MINUTES OF THE
NEW MEXICO STATE BOARD OF FINANCE

SPECIAL MEETING
Santa Fe, New Mexico
June 28, 2012

A Special Meeting of the New Mexico State Board of Finance was called to order on this date at 9:00 a.m. in the Governor's Cabinet Room, Fourth Floor, State Capitol Building, Santa Fe, New Mexico.

1. ROLL CALL: QUORUM PRESENT

Members Present:
The Hon. Susana Martinez, President
The Hon. John Sanchez, Lt. Governor
The Hon. James B. Lewis, State Treasurer
Mr. John Gasparich, Public Member, Secretary
Mr. Michael Brasher, Public Member [telephonically]
Mr. Robert J. Aragon, Public Member [telephonically, joining at 10:03 a.m.]

Members Excused:
Mr. Sam Spencer, Public Member

Legal Counsel Present:
Mr. Zack Shandler, Attorney General's Office

Staff Present:
Dr. Thomas Clifford, Secretary, Department of Finance & Administration
Ms. Stephanie Schardin Clarke, Director, State Board of Finance
Mr. Jeff Primm, Deputy Director, State Board of Finance

Others Present:
[See sign-in sheets.]

2. APPROVAL OF AGENDA
NEXT REGULAR MEETING: JULY 17, 2012

Treasurer Lewis moved approval of the agenda as presented. Mr. Brasher seconded the motion and it passed by unanimous 5-0 voice vote.
EMERGENCY FUND BALANCES

Presenter: Stephanie Schardin Clarke, Director

3. Emergency Balances – June 2012

Governor Martinez read the emergency and reserve fund balances into the record.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY12 Operating Reserve Fund</td>
<td>$688,411.52</td>
</tr>
<tr>
<td>FY12 Emergency Water Fund</td>
<td>$68,400.00</td>
</tr>
</tbody>
</table>

Ms. Clarke said this was informational.

EMERGENCY FUNDING REQUESTS

Presenters: Ian Serrano, City Administrator; Albert Campos, Jr., Mayor; Linda Garcia, Finance Officer

4. City of Santa Rosa – Requests Emergency Loan to Address Shortfall Related to Withholding of Gross Receipts Tax Distribution ($194,682)

Mr. Serrano with Mayor Albert Campos, Jr. and Finance Officer Linda Garcia made the request to the Board of Finance.

Mr. Serrano explained that Santa Rosa received no Gross Receipts Tax (GRT) distribution for the month of June as a result of a refund to a tax payer. Santa Rosa owed $243,000 to Taxation & Revenue Department (TRD) before the June distribution was intercepted. On behalf of the City, his request was a $157,000 loan from the Board of Finance.

Ms. Clarke explained that initially the request was $194,000 as it appeared on the agenda. But subsequent to that staff worked with Santa Rosa and TRD to reduce the request. As of yesterday the information received was that the City could get by with a loan of $147,498. She referred to the table in the packet. She also noted there were representatives from the Local Government Division and TRD present.

Mr. David Robbins from TRD introduced himself.

Responding to questions from Mr. Gasparich, Mr. Robbins explained the problem was caused by distributions that were based on net receipts. When a taxpayer protested the tax due or was entitled to a refund, a negative distribution could result. If it exceeded the amount the county or municipality would normally receive it would produce a negative balance. In this case the taxpayer had the TRD Audit and Compliance Division conduct an audit on taxes from 2008 and as a result was assessed an amount. The taxpayer filed a protest. It took some time for the protest to be heard before a TRD hearing officer, but the total refund was $400,000. The total refund to the taxpayer was almost $2.4 million for one year’s period.
Mr. Gasparich asked if there was any forewarning to the City and Mr. Robbins explained that this was not a unique or isolated incident and TRD was working on a better notification process so that once a protest was filed, TRD could notify a taxing entity of a potential refund. However, he noted that a taxpayer could still file an amended return wherein TRD could provide a refund without being able to provide pre-notification to taxing entities. In some cases, protests don’t initially identify the localities affected, but TRD tries to notify the county or municipality as soon as possible and in some cases it might only be a week or two of notice. TRD was working with the administration to mitigate this problem in the future.

Mr. Serrano, in response to Mr. Gasparich, said that Santa Rosa had enough revenue at the time and could forego this payment without consequences but they also had equipment financed for which they had to make debt payments. They also acquired a nursing home and a golf course. Those loans went into effect in 2006 and 2008.

