MINUTES OF THE
NEW MEXICO STATE BOARD OF FINANCE

REGULAR MEETING
Santa Fe, New Mexico

March 18, 2014

A Regular Meeting of the New Mexico State Board of Finance was called to order on this date at 9:10 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 [present 9:35 a.m. to 12:40 a.m.]
Mr. Robert J. Aragon, Public Member [left at 11:30 a.m.]
Mr. Del Archuleta, Public Member
Mr. Michael Brasher, Public Member, Secretary
Mr. John Kormanik, Public Member

Members Excused:
The Hon. John Sanchez, Lt. Governor
The Hon. James B. Lewis, State Treasurer

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

Legal Counsel Present:
Mr. Luis Carrasco, Attorney General's Office
Ms. Sally Malavé, Attorney General's Office

Others Present:
[See sign-in sheets.]

2. APPROVAL OF AGENDA

NEXT REGULAR MEETING: TUESDAY, APRIL 15, 2014

Mr. Archuleta moved for approval of the agenda, as published. Mr. Brasher seconded the motion, which passed 4-0 by voice vote.
3. **APPROVAL OF MINUTES: February 18, 2014 (Regular Meeting)**

Mr. Aragon moved for approval of the February 18, 2014, minutes, as submitted. Mr. Archuleta seconded the motion, which passed 4-0 by voice vote.

**EMERGENCY FUND BALANCES**
Presenter: Stephanie Schardin Clarke, Director

4. **Emergency Balances – March 2014**

- Operating Reserve Fund $1,475,150.00
- Emergency Water Fund $118,400.00

Ms. Clarke reported these balances.

**EMERGENCY FUNDING REQUEST**
Presenters: Marpa Malloy, President; Mike Gallegos, Vice President; Julie Dunsmore, Treasurer; Scott Medina, Project Engineer; Blanca Surgeon, Community Assistance Provider, Rural Community Assistance Corporation

5. **Vallecitos Mutual Domestic Water Consumers Association – Requests**

- **Approval of Emergency Funding for Water System Improvements ($39,051)**

Ms. Surgeon stated that Vallecitos Mutual Domestic Water Consumers Association (VMDWCA) has a surface water system, and the Rural Community Assistance Corporation (RCAS) has been working with them for years to bring their water system into compliance. She said they have secured U.S. Department of Agriculture (USDA) grant funding, but in the course of addressing the conditions imposed with the grant, other “things” have been found in the water that have increased the cost of the project. USDA will not release their funding until there is other funding in place to cover the cost of the project. She said they would like to begin construction this summer.

Mr. Medina explained the changed scope of the project, which now includes a water treatment system, and noted that if they do not find the additional funding to complete the project, the $300,000 from USDA, which consists of 75 percent grant money and 25 percent loan money, will no longer be available in that ratio and the combination would then be 45 percent grant and 55 percent loan.

Mr. Archuleta asked Mr. Medina how confident he was that the new system would work. Mr. Medina responded that he was confident that it would work. While he did not know what the chemicals would cost, he had assumed a worst-case scenario in developing a cost estimate for them. He said a certified operator, who is a level 2 small water advanced engineer (which is required), has been secured. He will be trained on the specific system that is installed, and the manufacturer will be required to provide him with up to two weeks of training to bring him up to speed on the system.
Mr. Archuleta said he personally would feel much better if the system had undergone a testing period, which would also allow them to zero in on what the cost of the chemicals would be, but he understands the reason for wanting to move ahead now in order not to lose this particular grant/loan funding combination.

Mr. Kormanik remarked that the amount of the loan involved is more than $100,000 and asked if fees will be increased to help cover the cost.

Ms. Dunmore responded that they are operating with slight excess every month and have been paying on loans in the past without difficulty. She said they have a very good record on paying on loans and they have money in the bank to make the first payment, which will not be due until June 2015. She said they review their costs annually and adjust fees accordingly.

