectors and underserved communities and entrepreneurs. Staff presented draft rules and a policy framework for the NMFA program. NMFA will solicit public comment on the economic development objectives of the program through May.

The Board heard presentations from firms developing funds for potential investment from the program. Sun Mountain Capital is an SEC-registered investment advisor based in New Mexico planning to launch a fund making direct equity investments in early-stage New Mexico businesses. Next Street has worked in over twenty-five local ecosystems throughout the country and has been engaged by NMFA to conduct research into early stage and small business capital needs in New Mexico. Mission Driven Finance plans to launch a fund this summer to address capital challenges identified in the research.

**8. Public Lending Committee Report.** *(Committee members are Mr. A.J. Forte, Chair, (Ms. Alison Nichols), Secretary Wayne Propst (Mr. Marcos Trujillo), Secretary James Kenney (Ms. Judi Kahl), Ms. Joy Esparsen (Mr. Richard Garcia) and Mr. Ron Lovato.)*

**8.1 Update on Activities.** The Public Lending Committee met on April 19, 2023, via Zoom. Member Alison Nichols chaired the meeting with Members Marcos Trujillo, Judi Kahl, and Richard Garcia in attendance. The Committee reviewed and recommended approval of three PG applications, two DWSRLF applications, and nine PPRF applications appearing on the Board’s consent or regular agenda.

**9. Consent Agenda.**

**9.1 City of Roswell (Chaves County). PG-6092 - \$30,200. Asset Management Plan.** The City of Roswell (“City”) applied to the Local Government Planning Fund (“LGPF”) for \$30,200 to fund an Asset Management Plan (“AMP”).

The AMP will consist of capturing asset data for the Water and Wastewater utilities to build a Capital Improvement Plan–Planning Tool that shows the condition and remaining life of the assets, provide a 20-year cost projection for rehabilitation or replacement of the assets, as well as GIS mapping.

**9.2 Village of Des Moines (Union County). PG-6151. \$12,500. Preliminary Engineering Report.** The Village of Des Moines (“Village”) applied to the Local Government Planning Fund (“LGPF”) for \$12,500 to fund a Preliminary Engineering Report (“PER”) to identify existing water facilities in need of repair or replacement, and provide cost estimates, alternatives, and recommendations. The Village plans to use to apply to the Drinking Water SRF and Water Trust Board.

**9.3 Village of Cloudcroft (Otero County). PG-6165. \$50,000. Water Master Plan.** The Village of Cloudcroft applied to the Local Government Planning Fund (“LGPF”) for \$50,000 to fund a water masterplan to evaluate the water transmission and distribution system.

The Water Master Plan will identify deficiencies and recommend projects to reduce water loss, improve system pressures, fire flow, and identify water system improvements required for the Village's PURE Water Project.

**9.4 Laguna Vista Volunteer Fire Department (Rio Arriba County), PPRF-6069 - \$180,000. 2023 Fire Equipment Loan.** Rio Arriba County “County” on behalf of Laguna Vista Volunteer Fire Department (“Department”) applied to the Public Project Revolving Fund (“PPRF”) for \$180,000 to purchase a fire truck and respective equipment.

The County will pledge its State Fire Protection Funds as the revenue source for this loan. The Department has an ISO class rating of seven with one main station receiving an annual base distribution of \$55,501 from State Fire Protection Funds. The County will provide \$300,000 from a Department of Homeland Security and Emergency Management (“DHSEM”) grant and will also contribute \$26,850 in carry forward fire protection funds.

**9.5 Hagerman Municipal School District (Chaves County). PPRF-6099. \$400,000. Series 2023 General Obligation Bond.** Hagerman Municipal School District (“District”) applied to the Public Project Revolving Fund (“PPRF”) for \$400,000 for financing school projects consistent with the District’s 2018-2023 Facilities Master Plan.

The following was presented on the loan project as an update to the materials noted in the Board Book: Tax Exempt Loan: \$360,000 Market Rates (NIC 3.21%).

Disadvantaged Tax-Exempt Loan: \$40,000 Disadvantaged Rate 2% (NIC 2.00%).

The District’s MHI is \$49,917 and constitutes 92% of the State's MHI.

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.

**9.6 Town of Hurley Fire Department (Grant County). PPRF-6150. \$194,389. 2023 Fire Equipment Loan.** The Town of Hurley (“Town”) applied to the Public Project Revolving Fund (“PPRF”) for \$194,389 to a fire truck and respective equipment.