Mr. Gasparich asked if those lenders were going to foreclose on the City at this point, to which Mr. Serrano said they might.

Mr. Brasher asked if the City had such notice in writing on the mortgage, to which Mr. Serrano said the City understood that if it defaulted on its debt and in October would make a payment and would be short $200.

Mr. Brasher asked what the impact of not getting the loan from the Board of Finance would be for Santa Rosa, to which Mr. Serrano said the impact was great already. The City is asking for a 24-month payment plan from both the Board of Finance and from TRD on the balance of $243,000. They were looking at a $400,000 reduction in their budget. After this month they would meet with the mayor to figure out how much more they must cut to meet their obligations. They would have staff furloughs or layoffs.

Mr. Brasher surmised it would have an impact on programs for seniors, for public aid and programs. He asked if it would also affect law enforcement and other essential services.

Mr. Serrano replied that at their meeting the day before yesterday the City Council tabled the hiring of a police officer. They only had six officers now although they had budgeted for eight. So, that was tabled since they didn’t know where the budget was heading. They were trying to meet the needs for seniors by making full time staff into part-time positions. They didn’t want to make it a huge issue for public safety, but all services will be affected.

Mr. Brasher asked if the city council approved the resolution authorizing Mr. Serrano to seek emergency funding. Mr. Serrano reported it was a tie (2-2) vote and the mayor voted in favor to break the tie and to move that resolution forward for it to get to this meeting today to request the loan and pay it back.

Responding to Mr. Brasher, Mr. Serrano said one objection to the resolution was that it was TRD’s fault and they should fix it. The other objection was if the City was that broke they should just file for bankruptcy.
Mr. Brasher said to Mr. Robbins that TRD’s advance notice policy needed to be changed.

Mr. Robbins agreed. The protests usually were lengthy and TRD should be able to notify earlier. They had positive and negative filings every month but this was unusual to have the overall distribution be negative or a distribution much less than an entity was accustomed to receiving. TRD would institute policies to remedy that situation. TRD still had an issue with refiling of a taxpayer unannounced and not from an audit that could involve switching codes that could result in a large switch or shift of funds. TRD was looking for ways to improve those notifications. The legislature approved an upgrade to TRD’s tax system and that would start in January 2013. It would have better notification capability.

Responding to questions from Mr. Brasher, Ms. Clarke said after working with staff in the Local Government Division, $147,498 was now the final balance needed.

Mr. Brasher asked Governor Martinez if she wanted motions on each individual request on the day’s agenda as they reviewed them or a motion to cover all of them after all the presentations were made.

Ms. Clarke clarified that the Board certainly had before it requests that exceeded the available balance, but the Santa Rosa request was of a different nature. She recommended the Board take action on this, and then hear the presentations remaining, and then take action after the presentations.

Mr. Brasher offered to move approval of the Santa Rosa request.

Governor Martinez asked him to hold off for some more discussion.

Dr. Clifford asked Mr. Robbins at what level TRD decided on the refund request. He asked if it was a recommended decision of a hearing officer or a settlement between the TRD and the taxpayer.

Mr. Robbins said this was a hearing officer settling a protest. They had no intention to appeal that decision at this time and felt the decision was appropriate.

Dr. Clifford noted that similar situations come up often and the Board of Finance it is not equipped to resolve them. We had a patchwork of procedures in the past to try to deal with these problems which obviously were not working well. He asked if possibly this taxpayer had more tax filing years open and he could come back in the future. The Board’s emergency fund was not big enough to support local government distributions around the state, so TRD needs to work out a payment plan with those communities. Dr. Clifford stated that the statute is flawed and needs to be reformed and it might even require looking to the General Fund to make up such deficiencies.

Dr. Clifford asked why TRD wasn’t able to modify the distribution so the payment plan on installments would cover the entire $400,000, to which Mr. Robbins stated that he planned to meet with the TRD Secretary tomorrow morning to discuss that point and other possible
Dr. Clifford saw some of that analysis and was not sure he agreed with it. He asked Ms. Clarke if she had looked at a condition on this loan that it be repaid if TRD and the City are able to reach an agreement that allows the entire amount to be in an installment plan with TRD.