Mr. Primm said staff has prepared a draft resolution for this emergency loan. He noted that staff does not feel that there will be a problem in repaying the emergency loan, inasmuch as the first payment is not due until June 30, 2015, and the first USDA loan payment will not come due until 2016. At worst, they would be drawing down their reserves by about $2,000 in the meantime, and the entire USDA loan reserve would not be drawn upon until the loan became active.

Mr. Primm stated that the resolution would be approving an emergency water loan from the Emergency Water Supply Fund of $39,051. The loan term would be 20 years. Annual payments would be made of $1,952.56. The first debt service payment would be due on June 30, 2015, and payments would be due every June 30 thereafter. The special conditions on the loan would be that funds shall be disbursed upon evidence of federal funding being fully expended and disbursement of funds shall follow Director’s review of invoices submitted evidencing actual project costs.

[Governor Martinez joined the proceedings.]

Mr. Aragon moved for approval. Mr. Archuleta seconded the motion, which passed 5-0 by voice vote.

PROPERTY DISPOSITIONS

Presenters: Daniel Bryant, County Attorney; Paul Quairoli, Emergency Services Director; Susan Flores, County Commission Chairwoman

6. Otero County -- Requests Approval of Trade of Real Property at 500 U.S. Highway 70 West with Mr. C. Michael Shyne for Real Property Located at 1108 U.S. Highway 70 West in Alamogordo and $78,000

Mr. Bryant stated that Otero County is requesting approval of the trade of real property at 500 U.S. Highway 70 West with C. Michael Shyne for real property located at 1108 U.S. Highway 70 West in Alamogordo. The County’s property includes a former Elks Lodge building that has been vacant for over 10 years and is in a state of disrepair.
Mr. Bryant stated that they initially had interest from a group proposing to use the property as an emergency homeless shelter who felt they could renovate the building on the property. The County Commission obtained the property from the New Mexico Department of Transportation subject to a reverter clause returning the property to NMDOT if they stopped using the property for public use. The group that was doing the work on the shelter was given a year to do their due diligence and come up with a business plan, but ultimately they were unable to put their proposal together.

Mr. Bryant stated that Mr. Quairoli then started looking for ways to make good public use of the property. He saw it as a possible site for an emergency operations center, and had worked to obtain grant funding for acquisitions and renovations. Engineers also looked at the structure to determine the feasibility of converting the building. They determined the cost to renovate was greater than the cost of razing the building and starting over. They then started looking for alternatives, and found a store on Highway 70 just to the west and began negotiations with owner Michael Shyne. He said appraisals have been conducted on the two facilities, and all of the materials were submitted to the Board.

Mr. Bryant stated that the net value gain to the County would be just over $132,000 and that Mr. Quairoli would have enough grant funding to get the building renovated into a fully operational emergency operations center. This would take about 180 days. He said they would be able to start moving into the building within a month.

Mr. Kormanik moved for approval. Mr. Archuleta seconded the motion, which passed 5-0 by voice vote.

Presenters: Phill Casaus, Executive Director, APS Education Foundation; Monica Armenta, APS Executive Director of Communication; V.J. Smith, Clear Channel Outdoor; Arthur Melendres, Attorney, Modrall Sperling
7. Albuquerque Public School District -- Requests Approval of the Lease of Real Property to Clear Channel Outdoor, Inc. for Four Bulletin Billboards (each Non-electronic Bulletin Billboard -- $16,500 or 28 percent per year, whichever is greater or $30,000 per year on each Electronic Bulletin Billboard)

Mr. Brasher stated that he would recuse himself from the vote on this item, as he is an employee of the Albuquerque Public Schools (APS).

Mr. Casaus requested approval of a lease agreement between APS and Clear Channel Outdoor. The agreement is modeled on previous agreements between APS and Clear Channel Outdoor on four boards on school sites in Albuquerque; and on agreements with Clear Channel and other educational entities.

