

New Mexico Finance Authority
207 Shelby St. Santa Fe, N.M. 87501
(505) 984-1454
Minutes of NMFA Board Meeting
February 29, 2024
Santa Fe County Commission Chambers
102 Grant Ave, Santa Fe, New Mexico 87501

Members Present:

Kathy Keith, Chair (via zoom)	Public Member, Los Alamos Natl. Laboratory
Martin Suazo, Vice Chair	Public Member, Las Vegas, NM
Alison Nichols	Designee, NM Municipal League
Andrew Burke (via zoom)	Public Member, Las Cruces, NM
Joy Esparsen	New Mexico Counties
Kelsey Rader (via zoom)	Designee, NM Environment Department
Marcos Trujillo	Designee, NM Dept. of Finance and Administration
Sam Collins	Designee, NM Economic Development Dept.
Teresa Costantinidis	Public Member, University of New Mexico
Dr. AnnaLinden Weller	Designee, Energy, Minerals & Natural Resources Dept.

Members Absent:

Ronald Lovato	Public Member, Ohkay Owingeh
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Finance Authority Staff

Aaron Kayser	Mark Montoya
Austin Anaya	Marquita Russel
Anthony Maestas	Mary Finney (via zoom)
Bryan Otero	Michael Vonderheide
Carmela Manzari	Nicole McCollum (via zoom)
Charlotte Larragoite (via zoom)	Norman Vuylsteke
Cherise Martinez	Oscar Rodriguez
Chip Pierce (via zoom)	Paul Romero
Dan Opperman (via zoom)	Rick Herrman
Delanne Reichard (via zoom)	Rio Trujillo
Dora Cde Baca (via zoom)	Ryan Decker (via zoom)
Jeff Baade	Ryan Olguin
John Brooks	Ron Cruz
Jolin Anaya	Sharon Romero (via zoom)
Kryshana Madrid	Susan Pittard
Leslie Medina	Susan Rodriguez
Laura Williams	Theresa Garcia
Luanna Salazar	Todd Johansen
Lynn Taulbee	Todd Nordby
Mark Lovato	

Guests:

Arturo Archuleta	Program Director, NM Land Grant Council
Fred M. (via zoom)	
Dr. Glenn Aaven	Magdalena Municipal School
James La Fata	General Counsel, Rose’s Southwest Papers, Inc.
Kaeley Weimerskirch (via zoom)	RBC
Leo Valdez	MCM
Laura Morales (via zoom)	
Loretta Trujillo	Finance Director, Mesa Vista School District
Marvin MaCauley	Superintendent, Mesa Vista Consolidated Schools
Rick Martinez	Apricot Tree
Santa Fe County (via zoom)	
Suzanne Bruckner (via zoom)	Sutin, Thayer & Browne
Michael Borchlewicz (via zoom)	Sherman and Howard

1. **Call to Order and Roll Call.** Vice-Chair Suazo called the meeting to order at 9:02 a.m. A quorum was established.

2. **Approval of Agenda. Member Collins moved, seconded by Member Costantinidis, to approve the agenda. The motion passed 10 – 0.**

3. **Approval of Board Minutes.**

3.1 **Member Costantinidis moved, seconded by Member Weller, for approval of the January 25, 2024, board minutes. The motion passed 10 – 0.**

4. **2024 Open Meetings Act Resolution**

4.1 **Approval of the Open Meetings Act Resolution 2024.** Mrs. Susan Pittard presented the NMFA Open Meetings Act Resolution. The Open Meetings Act (“Act”), requires all meetings of a quorum of members of any board, commission, administrative adjudicatory body or other policymaking body to be open to the public at all times.

The Board is subject to the provisions of the Act. Section 10-15-1(D) of the Act requires the Board to determine annually what constitutes reasonable notice of its public meetings. The Resolution complies with the requirements of the Act. Staff recommends that the Board approve the Open Meetings Resolution for 2024, as presented.

Member Esparsen moved, seconded by Member Collins, for approval of agenda item 4.1. The motion passed 10-0.

5. **2024 Inspection of Public Records Act.**

5.1 **Approval of the Inspection of Public Records Act Resolution 2024.** Mrs. Susan Pittard presented the Inspection of Public Records Act Resolution 2024. The NMFA is subject to the Inspection of Public Records Act which provides that every person has a right to inspect the public records of the NMFA. The NMFA is required to post procedures for requesting public records. The NMFA adopts a

Policy for Inspection of Public Records yearly. The Policy sets forth the procedures for requesting NMFA’s public records, and otherwise complies with the Inspection of Public Records Act, §14-2-1 et seq., NMSA 1978, as amended and supplemented from time to time.