Ms. Clarke said she had not but could include that in the draft resolution. Right now, the resolution called for equal payments over 24 months as requested by Santa Rosa. But if a more lenient schedule is worked out with TRD, the Board could do that.

Dr. Clifford clarified that the loan itself would be conditional on this being the only funds available in case Santa Rosa was not able to work out an alternative with TRD, to which Ms. Clarke agreed.

Dr. Clifford said the condition would provide that the money would become available for other purposes.

Ms. Clarke agreed that the Board’s approval of a loan today would allow the Board to set up journal entries to comply with the Financial Control Division’s year end requirements.

Mr. Robbins said the reason the Department was looking at $243,000 as the negative distribution was that the City of Santa Rosa normally received a distribution monthly that averaged $160,000. There is now no statutory authority to pull money back from the General Fund unless they received an Attorney General’s opinion to the contrary.

Dr. Clifford stated that he had talked with the Financial Control Division, which believed that TRD did have the authority to make adjustments like this. We could go this route, but TRD needed to be in a position for managing these funds. He agreed and didn’t think TRD needed statutory authority to make these changes. This was an urgent need to get resolved in this budget cycle.

Treasurer Lewis asked if Santa Rosa was anticipating any GRT growth at all and if Santa Rosa had a contingency fund. to which Mr. Serrano responded they didn’t have a contingency for the last couple of years. They had cut costs during the last two years. The small savings they had was paycheck to paycheck and Santa Rosa had to meet those obligations with payments to TRD and possibly the Board of Finance.

Lt. Governor Sanchez asked if the City was up against a time crunch. He believed the City’s situation constituted an emergency but the Board had a finite amount of money and multiple requests and he was uneasy about voting on this request without hearing from the others.

Mr. Serrano said Santa Rosa averaged $45,000 in monthly bills and had $81,000 in the bank. Payroll is tomorrow and another would be in 2 weeks. They would exhaust all of that money.
They had $122,000 in cash balances and were looking at another possible negative distribution. That meant they might default on their loans.

Lt. Governor Sanchez agreed with Mr. Brasher’s comments and wanted to hear from all the presenters and then come back to consider which ones to answer.

Responding to Governor Martinez, Mr. Serrano indicated that the payroll due tomorrow would total $71,000.

Governor Martinez said the following payroll is July 13 so it would come into the new fiscal year so the amount due from FY12 would be a little less. She estimated that one day of a two-week payroll is $7,000 less and so the FY12 cost of the following payroll would be about $64,000.

Mr. Serrano agreed but stated that the money still would come from revenue in the bank.

Governor Martinez agreed but said they would get new money.

Mr. Serrano said the distribution would not arrive until around the 16th or the 17th of July.

Governor Martinez said the money loaned would then be for FY 2013 because the money would come to them and later they would cover the 2013 debt.

Dr. Clifford referred to the bottom of the table provided by staff and pointed out that if they didn’t get the loan it wouldn’t become a negative balance but they would start the year with no reserve to accommodate any fluctuations going forward. The $218,000 reserve was based on one twelfth of their budget and was considered a prudent reserve.

Governor Martinez understood that the City was allowed to have a negative balance on the books for payroll purposes only per DFA.

Dr. Clifford wasn’t sure and asked John Gallegos of the Local Government Division to comment.

Mr. Gallegos said that was totally new to their experience and was not sure how it should be answered.

Governor Martinez said the provision was strictly for payroll and when they drew it down and spent it they didn’t have to have it in the bank. DFA allowed that to take place pending a draw down.

Dr. Clifford said the City would have to draw it from their reserves to meet that obligation.

Governor Martinez said the City would then repay it once the GRT distribution came in, but Mr. Serrano explained that at time of the distribution they would have a $10,000 payment due to
TRD and maybe $8,000 for a Board of Finance loan so they would only have about $140,000 in cash to meet their obligations. If they had to cut into the reserves it would make their situation worse.

Governor Martinez was not suggesting that the City dig into reserves on a permanent basis but replace their reserves once they got the distribution.

Dr. Clifford said his staff did projections as well and the City would not be able to fully repay the loan because the $160,000 they didn’t get in June depleted their reserve. It would be very thin and they were looking at a 10 percent reduction just to be in balance going forward.

Governor Martinez asked if the Board wanted to hear all presentations before taking action.

Treasurer Lewis favored hearing all presentations first, as did Lt. Governor Sanchez.

