MINUTES OF THE

NEW MEXICO STATE BOARD OF FINANCE

REGULAR MEETING

Santa Fe, New Mexico

January 21, 2015

A Regular Meeting of the New Mexico State Board of Finance was called to order on this date at 9:05 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. John Sanchez, Lt. Governor [Leaving at 10:45 a.m.]
The Hon. Tim Eichenberg, State Treasurer [Leaving at 9:10 a.m.; returned at 10:35 a.m.]
Mr. Adelmo Archuleta, Public Member
Mr. Michael Brasher, Public Member, Secretary
Mr. John Kormanik, Public Member

Members Excused:
The Hon. Susana Martinez, President
Mr. Robert J. Aragon, Public Member

Staff Present:
Dr. Thomas E. Clifford, Secretary of Finance and 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

Others Present:
[See sign-in sheets.]

[The Board observed a moment of silence in observance of the passing of the daughter of Board Member Robert Aragon.]

2. APPROVAL OF AGENDA

ANNOUNCEMENT: SPECIAL MEETING — FRIDAY, JANUARY 30, 2015

NEXT REG. MEETING — TUESDAY, FEBRUARY 17, 2015

Ms. Clarke noted she would make an additional informational announcement at the end of today's agenda related to the Qualified Energy Conservation Bond program.
Mr. Brasher moved for approval of the agenda, as amended. Mr. Archuleta seconded the motion, which passed 4-0 by voice vote, with Treasurer Eichenberg abstaining.

3. **APPROVAL OF MINUTES:** December 16, 2014 (Regular Meeting)

Mr. Brasher moved for approval of the December 16, 2014, minutes, as submitted. Mr. Archuleta seconded the motion, which passed 5-0 by voice vote.

[Treasurer Eichenberg stepped away from the meeting.]

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

4. **Emergency Balances – January 2015**

<table>
<thead>
<tr>
<th>Fund</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Reserve Fund</td>
<td>$1,858,328.99</td>
</tr>
<tr>
<td>FY14 Emergency Water Fund</td>
<td>$118,100.00</td>
</tr>
</tbody>
</table>

Ms. Clarke reported these balances.

**GENERAL OBLIGATION BONDS**

Presenters: David Buchholtz, Co-Disclosure Counsel and Co-Bond Counsel, Rodey, Dickason, Sloan, Akin & Robb; Jill Sweeney, Co-Disclosure Counsel and Co-Bond Counsel, Sherman & Howard; David Paul, Financial Advisor, Fiscal Strategies Group

5. **Notice of Sale Resolution and Approval of Form of Preliminary Official Statement, General Obligation Bonds Series 2015**

Mr. Buchholtz stated that the resolution before the Board calls for the publication of a notice for bids on general obligation bonds, which were put to the voters in November 2014 and approved by the voters in three questions: library acquisitions; senior centers; and higher education facilities. The total amount authorized was $169 million, however, the actual principal amount of sale is expected to be approximately $150 million.

Mr. Buchholtz stated that the Disclosure Responsibility Memo has been updated to include SEC activity in 2014, most of which has been discussed with the Board as part of the disclosure process. During 2014, the State of Kansas was cited for failing to make adequate disclosure about its pensions. In addition, a mayor and another individual were sued by the SEC for not supervising proper disclosure regarding a bond sale in Allen Park, Michigan.

Ms. Sweeney reviewed the Preliminary Official Statement (POS) with the Board. She asked Board members to pay particular attention to the sections entitled Property Valuation and Taxation and Financial Overview of the State, and to let counsel know if there is reason to believe that the POS contains inaccurate, incomplete or misleading information, or whether the document is missing information that a potential bond buyer would be interested in knowing.
Mr. Paul commented that the 10-year Treasury is within a few basis points of its historically low level, and the 30-year Treasury is through its historically low level. In addition, municipal bond yields are within a couple of basis points of late 2012 levels, which were the lowest seen since the 1950s and 1960s.

Mr. Paul said he believes the yield on these bonds will be at or below 2 percent.

Secretary Clifford said he and Mr. Paul participated in a call with Moody’s, which took place after the release of the CAFR and the historical cash reconciliation report. The discussion included the state’s efforts in getting accurate balances, and he said he felt their reaction was “wait and see,” but that Moody’s appreciated the state’s efforts.