Mr. Casaus said the four billboards would be on the premises of Albuquerque High School, the Albuquerque High Career Enrichment Center, Hayes Middle School and the APS Maintenance and Operations Complex. Each lease site is 64 by 50 feet, each electronic billboard is 12 by 24 feet, and the non-electric billboards are 14 by 48 feet. The initial term of the lease is five years with an option to renew for an additional five years. On non-electronic billboards, the revenue would be $16,500 or 28 percent annually. On electronic boards, it would be $30,000
annually. He said the proceeds would go to the APS Foundation, and within that, each school site would receive one-fourth of the total. He said the remainder would be used by the Foundation for “offsite requests.” In addition, Clear Channel is offering $60,000 of in-kind advertising on some of its other properties, of which they own 22 in the Albuquerque area, which does not include Rio Rancho. Liability insurance is $2 million.

Ms. Armenta discussed her work with the Foundation, which she joined nine years ago. She said the Foundation worked out a lease with Clear Channel in 2011, the idea being to create a new revenue source to exclusively fund athletics, literacy and the arts. The billboards are used to let the community know when there are snow days, emergencies, and various events as well as numerous services and programs available. She noted that every eighth message on the four existing boards is free to APS, which adds up over time, as there are a total of 47,800 messages displayed monthly on the billboards. She said she feels the messages are critical in terms of communicating with the public.

Mr. Kormanik said he realizes precedent was set with the placement of these billboards initially, but he is having a hard time with the idea of driving by a billboard that advertises one’s competitor or activity one would not be comfortable with. He commented that he could see this being done on private property but on public property there might be ads run that could adversely affect someone’s small business. He also expressed concern about campaign messages or advertising about bond issues. In his review of the APS Board meeting on this, it sounded like APS has the ability to restrict the types of ads on the billboards, but it was up to the APS superintendent or his/her designee as delineated by the board. He asked if the board has a list of types of commercials that are not acceptable.

Ms. Armenta stated that there is a list that APS uses, and there has only been one instance since 2011 where they were asked to advertise, and the request was denied. She said APS is very concerned about being role models for the students and staff. She read the list of restrictions in the contract.

Mr. Melendres said each policy and procedural directive is listed on the APS website. He said no political advertising is allowed and no bond issue ads are permitted either. He described the restrictions in the policy.

Referring to paragraph 21H of the proposed lease, Mr. Aragon stated that he feels the APS Board, not the APS Superintendent, should have rulemaking capability because it is the School Board that creates the policy.

Mr. Melendres said the School Board does make policy and places it into effect, and by policy it directs the superintendent to implement policy with an administrative procedure. The day-to-day operations of APS are in the hands of the superintendent according to statute. Because the school board is not always in session, it has directed the superintendent to make sure the ads are appropriate and in accord with the school board.

Mr. Aragon commented that the only conduit for the voters is the school board, not Superintendent Brooks, adding that he personally has not been successful in having Superintendent Brooks return any of his phone calls, nor have other people he knows. While the board could direct the superintendent to do something, that is the only employee the school
board directs, and citizens do have the ability to talk with their elected representative on the School Board about their concerns.

Mr. Melendres responded that he could only assure Mr. Aragon that the Superintendent listens to all School Board members and is responsive to them.

Mr. Smith stated that he is “on the job” seven days a week, 24 hours a day, but there are also three dedicated full time employees interfacing with Ms. Armenta on the ads. He said they have a “great track record” and feel they have been able to work successfully under the District’s guidelines and wishes.

Mr. Melendres said he would have no problem in adding language stating, in effect, “subject to approval by the school board or its designee.”

Responding to Mr. Aragon, Mr. Melendres said the purpose of the foundation is for items outside of the purview of the school funding formula.

Mr. Aragon commented that there has been a great deal of information in the media regarding unaudited activity funds where there is no real oversight until after the funds have been compromised. He said many foundation boards operate with a quasi-government involvement but without any kind of direct representation by the voters. While he completely supports the concept, a private foundation without oversight by an elected board is a concern.