Mr. Gasparich thought this request was a little different because it was necessary to make payroll. He had no problem acting on this and then going to the rest of the requests or hearing all of them before voting.

In response to Governor Martinez, Mr. Brasher said he was willing to go either way.

Dr. Clifford reported that TRD said the Financial Control Division disagreed with the interpretation that TRD could not pull back general funds but it might take some time to work that out. But given the emergency nature of this problem, this might be the most appropriate fund to use. He favored hearing all presentations first.

Mr. Serrano thanked the Board for hearing their presentation and thanked staff for their help.

[This item was temporarily deferred.]

Presenters: Anita Tallarico, Deputy Secretary; George Heidke, General Counsel


Deputy Secretary Tallarico said her department had been in touch with the communities affected by the 12 burn scars and identified their requests in the packet.

The good news was that the communities are eligible under Executive Order 2012-018 for flooding. But the Department of Homeland Security and Emergency Management (DHSEM) made this request as insurance in case those funds were not sufficient to cover all requests. Lincoln County and Ruidoso didn’t have all their needs identified. The executive order might cover some of those needs.

Ms. Tallarico stated that the first part of DHSEM’s request was for $250,000 for a flood
A similar warning system is being installed by the Department of the Interior and the Arizona USGS near Catron County. She explained how it worked and indicated that the Catron County system would be finished next Tuesday. A similar system was requested for the Little Bear area with a 25 percent match but that request was still in process.

The second part of DHSEM’s request was for swift water rescue equipment in anticipation of the monsoon effect on burn scars at a cost of $22,000.

The final part of DHSEM’s request was for sandbagging machines. They put out a notice to all counties affected and 10 counties indicated an interest in a machine. DHSEM might be able to lower the request from 10 machines as some counties close to each other might be able to share a machine. But, in case more requests came in, the request for ten served as an insurance policy. They are all fundable under the executive order. The machines cost $16,000 each plus $1,200 for shipping.

Governor Martinez noted the National Guard had two of them and she saw how they also improvised with a ladder and orange cones. The machines filled 10,000 bags very quickly. Governor Martinez said she felt it would be prudent to have three more that the National Guard could mobilize where needed rather than having them sit idle in a particular county. They could be located in different regions of the state. If the executive order didn’t cover the need, perhaps that could be brought up before the Board on July 17 for the new FY budget.

Deputy Secretary Tallarico said it was an urgent request and pointed out that the monsoons are imminent.

Governor Martinez asked if she was willing to reduce the number of sandbagging machines requested and Ms. Tallarico agreed they didn’t need all 10. They could be moved around and if they couldn’t get a state agency like DOT to own them they could, via MOU, have a county agree to house them with a mutual aid agreement.

Governor Martinez agreed that flooding would be another disaster. If those machines could be mobilized beforehand temporarily in the hands of the National Guard and then figure out where they should be placed after the monsoons it should work.

Deputy Secretary Tallarico asked for five machines rather than 10. She indicated that DHSEM didn’t know how many gauges would be needed for the flood warning network. They were now installing monitors at Baldy and just starting at Little Bear. This study was just based on Baldy. Once completed, DHSEM could install the gauges in two weeks.

Ms. Clarke reminded the Board that this fund had to be the funding of last resort and the question was how much could be paid out of the emergency declaration funds. Language in any loan would be that the loan was only for costs remaining after other sources were used. This situation would qualify for executive order funds. The total cost of the flood warning system was $250,000. Her recommendation was to fund only half of that need based on having the rest come from executive order funding. Also, any loans for flood and fire approved today would
have a condition that any federal funds received would be used for repayment.

Ms. Clarke reminded the Board that the amount of these costs was staggering to these local governments, given the nature of floods and fires. Since these local governments could not absorb the loans on the usual terms and suggested that loans include provisions that they may be converted to grants at a later date if the local governments appear before the Board and demonstrate that the funds were used for their intended purposes.

Lt. Governor Sanchez asked if it was known when the Department of the Interior would make funds available, to which Deputy Secretary Tallarico said in the Department of Interior, would decide in about two weeks if they could fund 75% of these costs.

Lt. Governor Sanchez asked, since they were on the cusp of the FY, what would happen if the Board didn’t commit funds.

Ms. Clarke said money not allocated would revert to the general fund. Even with contingencies, approval of loans today would allow the funds to be set them aside for this use.