Staff recommends approval and adoption the Inspection of Public Records Resolution, which approves and adopts the NMFA’s Policy for Inspection of Public Records for 2024.

Member Esparsen moved, seconded by Member Costantinidis, for approval of agenda item 5.1. The motion passed 10-0.

6. Report from the Chief Executive Officer (“CEO”), Marquita Russel.

6.1 Report from the CEO. The NMFA is pleased to announce the hiring of Fernando Martinez to fill the Deputy Director position, beginning on April 1, 2024. Fernando brings years of experience to the NMFA, including extensive experience gained from his recent position as the Executive Director of RETA, and we are excited to have him become a part of our leadership team. The NMFA has eight open positions, a vacancy rate of just under 11%. We have accepted offers from three individuals who will join us in the next coming weeks and are in the final stages of interviews for a fourth position. We anticipate ending February with a vacancy rate of just over 5%, the lowest vacancy rate we’ve had since 2020. Deep appreciation to HR Director Nicole McCollum who has done a phenomenal job of recruiting for these difficult positions.

Legislative Session

NMFA fared well, particularly given that it was a 30-day session packed with the kind of meaty legislation you’d expect to see during a 60-day session. NMFA’s three primary bills – PPRF Authorization bill (HB 28/a), PPRF Appropriation Bill (HB 29), and WTB Authorization Bill (HB 148) -- passed both chambers and their respective committees with only one negative vote.

NMFA’s Housing Bills -- House Bill 195, endorsed by the Opportunity Enterprise Review Board, incorporated changes to the spec development fund and creates a housing development fund. The budget that was sent to the Governor’s Office contains a \$125 million appropriation to the new housing development fund, and a \$50 million appropriation to the commercial spec development fund. The second housing bill was Senate Bill 216 which broadened the PPRF to make “housing” an eligible public project (all housing done by NMFA thus far has been done under the public project type of “building”), makes “nonprofit housing developer” a qualified entity, and expands the local government planning fund to include affordable housing plans, flood inundation maps, and archaeological clearances.

The last bill that NMFA supported was House Bill 211, which amends the Water Project Finance Act by expanding eligible uses of the Water Project Fund to include wastewater projects and the hiring of technical assistance contractors, while also making some minor, technical changes.

NMFA tracked several other bills that saw varying levels success:

- HB 207, Public Schools Capital Outlay Grants, provides that the Public School Capital Outlay Committee shall (rather than may) provide lease assistance to charter schools. This has been the long-standing practice, but NMFA sought these changes to eliminate one of the two appropriation risks for

lending to charter schools. The bill passed both chambers and their respective committees with only one negative vote.

- HB 108, which would have created the Local Solar Access Grant Fund at NMFA, was unable to get an appropriation and did not progress further than its first hearing in the House.
- Three other bills, HB 125/SB 110 (the Public Banking Bill), and SB 109 (the Catastrophic Business Relief Fund), and SB 259 (Funds for Nonprofits for Capital Outlay bill), were determined not germane and did not get messages from the Governor.

In addition to the \$175 million appropriation to NMFA for the two Opportunity Enterprise programs, HB2 contains a \$50 million appropriation to the Water Project Fund for projects authorized in 2024, and a \$50 million appropriation to the Water Trust Fund. SB 275, the Capital Outlay Bill, also contained an \$18 million appropriation to the Water Project Fund for cost overruns. SB 210, endorsed by the NMFA Oversight committee, sought a total of \$60 million in appropriations to the Primary Care Capital Fund, the Behavioral Health Capital Fund, and the Child Care Facility Revolving Loan Fund. The appropriations were contained in the budget framework endorsed by the LFC, but were amended out by HAFC and did not make it back into the budget.

Land Grant-Merced Revolving Loan Fund:

One of the bills introduced this session was House bill 188 which created an \$8 million Land Grant-Merced revolving loan fund to help Land Grant-Mercedes purchase real property. As public bodies, Land Grant-Mercedes are eligible to borrow from the PPRF, however, our policies don't address the unusual nature of Land Grant-Mercedes and so we've not yet financed any under the program. Sponsors of HB 188 asked NMFA to work with the Land Grant Council to see if we could develop a pilot program to address their needs rather than create a new loan program. NMFA has asked Arturo Archuleta, the program director for the Land Grant Council to give an overview on the needs of Land Grant-Mercedes.

