MINUTES OF THE
NEW MEXICO STATE BOARD OF FINANCE

SPECIAL MEETING
Santa Fe, New Mexico

October 5, 2011

A Special Meeting of the New Mexico State Board of Finance was called to order on this date at 3:05 p.m. in the Governor’s Cabinet Room, Fourth Floor, State Capitol Building, Santa Fe, New Mexico.

1. ROLL CALL

A quorum was present:

Members Present:
The Hon. Susana Martinez, President [telephonically]
The Hon. John Sanchez, Lt. Governor
The Hon. James B. Lewis, State Treasurer
Mr. John Gasparich, Public Member, Secretary
Mr. Robert J. Aragon, Public Member

Members Excused:
Mr. Sam Spencer, Public Member
Mr. Thomas P. Tinnin, Public Member

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

Staff Present:
Ms. Stephanie Schardin Clarke, Interim Director, State Board of Finance

Others Present:
[See sign-in sheets.]

2. APPROVAL OF AGENDA
NEXT REGULAR MEETING: OCTOBER 18, 2011
Upon motion by Mr. Aragon, seconded by Mr. Lewis, the Agenda was approved 4-0 by voice vote.

3. APPROVAL OF MINUTES: September 20, 2011 (Regular Meeting)

Upon motion by Mr. Aragon, seconded by Mr. Gasparich, the Minutes of the September 20 meeting were approved 4-0 by voice vote, as submitted.

EMERGENCY FUND BALANCES
Presenter: Stephanie Schardin Clarke, Interim Director

4. Emergency Balances — October 2011

<table>
<thead>
<tr>
<th>Fund</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Reserve Fund</td>
<td>$1,500,000.00</td>
</tr>
<tr>
<td>Emergency Water</td>
<td>$ 118,400.00</td>
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</tbody>
</table>

Ms. Clarke reported these balances.

EMERGENCY FUNDING REQUEST
Presenter: David Plummer, Dean of Administrative Services, Mesalands Community College

5. Mesalands Community College — Requests Approval of Emergency Loan for Roof Replacement at Building F (up to $178,946.88)

Mr. Plummer explained that Building F houses the paleontology classroom and museum and the roof has deteriorated significantly due to recent storms. He stated that last night, it rained again and people were needed on the roof to drain the area. Numerous repairs have been made but contractors estimate it would cost $40,000 to repair the roof, and repairs may not last long. For safety reasons, the buildings laboratories have been closed due to water leaks stripping the GFI electrical switches. Part of the damage has to do with layers upon layers of roofing being present after so many repairs. Mesalands has requested capital funding through the General Obligation Bond program to replace this roof, but any funding from that process will not be available until 2013.

Responding to questioning from Mr. Gasparich, Lisa Martinez of the Higher Education Department stated that her department had analyzed Mesalands Community College’s budget and found that the school had prioritized the roofing repairs as their number one priority and that the department supported the request for an emergency loan as presented to the Board.

Member Gasparich asked Ms. Martinez if the school had budget to fix the roof themselves. Ms. Martinez stated that her department’s staff had worked with the school’s auditor and found that the school did not have the necessary resources to pay for the roofing repairs out of their own budget. Ms. Clarke added that the school currently had 5% cash balance and using these funds would bring the school’s cash reserve down to 2%, which in her opinion would not be sufficient.
Lt. Governor Sanchez asked if this was being requested as an emergency loan and, if so, was there a plan for repayment. Ms. Clarke confirmed that this was a request for a loan and there was a repayment plan. Ms. Clarke read 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 Mesalands Community College from the FY12 General Fund Operating Reserve in the amount of up to one hundred seventy eight thousand nine hundred forty six dollars and eighty eight cents ($178,946.88) for Building F roof replacement. Release of this emergency funding shall be subject to prior approval by the Director of the Board of invoices for Building F roof replacement received by Mesalands Community College. This loan shall bear no interest and shall be repaid in equal annual payments of twelve thousand seven hundred eighty one dollars and ninety two cents ($12,781.92), with payments due July 15, 2012 and each July 15 thereafter until repaid in full. Mesalands Community College 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.

Ms. Clarke stated that this repayment plan would allow the loan to be repaid over 14 years, which is the schedule proposed by the school’s president. She said she anticipated the school would request a legislative appropriation to repay the loan as well, but if that does not materialize the payment plan will be feasible.

Lt. Governor Sanchez questioned whether the amount requested was based on a current estimate.

Mr. Plummer stated that the initial estimate was provided last year but school staff obtained a current estimate this year. Mr. Plummer also stated that the school will have to issue a request for proposals (RFP) for the project upon board approval.

Lt. Governor Sanchez asked if there was any room for change orders in case more problems were found when construction was started and, if these type of situations were factored into the school’s request. Mr. Plummer stated that the request is only for the roofing repairs as stated in the request. He also stated that the school would be responsible for any unexpected costs as they do have that small cushion of their own cash balances.

Lt. Governor Sanchez asked if the work ends up encompassing other parts of the building other than the roof then where will those funds come from. Mr. Plummer stated that the school did have a small amount of funds set aside for this type of situation.

Mr. Aragon moved to adopt the resolution as read into record by staff. Mr. Lewis seconded the motion, which passed 4-0 by voice vote.

Mr. Lewis moved to adjourn the meeting. Mr. Gasparich seconded the motion which passed 4-0 by voice vote.
ADJOURNMENT

Its business completed, the State Board of Finance adjourned the meeting at approximately 3:20 p.m.

Susana Martinez, President

10-19-11
Date

John Gasparich, Secretary

10/18/11
Date