Lt. Governor Sanchez asked if the early warning system was permanent of it they would be portable for another site, to which Deputy Secretary Tallarico responded that the Department of the Interior would own the system and keep it there for three years. However, if the State pays for the system, the State will own it.

Lt. Governor Sanchez agreed with the recommendation on sandbag machines. He asked if they were on a trailer. Deputy Secretary Tallarico responded in the affirmative.

Mr. Gasparich said that if the executive order money could be used then the equipment could be funded without a loan here. Deputy Secretary Tallarico agreed but said that she didn’t know with the $750,000 cap if they could get budgeted. Within a month they should have everything budgeted.

[This item was temporarily deferred.]

Presenters: Gus Raymond Alborn, Mayor; Debi Lee, Village Manager; Randy Camp, Utilities Director; Harlan Vincent, Interim Fire Chief

   Upgrades and Hardening of Alto Dam and Reservoir ($438,000)

Mayor Alborn thanked the Board for the opportunity to present their request. Their Village Council was scheduled to approve a resolution seeking funds on Monday afternoon. He stated that he has been in office two years, and this was their third fire and they were anticipating another flood.
Mr. Lee said Ruidoso and Lincoln County were just now celebrating a recovery from a financial disaster and now were complete with all audits. Ruidoso wanted to support Lincoln County and was trying to be proactive with the Lincoln County Commission. The Little Bear fire has burned 42,000 acres and destroyed 242 houses and 10 other structures. Seventy-five percent of the watershed is burned. Damage from flooding might take out Alto Dam. Because of the flooding in 2008 and 2006 and frozen pipes and other fires, they were still in the process of replacing bridges and have eight left to rebuild. They had $607,000 in their emergency fund and were not able to accomplish these goals to protect themselves. Communication equipment was needed. They struggled to figure out how to accomplish evacuations. Secondly, they needed to protect residents below Alto Dam from an anticipated flood. Those were the two primary requests.

Chief Vincent said they seemed to always have floods and fire in Ruidoso, and each time their communications and cell phones crashed. So, they proposed a multi-jurisdictional piece of equipment in anticipation of flooding and the village's inability to access the tower on top of Buck Mountain.

Chief Vincent stated that they wanted to install a second VHF system to have one for Police and Fire and one for Public Works. The UHF frequency would be for village administration to run the administrative side of communications without interfering with field work. This request would encompass the village as well as the county.

Mr. Camp showed a map of the burn area. The Eagle Creek Water Shed provides 75 percent of the village's water and is 90 percent burned. They anticipated flooding during each of the monsoon seasons for the next five years. A 25-year storm would now produce water flow at 2,000-4000 feet per second. They needed to harden Alto Dam to withstand that kind of flooding. There were homes below Alto Dam and his fear was that if Alto Dam eroded those homes would be destroyed.

Mr. Camp showed drainage routes on a map and explained that there were many steep slopes. Typically, more lives are lost due to flooding than fires.

Lt. Governor Sanchez stated that he had viewed the area a couple of days ago and it was a horrible situation. He asked how prepared the village was to use the money.

Mr. Camp said it would take two weeks to strengthen the dam. There were interlocks underneath and once through the vegetation the water would start an erosion process.

Lt. Governor Sanchez asked if they were shovel ready, to which Mr. Camp responded in the affirmative. They were just awaiting funds to do it.

Mr. Gasparich asked about time frame on the radio project, to which Chief Vincent stated that he anticipated 90 days. They already had bids. A radio engineer goes to the site and has to have climate controlled building and power backup and lightning protection.
Mr. Gasparich asked if it was a stand-alone system and not part of the state system that had a system of mountaintop repeaters, to which Chief Vincent said it was not part of that state system.

Lt. Governor Sanchez asked if the radio communications need was higher during fire season and when it was most vulnerable, to which Chief Vincent said the greatest need was during fires, floods and freezes and probably highest in fire season.

Mr. Camp agreed. In 2008 they had no communications with emergency responders.

Ms. Lee explained the village is different from most communities. The cell service was very spotty and the Little Bear Fire created a bigger need.

Treasurer Lewis understood there were times when the Village went eight or nine days without any communications and wondered what they would do in the interim.

Chief Vincent said they were told that the contractor could set up a portable unit until the tower was set up.