Mr. Paul said he feels the bank reconciliation issue is a troubling one for the rating agencies, and it remains to be seen how institutional investors will respond to it. He commented that New Mexico’s situation of late CAFRs has been an anomaly on the markets, and very few high grade issuers have the kind of issue that New Mexico has had historically. He added that the difficulty with the bank reconciliation issue is twofold. While it vindicates investor concern over lateness because not having a CAFR creates uncertainty about the condition of the state’s financial condition, there is also the issue of what the financial impact will be once all the numbers are reconciled. At the end of the day, until this process is complete, the rating agencies will not be sanguine about the state’s current credit standing.

Secretary Clifford noted that the state is experiencing growth, albeit slow, in the non-residential and residential property tax base, and oil and gas was growing very strongly in 2014.

Mr. Buchholtz said the state’s general obligation bonds require a property tax levy in order to be paid under the New Mexico Constitution, and that levy is made in advance and monies are available in advance. He commented that there is a debate in the marketplace about what a general obligation bond is. Other jurisdictions have called their bonds general obligation bonds because they are generally liable, but they do not have a property tax assessment or monies set aside. He said New Mexico’s constitutional requirements with regard to the levying of the property tax, and that it is used for nothing other than debt service at the state level, speaks to the strength of the credit in this transaction.

Mr. Paul added that the strength of the New Mexico general obligation credit is “astonishing” because it is secured by a dedicated fund, because that fund is secured by an unlimited pledge on statewide property values, because the amount of outstanding principal is on average 1/200th of the amount of underlying amount of the pledged property, and because the debt service on that debt is 2/10ths of 1 percent of that amount. He said he has had an ongoing discussion about this with the rating agencies, which rate general obligation municipal credits not as a rating of the credit quality of the bond that is theoretically rated, but as a letter grade on “how are you doing.” As he pushed this issue, one of the rating analysts said to him, “well, if we look at it based upon the pledged revenue and the likelihood of default, we would just give it a AAA and walk away.” Mr. Paul said a AAA rating is in fact the credit profile of the bond being rated, but that is not what the credit rating refers to.

Secretary Clifford commented that there is some very good disclosure in the POS on some legal issues that the state is facing, and he felt the characterization of those issues to be sufficiently cautious.

Mr. Brasher moved for approval. Mr. Kormanik seconded the motion, which passed 4-0 by voice vote.
PROPERTY DISPOSITION

Presenters: Dr. Steve McCleery, President; Dan Harden, Vice President for Finance; Mike Gallagher, Lea County Manager; John F. Kennedy and Nancy Nieto, Attorneys, Cuddy & McCarthy, LLP; Ron Black, NM Junior College Board Member and Lea County Commissioner

6. New Mexico Junior College – Requests Approval of Donation of Real Property Located at 4000 West Millen Drive in Hobbs to Lea County

Dr. McCleery presented this report, which stated that New Mexico Junior College (NMJC) is requesting approval of the donation of 12.36 acres of vacant land located at 4000 West Millen Drive in Hobbs to Lea County. NMJC and the County have entered into a memorandum of understanding (MOU) to convey the land and a portion of the funds for construction to the County for the joint development and operation of an indoor equestrian facility. The County will be responsible for development and operation of the facility for the benefit of NMJC and the County, and the MOU provides for NMJC’s use of the facility for educational purposes and equestrian events.

Mr. Primm recommended that any approval of this request be contingent upon Director’s receipt of an executed MOU containing staff’s changes, and signed minutes or a resolution from the County Commission documenting governing body acceptance of the revised MOU.

Responding to Mr. Kormanik, Dr. McCleery stated that the revenue source for this transaction is a portion of the oil and gas mill levy that the College receives annually.

Responding to Mr. Archuleta as to why NMJC decided this was the best use of the property, Dr. McCleery stated that, for NMJC, it is always in their best interest to have instructional programs that are not duplicative in the rest of the state. For them, it started as an educational program, but to operate and maintain a facility of that size would not be possible financially. He said they also looked at the prospect of the oil and gas industry crashing. They have 1,500 beds in Lea County right now, which is the result of the price of oil, and they built motels to create housing for the workers. He said the College considered what would happen if oil and gas prices caused those rooms to be vacated. They saw the equine facility as an alternate source of demand for motel beds that might fill any void that oil and gas might leave.