The Town will pledge State Fire Protection Funds as the revenue source for the loan. The Hurley Fire Department has an ISO class rating of six with one main station and receives an annual base distribution of \$58,584 from State Fire Protection Funds. The Town will provide \$150,000 from Fire Protection Grant as part of the transaction.

**9.7 Village of Encino Fire Department (Torrance County). PPRF-6152. \$185,000. 2023 Fire Equipment Loan.** The Village of Encino (“Village”) on behalf of the Encino Fire Department (“Department”) applied to the Public Project Revolving Fund (“PPRF”) for \$185,000 to purchase a fire truck and the respective equipment.

The Village will pledge State Fire Protection Funds as the revenue source for the loan. The Department has an ISO class rating of five with one main station and receives an annual base distribution of \$61,667 from State Fire Protection Funds. The County will contribute \$300,000 from

the New Mexico Fire Protection Grant as part of the transaction.

**9.8 Town of Clayton Fire Department (Union County). PPRF-6154. \$150,000. 2023 Fire Equipment Loan.** The Town of Clayton Fire Department (“Department”) applied to the Public Project Revolving Fund (“PPRF”) for \$150,000 to purchase a firefighting apparatus and respective equipment replacing a current water tender/tanker that is over 30-years old.

The Clayton FD currently has an ISO rating of five with three main stations, one administration building, and receives an annual base distribution of \$246,668 from State Fire Protection Funds. The Clayton FD will contribute \$301,855 from a State Fire Protection grant and carryover State Fire Protection Funds.

**Member Nichols moved, seconded by Member Garcia, for approval of agenda items 9.1 – 9.8 The motion passed 6 – 0 on a roll call vote with Member Matthew Lovato unavailable for the vote.**

## **10. Regular Agenda.**

**10.1 Sierra Vista MDWCA. DW-6086. \$1,216,317.** Sierra Vista Mutual Domestic Water Consumers Association (“Association”) applied to the Drinking Water State Revolving Loan Fund (“DWSRLF”) for \$1,216,318 to construct a new well, new well building including a pump house, head meter, electricity extension to the site, site prep including access road improvements, a connection to existing transmission line, and all related appurtenances.

This project would supplement the existing water supply well. The water system currently has one active well, which has no redundancy. If this single well were to fail, the system and its users would be without a water supply. The lack of redundancy goes against the Ten State Standards, which states that water systems must have at least two water sources. This project would bring the system into compliance with Ten State Standards by providing redundancy to the system. The Association ranked #5 on the Q2 SFY23 DWSRF Fundable List dated 2-2023.

**10.2 Eldorado WSD. DW-6081 - \$1,313,000.** The Eldorado Area Water and Sanitation District (“District”) applied to the Drinking Water State Revolving Loan Fund (“DWSRLF”) for \$1,313,000 to finance the cost of design and construction of replacing service pipes from the main line to the meter box and all related appurtenances identified in the District’s September 2022 Water Utility Master Plan and Preliminary Engineering Report.

The District ranked #2 on the Q2 SFY23 DWSRF Fundable List dated 2-2023.

**10.3 City of Socorro (Socorro County). PPRF-6093. \$810,375. 2023 Equipment Loan.** The City of Socorro (“City”) applied to the Public Project Revolving Fund (“PPRF”) for \$900,417 to purchase a landfill trash compactor.

The pledge for the loan is the net system revenue received from solid waste and landfill activities.

**10.4 Las Vegas School District (San Miguel County). PPRF-6094. \$2,200,00. Series 2023 General Obligation Bond.** Las Vegas School District (“District”) applied to the Public Project Revolving Fund (“PPRF”) for \$2,200,000 for financing school projects within the District.

In November 2021, the District received voter approval of \$8,500,000 for District wide improvements and computer software and hardware purchase valid for four years.

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.

**10.5 City of Socorro (Socorro County). PPRF-6100. \$1,401,773. 2023 Infrastructure Loan.** The City of Socorro (“City”) applied to the Public Project Revolving Fund (“PPRF”) for \$1,401,772 for construction of a New Landfill Cell.

The current cells at the City’s Landfill are nearing capacity with less than 6 months of remaining life. Construction is near completion at which time the City will complete a construction certification report for submittal to the New Mexico Environment Department Solid Waste Bureau for approval. The City of Socorro Landfill serves the City of Socorro and neighboring communities. This landfill is vital for the region and without this facility the economic impact would be detrimental.

The City will pledge the Municipal Infrastructure Gross Receipts Tax (“MIGRT”) as the source of revenue for this loan.