Governor Martinez explained that she was trying to prepare a scenario involving an additional executive order to cover costs that could not be funded by this Board.

Mr. Brasher asked if Ruidoso was migrating communications from Lincoln County. Chief Vincent explained they now had VHF police and fire and were proposing to install VHF for public works and UHF for administrative.

Mr. Brasher asked if they had environmental approval for what they were requesting, and Chief Vincent stated that they were getting new licenses from the FCC. He confirmed that the proposed site is on Ruidoso property.

Mr. Brasher asked if Lincoln County could make allowances for this communications cost, to which Chief Vincent responded that he couldn’t speak for the county but it would be multi-jurisdictional equipment.

Chief Vincent clarified that while the phones were down during the Little Bear fire a decision had to be made in the fire fight that would cost quite a bit of money. But he was not able to contact the manager and had to make that call without knowing if he would be backed or not but he had to make it.

Governor Martinez understood it was not the first time to lose the T-1 and discussed a backup for it. It was the second alarm that went off that convinced her they needed the backup. Small communities didn’t always have a backup system.

Treasurer Lewis added that they were trying to be proactive.

Governor Martinez said they should have conversations about that in the Municipal League.
and Association of Counties to help them be proactive.

[This item was temporarily deferred.]

Presenters: Nita Taylor, Lincoln County Manager; Eileen Sedillo, County Commissioner; Kathryn Minter, County Commissioner

7. **Lincoln County – Requests Emergency Loan for Flood Mitigation and Fire Recovery Assistance ($500,000)**

Ms. Taylor said many structures had been lost. The County put a team together to figure out where the flood would hit. The analysis was not yet finished but the floods would hit and the debris would be 150 times what they had ever seen. The County’s water shed response team first identified all the land affected. In this area where debris needed to be removed they took pictures. They used whatever equipment was needed to get rid of the debris.

She made corrections in her letter to the Board. On page 2 the first bullet was for June 16-22; the second was June 23-29 and the third was to July 26.

Costs related to fire damage and flood damage were expected to be about the same - $18 million each. They were trying to make it safe for county residents. The immediate needs were removing debris and mulching and moving it to a place where it wouldn’t cause damage. They were concerned about the lives of those who would be flooded.

The County was trying hard to communicate with people about the potential damage and those who would be in the flood’s way.

Sandbags were being made available to citizens and they were notifying those where sandbags wouldn’t help them to get out of their homes.

Commissioner Minter said the fire was in her district. Three water sheds that all would eventually flow to the Hondo River were affected. They were trying to prevent damage to bridges and do things ahead of time to prevent damage to them.

Regarding the radio services, she said the critical area was Buck Mountain. They needed to see if that system would also help the county so she suggested the Board wait until they knew it would serve both.

Commissioner Minter stated that Lincoln County was in a better fiscal condition than most counties. They had very little debt and paid cash for their expenses including clinics and senior centers, etc. They didn’t use bonds for buildings. They were being responsible citizens and now it was a time when they needed the Board’s help for this emergency. This work would save money and lives.

Commissioner Sedillo echoed her comments.
Governor Martinez proposed to issue another executive order, but stated that the Board needed to encumber or spend all of its emergency funds before another executive order could be issued.

Dr. Clifford reported that during the meeting, he had met with Santa Rosa and TRD and worked out a solution for Santa Rosa and that Santa Rosa would not need the Board’s emergency funding. Dr. Clifford explained that TRD would modify the terms of the installment agreement to include a portion withheld in June without a loan from the Board but from TRD. TRD was nervous about statutory support but he suggested to them that the City could not anticipate what happened and should be able to address it in a future distribution so they were working it out before the July distribution.

Governor Martinez apologized to the First Judicial District Court for not hearing them yet.

Governor Martinez suggested that a future executive order they could cover the entire amounts requested by the DHSEM. That would allow the Board to fully fund the Village of Ruidoso’s $215,990 and $218,000 requests. The Board could also fund Lincoln County at about $254,000. Those figures would total $688,411.52, equal to the amount the Board has available. The balance of needs would come from a subsequent executive order in the next few days.

[This item was temporarily deferred.]

Presenter: Stephen Pacheco, Court Executive Officer

8. First Judicial District Court – Requests Emergency Loan to Furnish and Equip the New Courthouse ($739,788)

Mr. Pacheco said based on the Board’s discussion it looked like the money was exhausted. The Board had already heard them before so there was not a need to present the request again.