Mr. Gallagher said this effort is a quality of life initiative and an economic development driver. In addition, Lea County sees this as something that would help attract new businesses to the area.

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

HIGHER EDUCATION DEPARTMENT

Presenters: Ron James, New Mexico Higher Education Department, Capital Projects Coordinator; Dr. Nancy Barceló, President; Domingo Sanchez III, Vice President for Finance and Administration; Ricky Serna, Vice President for Institutional Advancement; Lisa Martinez, Contracted Capital Projects Coordinator

7. Northern New Mexico College – Requests Approval of Joseph Montoya Building Renovation ($900,000)
Mr. James presented this report, which stated that Northern New Mexico College (NNMC) is requesting approval of the Joseph Montoya Building renovation of 18,163 gross square feet, to include relocation of the bookstore to a centralized location, relocation of conference rooms, tiling and carpeting in the rotunda and other areas, and more efficient utilization of existing space. The majority of the expenses of this project has been in finishes, storefront, casework, and energy and efficient light fixtures.

Mr. James stated that this is the last of the projects that NNMC undertook without first obtaining New Mexico Board of Finance approval. To date, they have completed four of five projects, totaling $392,925 of a $900,000 2013 Severance Tax Bond appropriation.

Mr. Archuleta asked why the architectural and engineering (A&E) budget was so low, at $8,000. Mr. Sanchez responded that NNMC does not have very much money to work with, and often goes through Cooperative Educational Services (CES) or GSD for procurements (Statewide Price Agreement). He said they also like to call for quotes in order to get the best price.

Mr. Archuleta said he wants to be sure that all of NNMC’s procurement procedures are in accordance with the State Purchasing Act. Mr. Sanchez responded that they take precautions to make sure that they do not violate the law, and work closely with Ron James at HED. In addition, they have Lisa Martinez to assist them through the process.

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

[Agenda was reprioritized.]

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

17. **Update and Action on Armored Courier and Smart Safe Services Request for Proposals**

Ms. Clarke stated that, at a previous meeting, the Board authorized staff to issue a request for proposals (RFP) for Armored Courier and Smart Safe Services. In response to the RFP, one proposal was received, from Bank of America. Subsequently, that proposal was disqualified for failure to meet all of the mandatory requirements specified in the RFP. Although the contents of that proposal at this moment remain confidential until the Board actually formally closes on that procurement by approving the recommendation of the Evaluation Committee today, the Committee recommends that the Board not take further action on that RFP. Instead, staff recommends that the Board direct staff to reach out to potential bidders through a pre-proposal conference and issue a Request for Information to try to make sure the next RFP issue for this service is more competitive.

Mr. Archuleta moved staff’s recommendation. Mr. Brasher seconded the motion, which passed 4-0 by voice vote.
TAX INCREMENT DEVELOPMENT DISTRICT

Presenters: Gary Goodman, Chief Executive Officer; Darin Sand, Vice President of Development; Peter Gineris, CBRE Debt & Structured Finance; Dan Guimond, Economic Planning Systems Principal; Zach Bishop, Senior Vice President, Public Finance, DA Davidson; Albuquerque City Councilor Diane Gibson

8. Winrock Town Center —
   a. Presentation Concerning Request for Approval of Revised Base Year and Extension of Deadline to Complete Public Infrastructure

Mr. Sand made a slide show presentation.

Mr. Sand said they would like to attract the Millennial Generation, who decide where they want to live before they determine where they'd like to work and what types of jobs they would like to have. This highly sought-after workforce looks for a very dense urban environment in which to live, and likes to walk to restaurants, entertainment venues and gathering places. Winrock will be designed like a dense urban town center to attract Millennials.

Mr. Sand stated that the plan is to bring many new retailers into the market. These new-to-the-market establishments bring dollars into the local economy and keep the dollars in the economy. Other amenities will include an ice skating rink and walking trails. A lake in the development will use reclaimed water, and all irrigation will be with reclaimed water.