Mr. Melendres said the legislature has passed a law requiring that the school board create its independent audit committee. He said APS has an internal auditor who does routine audits of every school, the APS Foundation, and all activity funds.

Governor Martinez said she realizes the school board is an elected body representing the public, but when a member of the school board is strongly advocating that students and parents not participate in SBA testing, that is very contrary to good policy. She wondered what the result is when someone like this particular school board member, along with a superintendent who has also exercised poor judgment and has been called out on it by the school board chair, have the ability to make the call on what appears on a billboard. She said the result could be “poor judgment all over the place.” Further, she is concerned that tax dollars are being comingled with privately raised funds, which the Foundation gives to APS. She asked how that affects the SEG and equalization formula that the Zuni lawsuit requires APS to follow.

Mr. Melendres responded that the seven board members are charged with making policy by majority vote and with hiring the superintendent. While the points of view of individual board members can be discussed, at the end of the day good policy is made by majority vote. In the case of bad policy, the voters do have the ability to turn that board member out.

With regard to the SEG, Mr. Melendres said APS several years ago believed it was better to have an entity charged with fundraising and using those funds for specific things outside of the SEG. These included after school sports and after school programs, as opposed to booster clubs and parents raising money. This money is under the audit procedure and is felt to be a more effective way of fundraising and distributing money.
Ms. Clarke recommended that any approval be contingent upon Director's receipt, with review of counsel, of the following: 1) report from the Property Tax Division of Taxation & Revenue Department affirming the appraisal; 2) amendment to lease paragraph 21H stipulating that the content of all advertisements is subject to approval by the APS Board of Education or its designee; and 3) evidence of APS Board of Education approval of the required amendment.

Governor Martinez recommended that the audit include detail on the funds given to each school and for what purpose.

Mr. Archuleta moved for approval with the contingencies. Governor Martinez seconded the motion, which passed 3-1 by voice vote, with Governor Martinez, Mr. Archuleta and Mr. Aragon voting in favor, Mr. Kormanik voting against and Mr. Brasher recused.

Presenters: Delilah Walsh, County Manager; Adren Nance, Attorney, Nance, Pato and Stout, LLC
8. Socorro County – Requests Approval of Donation of Isidro Baca Veterans Park to the City of Socorro

Mr. Nance stated that Socorro County is requesting approval of its donation of the Isidro Baca Veterans Park to the City of Socorro, for no consideration. He said the County feels it would be in the best interest of its citizens to donate the park to the City so that the City can maintain it as part of its municipal park system.

Ms. Walsh stated that this partnership has been agreed to because the County does not have parks money to remodel the park and add various features such as a memorial walk. She said the mayor has also indicated that the City plans to include a statute honoring women veterans.

Ms. Clarke stated that the Board received a revised quitclaim deed that corrects the legal description and staff feels it is now sufficient. She said it will be necessary to add the corrected legal description to the donation agreement, as well.

Ms. Clarke said staff recommends that any approval be contingent upon Director's receipt, with review of counsel, of the final signed amendment to the donation agreement, making clear the legal description of the property.

Mr. Aragon moved for approval, with the contingency. Mr. Kormanik seconded the motion, which passed 5-0 by voice vote.

Presenter: Kelley Kuenstler, County Manager
9. Luna County – Requests Approval of the Lease of Real Property Located at 2150 East Pine Street in Deming to Help New Mexico Child Services, Inc. ($3,200 monthly, up to $3,000 per month may be provided through services)
Ms. Kuenstler stated that Luna County is requesting approval to lease the Mimbres Valley Learning Center Childcare Facility Room to Help New Mexico Child Services, Inc. in the amount of $3,200 monthly, of which $3,000 in services is included. The fair market analysis on this property was $3,195.83 per month.