Informational Only.

6.2 Presentation of Financing Needs of Land Grants. Mr. Arturo Archuleta, Program Director of New Mexico Land Grant Council, presented an overview of the Land Grant Merced Common Land Acquisition Pilot Project.

Informational Only.

7. **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. Kelsey Rader), Ms. Joy Esparsen (Mr. Richard Garcia) and Mr. Ron Lovato.*

7.1 Update on Activities. A quorum of the Public Lending Committee met on February 21, 2024, via Zoom teleconference. Member Alison Nichols chaired the meeting with Members Marcos Trujillo, Joy Esparsen, and Kelsey Rader in attendance. The committee reviewed one DW project, one PG project and nine PPRF projects; all were recommended to the Board for approval. Subsequent to the committee meeting, one of the PPRF applicants pulled its project.

Informational Only.

8. Regular Agenda.

8.1 Cider Mill Farms MDWCA (Otero County). PG-6387. \$50,000. Asset Management Plan.

Cider Mill Farms MDWCA has applied to the Local Grant Planning Fund (“LGPF”) for an asset management plan. This plan will be developed the operations and management of the water system to improve its sustainability. This plan will also provide infrastructure management and operational insight and will follow the principles of asset management as described in the A.M. Kan Work Manual.

8.2 Greater Glorieta Community Regional Mutual Domestic Water Consumers and Sewage Works Association (the “Association”). DW-6256. \$1,014,156.

The Association applied to the Drinking Water State Revolving Loan Fund (“DWSRLF”) to finance the cost of the replacement of the East Glorieta water distribution infrastructure. The Association was created in 2012 through regionalization of Glorieta Estates, the Village of Glorieta, and East Glorieta, located in Santa Fe County. The Association has 260 water users with 320 future users in the region. A Preliminary Engineering Report (“PER”) completed by HDR Engineering, Inc. identified water system alternatives addressing needs and public health and safety concerns related to elevated radium concentrations in the Glorieta Estates water well and aging infrastructure. The Association has been actively working to address water system needs for each of the communities as part of a 3-phased approach. Phases 1 and 2 have been completed, Phase 3A: New Glorieta Estates well, is under contract for construction. This project is considered to be severely disadvantaged.

8.3 Lordsburg Fire Department (the “Department”) (Hidalgo County). PPRF-6378. \$273,206. 2024 Fire Equipment Loan.

The Department applied to the Public Project Revolving Fund (“PPRF”) to purchase firefighting apparatus, equipment, and a new pumper truck. This will maintain the public health, safety, and welfare of the community and surrounding area. The Department receives an annual base distribution of \$61,667 from State Fire Protection Funds. The Department received a FY 2024 Fire Protection Grant for \$300,000 for this purchase, and another \$100,000 from the City. The State Fire Marshall has provided a letter of approval for this loan.

8.4 Tatum Municipal School District (the “District”) (Lea County). PPRF-6381. \$2,250,000. 2024 General Obligation Bond.

The District has applied to the PPRF for financing of projects. In November 2023, the District received voter approval of \$4,500,000 to erect, remodel, equip and furnish school buildings; school grounds; purchase computer software and hardware for student use; provide matching funds for capital outlay projects funded pursuant to the Public-School Capital Outlay Act (“PSCOA”). This approval is valid for a period of four years. The District will issue General Obligation Bonds (“GOB”) in the amount of \$2,250,000 which NMFA will purchase with the PPRF. The proceeds will be used for roofing repairs, specifically a new roof on the agriculture building, a new roof on the elementary school gym, a new roof on the high school, and a new roof on the main gym, as well as plumbing repairs, including new sewer and domestic water lines at the Field House building and another new sewer line that runs from the gym to the City of Tatum's main line.

8.5 Tucumcari Public School District (the “District”) (Quay County). PPRF-6379. \$1,500,000. 2024 General Obligation Loan.

The district received voter approval of \$3,000,000 to construct, remodel, make additions, furnish school buildings, and improve school grounds. This approval is valid for a period of four years. The district will issue GOB in the amount of \$1,500,000 which NMFA will purchase with

the PPRF. The proceeds will be used for, HVAC upgrades, playground equipment, track resurfacing, lighting upgrades, lighting for athletic fields, and cost of issuance.