**10.6 Town of Clayton Municipal School District (Union County). PPRF-6155. \$925,000. Series 2023 General Obligation Bond.** Clayton Municipal School District (“District”) applied to the Public Project Revolving Fund (“PPRF”) for \$925,000 to finance the purchase of Education Technology Equipment for District-wide projects.

The New Mexico State Constitution does not require the District to receive voter approval for education technology equipment and related projects when purchased through a lease-purchase agreement. The District will enter into 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 of a security interest with the District retaining all ownership responsibilities.

**Member Trujillo moved, seconded by Member Garcia, for approval of agenda items 10.1 – 10.6. The motion passed 6 – 0 on a roll call vote with Member Matthew Lovato unavailable.**

**11. Economic Development Committee** (*Committee members: Secretary Alicia Keyes (Mr. Jon Clark), Chair, Secretary Sarah Cottrell Propst (Mr. Matthew Lovato), Secretary James Kenney (Ms. Judi Kahl), Secretary Wayne Propst (Mr. Marcos Trujillo) and Mr. Ronald Lovato.*

**11.1 Update on Activities.** The Economic Development Committee met on April 18, 2023, via Zoom with Member Jon Clark chairing the meeting and Members Judi Kahl, Matthew Lovato, and Marcos Trujillo in attendance. The agenda included Review of the Program Monitoring Report,



review of an ESWC application for consent to subordinate the Santa Fe Recovery loan, and review of an application for Sunrise Clinics in Las Vegas, New Mexico forwarded for Board approval.

**11.2 Consent to Subordinate ESWCP Loan for Santa Fe Recovery.** Santa Fe Recovery Center, LLC (“SFRC”) is requesting the New Mexico Finance Authority (“NMFA”) subordinate its Essential Services Working Capital Program Loan (“ESWCP”) to First Citizens Bank proposed Line of Credit (“LOC”) for \$1.5 million to help meet their 3-month cash operating reserves requirement.

In September 2020, the NMFA approved an \$874,000 loan from the ESWCP for SFRC for the purpose of providing additional cash reserves during the COVID-19 Pandemic. A 1st UCC Filing on the Account Receivables valued at \$1,165,633 secured this loan.

Since this loan closed in October 2020, SFRC has paid \$384,105 of the \$874,000 loan leaving a balance of \$489,894. SFRC has also purchased the Four Corners Detox Recovery Center in Gallup, NM. As result of this purchase, SFRC Board of Directors required a 3-month operating cash flow as part of their balance sheet. Mr. Sherman Snyder, Chief Financial Officer – SFRC, has resolved this request by increasing the money market to \$1.5 million and obtaining a LOC from First Citizens Bank for \$1.5 million thus meeting the 3- month cash reserved required set forth by their Board of Directors.

The terms for the LOC from First Citizens Bank are \$1.5 million for a 12-month term. The LOC will be renewable annually with interest only payments. The LOC will carry an interest rate at WSJ Prime +0% with a floor of 5% and a cap of 18%. With hypothetical payments for the full amount of the line of credit included, debt service coverage would be 2.40xs.

**Member Collins moved, seconded by Member Trujillo, to approve Consent to Subordinate ESWCP Loan for Santa Fe Recovery. The motion passed 7 – 0 on a roll call vote.**

**11.3 Sunrise Clinics, Inc. (Quay County). BH-6157. \$387,000.** Sunrise Clinics Inc. is interested in purchasing the building located at 2020 7th St, Las Vegas, NM 87701. The CEO for Sunrise Clinics Inc., Dr. Randal Brown purchased the Las Vegas buildings for the clinics to ensure proper control over the buildings when he operated Sunrise Medical Group as primary health and mental health clinics.

This financing request will be conducted by utilizing the Behavioral Health NMFA private lending program to fund the entire project. With this loan from NMFA, Sunrise Clinics Inc. will continue to serve the San Miguel County rural communities with quality health care. Also, the NMFA funding ensures the continued employment of the Las Vegas clinic’s staff. Staff recommends approval of Sunrise Clinics Inc. application for Behavioral Health Capital Fund loan as outlined.