Ms. Kuenstler said this lease arrangement would provide a desperately needed service next to the Learning Center, which is operated by Western New Mexico University (WNMU). She said this would provide daycare services for working parents who are attending evening classes at WNMU. She noted that this has increased attendance in the evening classes by 35 percent.

Mr. Kormanik asked why WNMU isn’t providing this service, and Ms. Kuenstler responded that the Learning Center is actually a lessee of the County. She said the Board approved that particular lease six months ago.

Mr. Aragon moved for approval. Mr. Kormanik seconded the motion, which passed 5-0 by voice vote.

Presenters: Kelley Kuenstler, County Manager; Consuelo Peña, Office of the State Engineer
10. Luna County – Requests Approval of the Lease of Real Property Located at 321 West Spruce Street in Deming to Office of the State Engineer – District 3 ($48,000 annual rent)

Ms. Kuenstler requested approval to lease 7,722 square feet of office space located in Deming to the Office of the State Engineer, District 3. The lease is for a base term of five years with three additional five-year extensions. The rent equates to $6.22 per square foot during the base term and would escalate by 2 percent at the beginning of each optional five-year extension. The property includes 41 designated parking spaces.

Mr. Archuleta moved for approval. Mr. Aragon seconded the motion, which passed 5-0 by voice vote.

HIGHER EDUCATION DEPARTMENT

Presenters: Scott Eccles, Institutional Auditor, Higher Education Department; Ronald James, Capital Projects Coordinator, Higher Education Department; David Harris, Executive Vice President for Administration; Chris Vallejos, Associate Vice President for Institutional Support Services; Lisa Marbury, Interim Executive Director for Institutional Support Services; Dr. Cedric Page, Director of UNM Los Alamos Branch
11. University of New Mexico, Los Alamos Branch – Requests Approval of Science Laboratory Renovation and Equipment ($750,000)

Mr. Eccles stated that University of New Mexico (UNM) Los Alamos is requesting approval to renovate the Science Laboratory. The renovation would improve 2,142 square feet of teaching wet labs and a chemical storage room in two buildings that are used for geology, physics, nanoscience, environmental science and biology. UNM reports that this will bring the classroom into compliance with ADA as well as support an optimal learning environment. The project cost
equates to $237 per square foot and would be primarily funded using a 2012 GO Bond appropriation with student facility fees covering the remaining third of the cost.

Responding to Mr. Archuleta, Dr. Page said the student fee was established in 1994. He said the fee has been used as matching money for capital improvements over the years.

Responding to Mr. Kormanik, Dr. Page stated that there are 900 students who pay student fees that generate $40,000 per year. No adjustment in fees will be necessary as the money to help fund this project is already available.

Responding to Governor Martinez, Dr. Page said the current fee was approved in 2009 by the student government for a 15-year period.

Responding to Mr. Aragon, Dr. Page said there are other student fees charged, such as course fees.

Mr. Aragon moved for approval. Mr. Archuleta seconded the motion, which passed 5-0 by voice vote.

Presenters: Glen Haubold, Associate VP for Facilities; Andrea Tawney, Director, Presidential Donor Relations and Development; Alton Looney, Senior Assistant Director, Facilities Planning and Development; Matt Ochoa, Senior Assistant Director, Facilities Planning and Development; Dale Harrell, Lead Engineer, Facilities Planning and Development; Angela Throneberry, Senior VP for Administration and Finance

12. **New Mexico State University, Carlsbad Branch – Requests Approval of Heating Ventilation and Air Conditioning Replacement and Improvements for the Computer Building and Main Building ($1,842,346)**

Mr. Eccles stated that New Mexico State University (NMSU) Carlsbad requests approval of HVAC replacement and improvements for the computer building and main building on campus. Existing heat pumps and make up air units would be removed and replaced; compressors placed on the roof where possible; new direct digital control system installed; cooling towers removed; and electrical system upgraded as necessary to accommodate the new HVAC system. NMSU reports that all current HVAC equipment is beyond expected service life and that replacing the systems would increase student and staff comfort with better temperature control; reduce energy consumption; reduce unscheduled maintenance calls and costs; and provide an enhanced learning environment.