Governor Martinez asked for the Board to approve each emergency loan by separate motion.

6. Village of Ruidoso – Requests Emergency Loan for Radio Communication System Upgrades and Hardening of Alto Dam and Reservoir ($438,000) (continued)

Ms. Clarke presented the following resolution: “RESOLVED, the State Board of Finance determines, pursuant to Section 6-1-2 NMSA 1978 as amended that a critical emergency exists that cannot be addressed by disaster declaration or other emergency or contingency funds, and THEREFORE approves a loan to the Village of Ruidoso from the FY12 General Funds Operating Reserve in the amount of up to $215,990 for hardening of Alto Dam and up to $218,000 for radio communication upgrades. The loan shall be contingent on 1) Board Director’s receipt of a resolution of the Village of Ruidoso Council approving the request for an emergency loan; and 2) a letter from the Village of Ruidoso to the Board’s Director providing evidence that the Village’s need for hardening of Alto Dam and the radio communication upgrades exceed the monies available pursuant to Governor’s
Disaster Declarations made available pursuant to Section 12-11-24 NMSA 1978. This loan may be converted to a grant by the Board upon the Village of Ruidoso’s return to the Board by June 30, 2013 to demonstrate that all funds distributed pursuant to this loan were used as intended or returned to the Board. If the loan is not so converted, it shall bear no interest and shall be repaid in 36 equal monthly installments of $12,055.28 until the loan is repaid in full. Approval of this loan is subject to the stipulation that the Village of Ruidoso shall use any funds that become available due to federal reimbursement for the hardening of Alto Dam and radio communication upgrades to repay the loan. The Village of Ruidoso shall provide quarterly reports on a form prescribed by the Board each April 15, June 15, October 15, and January 15 until the loan is repaid in full.”

Governor Martinez moved to approve the resolution. Lt. Governor Sanchez seconded the motion.

Mr. Shandler asked if they would have to start paying immediately.

Ms. Clarke recommended holding that in abeyance until June 30, 2013. Governor Martinez agreed.

Ms. Clarke added that they could come back to the Board to ask for an extension if needed.

The motion passed by unanimous 6-0 voice vote.

7. Lincoln County – Requests Emergency Loan for Flood Mitigation and Fire Recovery Assistance ($500,000) (continued)

Ms. Clarke read the following resolution: “The Board of Finance determines, pursuant to Section 6-1-2 NMSA 1978 as amended that a critical emergency exists that cannot be addressed by disaster declaration or other emergency or contingency funds, and THEREFORE approves a loan to Lincoln County from the FY12 General Funds Operating Reserve in the amount of up to $254,421.52 for flood mitigation costs. The loan shall be contingent on 1) Board Director receipt of a resolution of the Lincoln Board of County Commissioners approving the request for the emergency loan; 2) a letter from Lincoln County to the Board’s Director providing evidence that costs of flood mitigation exceed the monies available pursuant to Governor’s Disaster Declarations made available pursuant to Section 12-11-24 NMSA 1978 for flood mitigation for the Little Bear fire. This loan may be converted to a grant by the Board upon Lincoln County’s return to the Board by June 30, 2013 to demonstrate that all funds distributed pursuant to this loan were used as intended or returned to the Board. If the loan is not so converted, it shall bear no interest and shall be repaid in 36 equal monthly installments of $7,067.26 until the loan is repaid in full with the first monthly payment being due June 30, 2013. Approval of this loan is subject to the stipulation that Lincoln County shall use any funds that become available due to federal reimbursement for flood mitigation costs to repay the loan. Lincoln County shall provide quarterly reports on a form prescribed by the Board each April 15, June 15, October 15, and January 15 until the loan is repaid in full.”
Governor Martinez moved to approve the resolution. Lt. Governor Sanchez seconded the motion and it passed by unanimous 6-0 voice vote.

Mr. Brasher commended the staff and those who brought the requests for their work in helping to deal with these emergencies. Governor Martinez thanked him for his comments.

ADJOURNMENT

Lt. Governor Sanchez moved to adjourn the meeting. Mr. Gasparich seconded the motion and it passed by unanimous 6-0 voice vote.

Its business completed, the meeting was adjourned at 11:05 a.m.

Susana Martinez, President

7-17-12

Date

John Gasparich, Secretary

7/17/12

Date