Mr. Goodman explained that the original tenants that created the 2007 base saw their business decrease on an average of 25 percent, and that remains true through 2014. Business is off some $15-$16 million and hasn’t recovered. He said they have now added new tenants, but even with the new tenants, they still do not have enough revenue to get back to the base year. He said it was the intention of the Tax Increment Development District (TIDD) that they would bring in the new tenants, build infrastructure for them, and the TIDD would finance the public infrastructure. Because of the economic downturn immediately after 2007, the money that would have gone for bonding is now going just to bring them back up to the base year. He said they are now looking for financing, and it has proven out that argument, because all of the lenders they are talking to has narrowed down to one lender. He said CBRE (Oak Tree), represented today by Peter Gineris, is the largest private capital coming into the state since the recession.

Mr. Gineris said CBRE is the largest non-bank mortgage originator in the U.S. He said they made a list of about 50 lenders and narrowed it down to eight or 10 lenders who were very interested; of those, they have gotten down to one that has issued a term sheet. As part of that, they want to know that the infrastructure financing is there.

Mr. Goodman stated that, using the 2007 base year, they fall about $4 million short of the necessary financing for the infrastructure. He said the 2009 base year fills that gap, and gets them to the $41 million need for the garage and related infrastructure within the loan term, which is what Oak Tree is insisting on.

Mr. Bishop said DA Davidson is a regional investment bank headquartered in Denver, and he is part of a practice group that “does nothing but financing” like the TIDD district. He said they have done dozens in the past few years. He presented a slide showing the estimated net proceeds in the 2007 and 2009 base years and why this rebasing is needed.
Mr. Guimond discussed the cost benefit of the rebasing. He said it would result in an annual change to the base of about $670,000 to the state in gross receipts taxes, and would allow them to move ahead over the next year rather than in 2020 or so, which would be the case without the rebasing.

Mr. Goodman further explained that Winrock is requesting that the Board extend the deadline for completion of $22 million of public infrastructure by two years to June 30, 2017. Because of the dissolution of TIDD 3 and the 2008 recession, the original deadline cannot be met, and the dedication of State GRT approved by the Board in 2008 will be revoked.

b. Requests Approval of Waivers of Application Timelines and Requirement to Submit Audited Financial Statements

Mr. Goodman explained that an early decision by the Board is required because they need to begin construction of the parking structure by March 2015 in order to secure the financing for the project and secure important tenant leases.

Mr. Goodman said Winrock is also requesting waiver of the requirement to submit audited financial statements, and in lieu thereof they have submitted unaudited financial statements. Under the original TIDD application, audited financial statements were not required, and it would be very time consuming and very costly to go back and have the previous three years’ worth of financial statements audited at this point. He added that the financial statements are not very germane to what is being requested today.

Mr. Kormanik asked Secretary Clifford if the March 1 timeline for the requested waiver allows sufficient time for DFA economists to review the application and guarantee that the numbers are accurate and reasonable.

Secretary Clifford responded that DFA is looking into obtaining contractual assistance to help speed up the evaluation, and will continue to pursue that. He said it is a tight timeline, but they will do their best to meet it. Because the legislature is now in session, there are increased demands on staff.

Ms. Clarke added that Board staff would do their best to meet the timeline during what is a very busy period, but could not guarantee that they would be able to meet it, not yet knowing how much work is to be done, when revisions would be received, etc.

Responding to Mr. Brasher, Ms. Clarke said the Board could approve a waiver of the timeline, which would set the stage for the economists at DFA and Board staff, to the extent possible, to be prepared to recommend action to the Board as soon as they were ready to do so.

Ms. Clarke also stated that, with respect to findings, the requirements of the rule, including the timelines, may be waived if the Board finds that they are in the best interests of the state to do so.

With respect to the waiver of the requirement to submit audited financial statements, Ms. Clarke said the Board’s rule states that the board may waive certain submission requirements provided that the requesting party can demonstrate that other documents that are provided are equivalent to or satisfy the rationale for submitting the information and that the state’s interest will continue to be protected.
Responding to Mr. Archuleta, Mr. Goodman said the absolute “drop dead date” for the funding of the loan is April 1, but construction has to begin March 1. He said an internal decision would therefore have to be made as to whether they would want to continue to put cash into the project in anticipation of a positive result.

Mr. Archuleta said Mr. Goodman appeared to be saying that it would not be the “end of the world” if this did not happen by March 1. He commented that, by being in continual communication with staff and by working with staff on submittals, etc., Mr. Goodman would have a better idea by mid February or so on how things were progressing in order to make any monetary decisions to keep the project on schedule. Mr. Goodman agreed.