[Governor Martinez stepped away from the proceedings.]

Mr. Archuleta moved for approval. Mr. Aragon seconded the motion, which passed 4-0 by voice vote. [Governor Martinez was not present for the vote.]

13. **New Mexico State University – Requests Approval for the Spiritual Center Construction Project ($600,000)**
Mr. Eccles stated that NMSU is requesting approval of the Spiritual Center construction project. The denomination-neutral facility would be built next to the Duck Pond and would be available to all members of NMSU. The 2,100 square foot center will accommodate seating for 125 occupants and will include a portico, restrooms, preparation room and mechanical/electrical/data room. Construction will be funded entirely through a private donation.

Responding to Secretary Brasher, Ms. Tawney said operational costs are estimated to be $7,800 annually. This will be run as a standalone auxiliary unit on campus and will be used for weddings and other events. Mr. Looney added that he is comfortable with the annual operating cost estimate. He said costs associated with events would be recovered.

Mr. Archuleta moved for approval. Mr. Aragon seconded the motion, which passed 4-0 by voice vote.

[Mr. Aragon left the meeting.]

[Governor Martinez returned to the meeting, reestablishing a quorum.]

Presenters: Angela Throneberry, Senior Vice President for Administration and Finance; Anna Price, Associate Vice President for Budget and Finance/Controller; Erik Harrigan, Financial Advisor, RBC Capital Markets; Jeremy Landrum, Financial Advisor, RBC Capital Markets; Katherine Creagon, Attorney, Modrall Sperling; Duane Brown, Attorney, Modrall Sperling; Allen Sehrt, Ameresco

14. **New Mexico State University – Requests Approval of Subordinate Lien Improvement Revenue Note, Series 2014 ($15,685,000)**

Mr. Eccles stated that NMSU is requesting approval of Subordinate Lien Improvement Revenue Bonds, Series 2014, in a par amount not to exceed $15,865,000. NMSU proposes entering into a Guaranteed Utility Savings Contract with Ameresco pursuant to the Public Facility Energy Efficiency and Water Conservation Act. Ameresco is a qualified provider, as certified by the New Mexico Energy, Minerals and Natural Resources Department (EMNRD). EMNRD has been involved in the energy audit and savings review and has provided the certifications required by statute. Approval of the Guaranteed Utility Savings Contract is not required by the Board; however, NMSU is requesting approval of the Series 2014 Bonds to be repaid from the energy cost savings generated by the improvements to be made pursuant to the Guaranteed Utility Savings Contract. The proceeds for the proposed Series 2014 Bonds will be used to fund various energy cost savings improvements throughout NMSU’s campus. Ameresco has provided a detailed energy audit and identified the various improvements to be made.

Secretary Clifford commented that there is a very complex analysis underlying this proposal, and numerous factors have to be figured into the projected savings. He said this involves pledging the operating revenues of NMSU to fund capital improvements, which essentially is pitting the facilities against paying teachers.

Ms. Throneberry responded that NMSU has been working on this project for about three years, and the contract itself will utilize about $15.6 million in terms of an initial investment, and
as NMSU evaluates the savings on this, Ameresco has guaranteed the savings at a level sufficient to cover the debt service, and that would be reconciled annually. She added that, over the term of the contract, which is about 13 years, NMSU projects it will exceed the guaranteed amount by $2.5 million.

Secretary Clifford questioned why NMSU is using tuition money to pay for improvements, and Ms. Throneberry responded that NMSU doesn’t have the capacity within its reserves to make this investment and fund the project internally, so they would want to issue debt associated with this.

Secretary Clifford said the guarantee is not very reassuring to him. He noted that there are numerous exclusions in terms of what is covered; in total there are 34 categories of exclusion of things that are not insured under the policy.

Secretary Clifford expressed concern about setting precedent, as well, with schools using operating monies to fund projects.