8.6 Hagerman Municipal School District (the “District”) (Chaves County). PPRF-6380. \$900,000. 2024 General Obligation Bond. The District received voter approval of \$1,800,000 to construct, remodel, make additions, furnish school buildings, and improve school grounds. This approval is valid for a period of four years. The District will issue GOB in the amount of \$900,000 which NMFA will purchase with the PPRF. The proceeds will be used for, FFA storage barn, HVAC upgrades, auditorium tile replacement, track replacement, structural issues, middle school, elementary school canopies, playground ramp, pavilion at football field, sidewalk and concrete replacement, and cost of issuance.

8.7 Mesa Vista Consolidated School District (the “District”) (Taos County). PPRF-6382. \$2,000,000. 2024 General Obligation Bond. The District applied to the PPRF for financing of projects to construct, remodel, make additions, furnish school buildings, and improve school grounds. In November 2023, the District received voter approval of \$4,500,000. This approval is valid for a period of four years. The District will issue GOB in the amount of \$2,000,000 which NMFA will purchase with the PPRF. The proceeds will be used for planning, design, construction related costs for the replacement campus, repayment of PSCOC funding, cost of issuance, consulting professionals.

8.8 Valencia County (the “County”). PPRF-6383. \$835,136. 2024 Fire Equipment Loan. The County Fire Department has applied to the PPRF to purchase a fire truck and the respective equipment to support fire suppression efforts in the County, thereby maintaining public health, safety, and welfare. The upcoming acquisition of the new fire equipment is intended to replace a 1997 fire engine. The County will pledge its State Fire Protection Funds as the revenue source for this loan. The Fire Department has an ISO class rating of four with eight main stations and receives an annual base distribution of \$582,759 from State Fire Protection Funds. The State Fire Marshal has provided a letter of approval for this loan.

8.9 Farmington Municipal School District (the “District”) (San Juan County). PPRF-6384. \$2,000,000. 2024 General Obligation Bond. The District has applied to the PPRF for financing to erect, remodel, equip and furnish school buildings; improve school grounds; purchase computer software and hardware for student use. In November 2021, the District received voter approval of \$8,000,000; provide matching funds for capital outlay projects funded pursuant to the PSCOA; or any combination of these purposes within the District. This approval is valid for a period of four years. The District will issue GOB in the amount of \$2,000,000 which NMFA will purchase with the PPRF. After the Series 2024 GOB are issued, there will still be \$2M remaining. The remaining proceeds will be used for district-wide facility projects and capital needs as identified in their Facilities Master Plan.

8.10 Magdalena Municipal School District (the “District”) (Socorro County). PPRF-6385. \$700,000. 2024 General Obligation Bond. The District applied to the PPRF for financing to erect, remodel, equip and furnish school buildings; improve school grounds; purchase computer software and hardware for student use. In November 2023, the District received voter approval of \$1,400,000; provide matching funds for capital outlay projects funded pursuant to the PSCOA. This approval is valid for a period of four years. The District will issue GOB in the amount of \$700,000 which NMFA will purchase with the PPRF. The proceeds will be used for district-wide facility projects and capital needs as identified in their Facilities Master Plan.

Member Costantinidis moved, seconded by Member Trujillo, for approval of agenda items 8.1 – 8.10. The motion passed 10-0.

- 9. Economic Development Committee Report.** *(Committee members: Secretary Mark Roper, Chair (Mr. Sam Collins), Secretary Dylan Fuge (Dr. AnnaLinden Weller), Secretary James Kenney (Ms. Kelsey Rader), Secretary Wayne Propst (Mr. Marcos Trujillo) and Mr. Ronald Lovato.*

9.1 Update on Activities. A quorum of the Economic Development Committee met on February 20, 2024, via Zoom teleconference. Member Sam Collins chaired with Members Marcos Trujillo, Kelsey Rader, Ron Lovato, and AnnaLinden Weller in attendance. Staff presented the Private Program Report for February 2024. The committee reviewed the delinquent status of a Cannabis Microbusiness loan to Herban Oasis, LLC. This loan has been turned over to the NMFA Legal Department. This was an informational item. Staff presented its recommendation for a final approval of a NMTC financing to Rose’s Southwest Papers Inc. The committee recommended and reviewed the recommendation from staff to open the 32nd Round of Competitive New Markets Tax Credit Applications. The committee recommended these items to the Board.

Informational Only.

9.2 Final Approval of Rose’s Southwest Papers Inc. (Bernalillo County). NMTC-6376 \$8,000,000. Mr. Ryan Olguin presented a final approval of Rose’s Southwest Papers, Inc. This includes an updated overview of the project description, loan structure, exit fee determination, and construction update.