Mr. Archuleta said he felt it would be in the best interest of the state to help accelerate this process to the extent possible.

Lt. Governor Sanchez commented that he thought this project was critical and in the best interest of the state, and said he and the Board would do all they could to accommodate this request.

[Treasurer Eichenberg returned to the proceedings.]

Mr. Archuleta moved that, based on today’s presentation and the facts presented, the Board find that it would be in the best interest of the state to waive the time submittal requirements.

Before seconding the motion, Mr. Brasher noted that his signature appears on a resolution passed by the Bernalillo County Commission for the County gross receipts increment piece and the property tax increment in the area. He said he would vote on this item, feeling that he has an obligation to do so as a member of the Board of Finance.

Mr. Brasher seconded the motion.

Treasurer Eichenberg stated that he was a State Senator at the time this TIDDD was being considered and worked with then-Councilor Cook on this issue. He said he fully supported this project.

The motion passed 5-0 by voice vote.

With respect to the unaudited financial statements submitted to the Board, Mr. Goodman said they have certified the statements to be true and correct. He said there is nothing in the statements that is particularly germane to what they are requesting, which is why they are making this request for a waiver.

Ms. Clarke said the rule would require the Board to make a finding that the unaudited but certified financial statements received by the Board are equivalent to receipt of audited financial statements to ensure that the state’s interests are protected.

Responding to Mr. Archuleta, Ms. Clarke stated that, when the 2008 application was submitted, the Board’s TIDDD rule was in draft form and the application followed the draft rule. She said she could not recall whether the draft rule called for audited or unaudited financial statements, but noted that the
2008 application is included in the Board’s materials today and include the unaudited statements provided for 2005, 2006 and 2007, and the Board did grant approval at that time.

Ms. Clarke stated that 2.61.3.9(B) NMAC states, “...Upon request, the Board in its discretion may waive provision of any information otherwise required by this rule provided that the requesting party can demonstrate that other documents that are provided are equivalent to or satisfy the rationale for submitting the information that the state’s interests will be sufficiently protected.” She said perhaps the Board should therefore consider whether the unaudited certified financial statements satisfy the rationale for submitting the information to protect the state’s interest.

Ms. Clarke said the second waiver provision, in the same paragraph, states, “The Board in its discretion may waive certain requirements in the rule when the applicant demonstrates why it is in the best interest of the state to do so.” She said this would apply to the submission timelines.

[Lt. Governor Sanchez left the meeting.]

Secretary Brasher asked Mr. Goodman if there would be a requirement for audited financial statements as part of this process from Bernalillo County or the City of Albuquerque, and Mr. Goodman responded that he was not aware of any.

Mr. Archuleta moved that the Board find that accepting the unaudited financial statements satisfies the Board’s rationale for submitting the audited financial statements; and that by accepting those unaudited financial statements, particularly in light of the fact that they were accepted for the dedication initially, sufficiently protects the interests of the state.

Secretary Clifford recommended that staff have an opportunity to review the unaudited financial statements and that the applicants respond to any questions that staff has.

Mr. Archuleta restated his motion with this additional language. Treasurer Eichenberg seconded the motion, which passed 4-0 by voice vote.

**DEPARTMENT OF FINANCE AND ADMINISTRATION**

Presenters: Dr. Thomas E. Clifford, Cabinet Secretary; Heather Kent, Cash Controls Manager; Renae Herndon-Lopez, Accountant; Emily Oster, Cash Control Specialist, Financial Control Division

10. **State of New Mexico Historical Cash Reconciliation Project Final Findings and Recommendations Report**

Secretary Clifford, with DFA staff, reviewed slides of findings and corrective actions that would be taken during the second phase of the cash remediation project.

Addressing budget and funding sources for the second phase of the cash remediation project, Secretary Clifford said DFA already has roughly $1,000,000 in funding that the Department of Transportation has made available. He said DFA has asked for an additional $3.9 million from the current legislative session in nonrecurring funding for contracts to support agencies adapting their processes. DFA has also requested six FTE, which will be critical to rolling out this project.
Secretary Clifford stated that DFA has not identified the final amount of the loss associated with non-reconciled transactions. The findings in the report are grouped according to severity, meaning that there is a potential exposure of up to $100 million for the 14 findings. DFA’s decision has been to rely on the audited cash balances of the state agencies, because that is the most accurate information available, but the problem is reconciling them to the balances shown at the State Treasurer’s Office for each agency. DFA’s current plan is to do that reconciliation as of June 30, 2015, to force the agency’s balances at the Treasurer’s Office to foot to the balances on their audited financials, and use the general fund operating reserve to absorb any excess. As discussed, $100 million has been reserved for that purpose. If for any reason the reconciliation generates losses in excess of that amount, it becomes an additional charge against the operating reserve.