Responding to Secretary Clifford, EMNRD representative Brian Johnson stated that one advantage of performance contracting is that it allows a comprehensive approach to upgrading facilities such as HVAC systems, and it is not necessary to take a piecemeal approach to funding yearly upgrades and having to deal with competing needs of an institution.

Mr. Archuleta asked what the total projected savings are based on the pro forma being correct, and what is Ameresco’s fee relative to the total cost. Mr. Sehrt responded that they project this will produce $22.9 million in savings over the 13-year contract period. He said Ameresco receives 12 percent for overhead and 9 percent for profit on the direct costs.

Responding to Mr. Kormanik, Mr. Harrigan said that what RBC has seen in other states is there are bond issues associated with an institution through a separate 501(C)3, and they are the ones that sell the bonds and then secure that with the savings through an annual appropriation. RBC actually discussed in significant detail taking that route, and Modrall went through the documents and came to the conclusion it wasn’t allowable under state law to do that type of financing.

Ms. Creagon said Modrall looked at pledging the savings, but couldn’t find the statutory authority to do that or find someone willing to buy debt issued based on just the savings. The lowest cost alternative for NMSU was to issue these bonds on a subordinate level, payable from the system revenues, as all of their outstanding obligations are payable from their system revenues.

Mr. Kormanik asked NMSU to report back to the Board each year to demonstrate the savings being suggested here, and also make that reporting to the Board prior to the budget request phase. Ms. Throneberry responded that they would be happy to do that.

Mr. Brasher recommended that the Board not act on this item today because of the many concerns raised.
Mr. Carrasco stated the agenda heading for this item incorrectly states the par amount as $15,585,000 when it should be $15,865,000. He said there are no legal concerns with this transposition because sufficient notice has been provided to the public regarding this agenda item.

Mr. Carrasco read a summary of the parameters resolution into the record, which he recommended the Board adopt should it decide to approve this request.

Mr. Archuleta moved for approval of the parameters resolution, plus the additional condition recommended by Mr. Kormanik, and stipulating that the report be formatted such that it shows actual costs versus projected costs. Mr. Kormanik seconded the motion.

Mr. Brasher said his concern is the idea of using instructional funds for capital projects and the possible precedent it would set.

Governor Martinez stated that she was not supportive of this project. She said tuition funds should not be used in this way and would open the door for others to do the same thing.

The motion failed on a 2-2 vote, with Mr. Archuleta and Mr. Kormanik voting in favor, and Governor Martinez and Mr. Brasher voting against.

**STATE TREASURER’S OFFICE**
Presenters: Linda Montoya Roseborough, Chief Investment Officer

Ms. Roseborough presented the monthly investment reports for the month of January 2014.

[Governor Martinez left the proceedings.]

**GENERAL SERVICES DEPARTMENT**
Presenter: Pamela Nicosin, Deputy Director, Facilities Management Division

Ms. Nicosin reviewed the CBRF Financial Status Report, which reflected an uncommitted cash balance as of January 1, 2014 of $13,013,637 and an ending cash balance as of January 31, 2014 of $13,356,358. There were no emergency declarations in the month of January. She then reviewed a status update of various CBRF projects.

**STAFF ITEMS**
Presenter: Stephanie Schardin Clarke, Director

17. Fiscal Agent/Custodial Bank Fees
Ms. Clarke stated that fiscal agent fees received year to date are in line with historical averages. She said custody bank invoices are somewhat delayed in being reported, which is likely because of staff turnover at the Board that may be causing the invoices to be sent to an inactive email account.

18. **Joint Powers Agreements**

Ms. Clarke asked the record to reflect that there were no joint powers agreement for the month.

**ADJOURNMENT**

Its business completed, the State Board of Finance adjourned the meeting at 1:00 p.m.

---

Susana Martinez, President

4/15/14

Date

Michael Brasher, Secretary

4/15/2014

Date