**Member Collins moved, seconded by Member Trujillo, to approve agenda item 11.3. The motion passed 7 – 0 on a roll call vote.**

**12. Finance and Disclosure Committee Report.** (*Committee members: Mr. Martin Suazo, Chair, Mr. A.J. Forte (Ms. Alison Nichols), Secretary Wayne Propst (Mr. Marcos Trujillo) and Ms. Joy Esparsen (Mr. Richard Garcia).*)

**12.1 Update on Activities.** The Finance & Disclosure Committee met on April 19, 2023, via Zoom with Member Martin Suazo chairing the meeting and Members Richard Garcia, Alison Nichols, and Marcos Trujillo in attendance.

Items discussed included the Investment Report, GPA Quarterly Report, Bond Issuance Outlook, presentation of the 2023A Senior Lien Bonds POS, recommendations for approval of the NMFA Budget Policy, Retroactive approval of Amendment to Capital Budget for \$240,000, and Presentation of the Draft FY 2024 Budget. Discussion also included proposed awards for NMFA Legal Services Contracts, extension of contract with Moss Adams for FY2023 Audit, request to issue RFP for Investment Consultant for Venture Capital Program, and Procurement Notifications.

**12.2 Approval of the Authorizing and Delegating Resolution for the Senior Lien Public Project Revolving Fund Revenue Bonds, Series 2023A, Preliminary Official Statement, 109th Supplemental Indenture of Trust and Related Documents.** Review and approval of the substantially final Preliminary Official Statement and Resolution, directing staff and consultants to prepare for the issuance of the Series 2023A Bonds, and delegation to certain members and officers of the NMFA the authority to determine the final terms of the Series 2023A bonds, subject to certain parameters.

The NMFA is issuing and selling Series 2023B Bonds in two series with an approximate amount not to exceed \$85,000,000 both to be used to originate loans or purchase securities to finance certain projects or reimburse loans previously made to or securities purchased, and pay costs incurred in connection with the issuance of the Series 2023A Bonds. Staff and consultants will continue to prepare for the sale of the Series 2023A Bonds, expected to occur May 2023.

Mr. Dan Opperman, Mr. Chip Pierce, Mr. Jerry Kyle, and Mr. Alan Woolever reviewed and discussed the proposed resolution, and related documents for the Series 2023A bonds. Mr. Jerry Kyle reviewed the preliminary official statement and Mr. Alan Woolever presented the authorizing resolution. Marquita Russel, CEO, and Member Trujillo will represent the Board in the transaction as the Designated Officers.

**Member Trujillo moved, seconded by Member Garcia, for Approval of the Authorizing and Delegating Resolution for the Senior Lien Public Project Revolving Fund Revenue Bonds, Series 2023A, Preliminary Official Statement, 109th Supplemental Indenture of Trust and Related Documents. The motion 6 – 0 on a roll call vote with Member Matthew Trujillo unavailable.**

**12.3 Presentation of the Investment Report Ending March 31, 2023.** Mr. Mark Lovato presented the Investment Report for period ending March 31, 2023. As of March 31, 2023, the NMFA has total funds invested of \$1,211 billion, \$838.7 million which are NMFA funds and New Mexico Department of Transportation funds totaling \$372.6 million. The report included the NMFA Portfolio Summary report for the Board's review.

**12.4 Approval of Budget Policy.** Mr. Oscar Rodriguez and Mr. Norman Vuylsteke reviewed the proposed Budget Policy. The policy formalizes the process staff has been utilizing to prepare, present and monitor the annual budget. It details the basic rationale, elements, and calendar for the

budget process followed since FY 2019. The Policy contains input from staff presentations to the Finance & Disclosure Committee over the past two months and is presented as an evolving document that will be reviewed every year as part of the budget process, allowing for new standards and elements to be incorporated, as necessary.

**Member Trujillo moved, seconded by Member Nichols, for approval of the Budget Policy as presented. The motion passed 6 – 0 on a roll call vote with Member Matthew Trujillo unavailable.**

**12.5 Recommendation to Retroactively Approve Amendment to Capital Budget by \$240,000.** Staff notified the Board that as the result of an IT emergency funds were transferred from the operating budget to the capital budget to acquire key technology.

The cost for these capital acquisitions is \$240,000, including expedited delivery and installation supplies. To stay within the Board-approved budget limit, staff diverted budgeted IT contract services funds to purchase this hardware. While staying within the overall budget, this procurement exceeded the capital budget for IT equipment, which was set at \$20,000 in the FY 2023 budget. To get back in compliance with the approved budget, staff requests retroactive approval to increase the capital budget and decrease the operating budget-contract services by \$240,000.