9. Presentation of Fiscal Year 2013 Audited Comprehensive Annual Financial Report (CAFR)

Ms. Kent, Ms. Herndon-Lopez and Ms. Oster discussed the five major findings and remedial action being taken.

STATE TREASURER’S OFFICE
Presenter: Treasurer Tim Eichenberg
11. Monthly Investment Reports for Month-Ended November 30, 2014

Treasurer Eichenberg discussed his plans for filling vacancies created when a number of senior staff retired or moved to other positions with the departure of former State Treasurer James Lewis. He said STO is searching for a Chief Investment Officer and Cash Manager.

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

Ms. Nicosin presented the monthly report for November 2014, as well as details on selected projects.

Ms. Nicosin introduced Staff Architect Robert Becker. She said Mr. Becker has more than 40 years of experience as a registered architect and is a welcome addition to GSD.

STAFF ITEMS
Presenter: Stephanie Scharlgin Clarke, Director
13. Adoption of Open Meetings Resolution 15-01

Ms. Clarke requested Board approval of the proposed Open Meetings Resolution for calendar year 2015. There are no substantive changes to this year’s proposed resolution.

Mr. Kormanik moved for approval. Mr. Archuleta seconded the motion, which passed 4-0 by voice vote.
14. **Adoption of Interest Rate Policy 15-02**

Ms. Clarke stated that, each January, the Board approves an interest rate policy for public funds that sets a market rate that is available each day on the State Treasurer’s website. No substantive changes are proposed for the policy this year.

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

15. **Election of Secretary of the State Board of Finance**

Ms. Clarke said she had an opportunity to speak with the Governor’s staff, and the Governor would be happy with having Member Brasher continue serving as Board Secretary.

Mr. Archuleta moved for approval of Member Brasher continuing to serve as Board Secretary. Mr. Kormanik seconded the motion, which passed 4-0 by voice vote.

16. **Appointment of State Board of Finance Subcommittee Members**

Ms. Clarke stated that, in discussions over the last month with Board members and the Governor’s Office, the recommendation for the subcommittees is to maintain the status quo on memberships, with the exception of replacing the former Treasurer with the new Treasurer on the Banking Committee.

Ms. Clarke reviewed the responsibilities of members on each subcommittee.

- **Private Activity Bond Committee** — Member Aragon, Member Brasher
- **Banking Committee** — Member Archuleta, Treasurer Eichenberg
- **Committee on Reviewing State Treasurer’s Audit Process** — Lt. Governor Sanchez, Member Kormanik

Treasurer Eichenberg moved for approval of maintaining the status quo membership with the exception noted. Mr. Archuleta seconded the motion, which passed 4-0 by voice vote.

18. **Board of Finance Dashboard Report**

Ms. Clarke presented the quarterly dashboard report.

19. **Fiscal Agent/Custodial Bank Fees**

Ms. Clarke reported that fees are in line with historic norms.

20. **Joint Powers Agreements**

Ms. Clarke read the Joint Powers Agreements into the record.
21. **Informational Item**

Ms. Clarke noted that the Board recently promulgated a rule regarding the management of the Qualified Energy Conservation Bond Program. The federal program automatically allocated a certain amount on a pro rata basis to each state's large local governments. While the Board cannot force those large local governments to return their unused cap to the state, the Board encourages them to do so. Board staff has had correspondence with each of those large local governments, and the first one to state that they are willing to return their unused cap is San Juan County. San Juan County has returned its entire large local government cap in the amount of $1,270,895. This means that the entire amount goes into the pot of unused cap that is available for anyone to apply for.

**ADJOURNMENT**

Its business completed, the State Board of Finance adjourned the meeting at 12:15 p.m.

\[Signature\]
Susana Martinez, President

\[Signature\]
Michael Brasher, Secretary

\[Date\]
3/17/2015

\[Date\]