Mr. James La Fata, General Counsel for Rose’s Southwest Papers, Inc. briefly went over their local history of the company, warehouse location, and their distribution channels. Mr. La Fata provided an updated project description of the warehouse building construction and investment in new equipment.

Mr. Dan Opperman presented and discussed the Resolution to allow the Board to take action required to close this New Market’s transaction, including approval of the sub-allocation, indemnity provisions, and approval of the term sheet.

The proposed transaction complies with all NMFA policies. Staff recommends final approval of the New Markets Tax Credit financing for Rose’s Southwest Papers Inc., with final approval subject only to NMTC documentation acceptable to the NMFA.

Member Collins moved, seconded by Member Weller, for approval of agenda item 9.2. The motion passed 10-0.

9.3 Recommendation to open the 32nd Round of Competitive New Markets Tax Credit Applications. Mrs. Theresa Garcia presented the 32nd round of NMTC applications, explaining that the application cycle will focus on rural projects using the remaining \$9 million of the NMTC allocation from the 2022 allocation. The application cycle will open at the end of February. Staff recommends approval to open the 32nd round of competitive applications.

Member Esparsen moved, seconded by Member Trujillo, for approval of agenda item 9.3. The motion passed 10-0.

- 10. 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).*

10.1 Update on Activities. A quorum of the Finance & Disclosure Committee met on February 21, 2024, via Zoom teleconference. Member Joy Esparsen chaired, with Members Marcos Trujillo and Alison Nichols in attendance. Staff provided an overview of the investment report for the month ending January 31, 2024, and a high-level outlook for the PPRF program. Both items were informational.

Informational Only.

- 11. Audit Committee Report.** *(Committee members: Mr. Andrew Burke, Chair, Mr. Martin Suazo, Secretary Dylan Fuge (Dr. AnnaLinden Weller), and Secretary Mark Roper (Mr. Sam Collins).*

11.1 Update on Activities. A quorum of the Audit Committee met on February 21, 2024, via Zoom teleconference. Member Andrew Burke chaired, with Members Sam Collins and AnnaLinden Weller in attendance. Agenda items included a NMFA headquarters update as an informational item. Staff also presented the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, Performance Reports, and Notes as of December 2023. This item was recommended to the board for approval.

Informational Only.

11.2 Presentation of the Financial Statements and Performance Indicators. Mr. Oscar Rodriguez presented the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, Performance Reports, and Notes as of December 2023.

Member Costantinidis moved, seconded by Member Esparsen, for approval of agenda item 11.2. The motion passed 10-0.

- 12. Board Training**

12.1 Board Training Presentation. Staff presented an operations and programmatic overview of the NMFA, including program activity, staff and operational structure, risk rating system, and FY 2024 operating budget.

Informational Only.

- 13. Executive Session - Closed meeting to discuss limited personnel matters pertaining to the CEO and matters subject to attorney-client privilege pertaining to threatened or pending litigation regarding Herban Oasis, LLC, as allowed by NMSA 1978, Section 10-15-1(H)(2) and 10-15-1(H)(7).**


Vice-Chair Suazo entertained a motion for the NMFA Board of Directors to go into Executive Session to limited personnel matters pertaining to the CEO and matters subject to attorney-client privilege pertaining to threatened or pending litigation regarding Herban Oasis, LLC, as allowed by NMSA 1978, Section 10-15-1(H)(2) and 10-15-1(H)(7).

Member Esparsen moved, seconded by Member Trujillo, that the Board convene in a closed meeting. The motion passed 10 - 0. Member Nichols left the board meeting and did not attend executive session.

Member Esparsen moved, seconded by Member Weller, that the Board reconvene in open session. The motion passed 10 - 0.

Vice-Chair Suazo 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 CEO and matters subject to attorney-client privilege pertaining to threatened or pending litigation regarding Herban Oasis, LLC, as allowed by NMSA 1978, Section 10-15-1(H)(2) and 10-15-1(H)(7).

- 14. **Next Board Meeting.** Thursday, March 28, 2024, at 9:00 a.m. Santa Fe County Chambers 102 Grant Ave., Santa Fe, NM 87501.
- 15. **Adjournment.** Member Esparsen moved, seconded by Member Trujillo to adjourn the meeting. The meeting adjourned at 11:50 a.m.



04 / 02 / 2024 Secretary

Date