**Member Garcia moved, seconded by Member Trujillo, to retroactively approve an amendment to the Capital Budget by \$240,000. The motion 7 – 0 on a roll call vote.**

**12.6 Proposed Awards for NMFA Legal Services Contracts.** Proposed awards for the NMFA 2023 RFP for Legal Services.

A Request for Proposals (“RFP”) for Legal Services was issued on January 24, 2023 , and covered, essentially, all NMFA programs that require the services of external legal counsel. An Evaluation Committee comprised of five members of NMFA staff, covering multiple departments, scored the proposals. The Evaluation Committee also interviewed those firms with which it had questions, and after careful consideration, submitted the recommendations below to the Finance & Disclosure Committee.

The Finance & Disclosure Committee unanimously recommended the following proposed awards:

<b>PPRF Bond Counsel</b>	Gilmore & Bell Backup - Sherman & Howard
<b>Tax Counsel</b>	Gilmore & Bell Backup – Sherman & Howard
<b>Disclosure Counsel</b>	Orrick, Herrington & Sutcliffe Rodey Law Firm
<b>GRIP Bond Counsel</b>	Rodey Law Firm Gilmore & Bell
<b>PPRF Loan Counsel</b>	Sutin Thayer & Browne Backup – Virtue & Najjar
<b>Water Trust Board Loan Counsel</b>	Sutin Thayer & Browne Backup -Virtue & Najjar

<b>Drinking Water RLF Counsel</b>	Virtue & Najjar Backup – Sutin Thayer & Browne
<b>Colonias Loan Counsel</b>	Virtue & Najjar Backup – Sutin Thayer & Browne
<b>Private Loan Counsel</b>	Rodey Law Firm Backup – Sherman & Howard
<b>NMTC Lending Counsel</b>	Sherman & Howard Backup - Bocarsly Emden
<b>NMTC Special Counsel</b>	Sutin Thayer & Browne Backup – Sherman & Howard
<b>NMTC Tax Counsel</b>	Sherman & Howard Backup – Bocarsly Emden
<b>Private Bond Counsel</b>	Rodey Law Firm Backup - Sherman & Howard
<b>Drinking Water Bond Counsel</b>	Sherman & Howard Backup – Rodey Law Firm
<b>OERB Loan Counsel</b>	Sherman & Howard
<b>Other/Special Counsel</b>	All firms to be placed on a general contract with no guarantee of assigned work to account for situations where a specific need may arise and to permit the NMFA to act swiftly and not have to procure additional services

**Member Trujillo moved, seconded by Member Garcia, for approval of the awards for NMFA Legal Services Contracts. The motion passed 7 – 0 on a roll call vote.**

- 13. 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.)*

**13.1 Update on Activities.** The Audit Committee met on April 19, 2023, via Zoom with Member Andrew Burke chairing the meeting and Members Martin Suazo and Jon Clark in attendance.

The agenda included the Financial Statements and Financial Performance Indicators, review of the FY 2022 External Auditor’s Performance, recommendation of contract extension for FY2023 Audit, and a new office building project update describing staff’s efforts toward complying with the Governor’s policies and energy efficiency standards for new buildings while adhering to the approved budget. The building is being designed to LEED Silver standards; however, attaining the certification may require additional budget. The Committee discussed the benefits of long-term energy efficiency. Staff will compile and present the estimated costs and expected savings and other benefits of adding items such as the PV panels with the analysis to be presented at an upcoming Audit Committee meeting.

**13.2 Presentation of Recommended Audit Policy.** The Audit Committee and staff recommend approval of an NMFA Audit Policy.

State law requires NMFA to contract with an external auditor to conduct an audit of its financial statements and controls over financial reporting. The State Auditor’s Offices promulgates the

requirements and standards. Over the past four years, the annual audit process has followed what has become a well-practiced exercise supported by established internal procedures but not validated by a formal policy. The proposed policy defines the annual NMFA audit cycle and establishes the standards and form for accomplishing all the steps in that series.

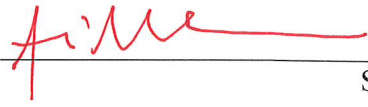
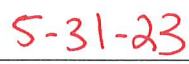
**Member Collins moved, seconded by Member Trujillo for approval of the Audit Policy. The motion passed 7 – 0 on a roll call vote.**

**14. Next Board Meeting**

**14.1** Thursday, May 25, 2023 – 9:00 a.m., State Capitol, Room 309.

**15. Adjournment**

The meeting adjourned at 12:00 p.m.

  
\_\_\_\_\_  
Secretary  
  
  
\_\_\_\_\_  
Date