NEW MEXICO STATE BOARD OF FINANCE

REGULAR MEETING

Santa Fe, New Mexico

December 18, 2018

A regular meeting of the New Mexico State Board of Finance was called to order on this date at 9:07 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 A. Sanchez, Lt. Governor [leaving at 12:30 p.m.]
Mr. Robert J. Aragon, Public Member
Mr. Michael Brasher, Public Member, Secretary
The Hon. Tim Eichernberg, State Treasurer [by phone, signing off at 9:30 a.m.]
Mr. Adelmo Archuleta, Public Member
Mr. John Kormanik, Public Member

**Members Excused:**
The Hon. Susana Martinez, President

**Staff Present:**
Ms. Donna Maestas, Acting Director
Ms. Duffy Rodriguez, Secretary of Finance and Administration

**Legal Counsel Present:**
Ms. Sally Malavé, Attorney General’s Office
Mr. Stephen Vigil, Attorney General’s Office

**Others Present:**
[See sign-in sheets.]

2. **APPROVAL OF AGENDA – ANNOUNCEMENT: NEXT REGULAR MEETING -- TENTATIVELY WEDNESDAY, JANUARY 16, 2019**

Item 18 was moved to immediately follow Item 14, and Item 19 was removed.

Mr. Brasher moved approval of the agenda, as amended. Mr. Archuleta seconded the motion, which passed 6-0.
Board members expressed their thanks and gratitude to staff for their hard work over the years, and to fellow board members for their diligence and dedication.

**CONSENT AGENDA** (Items 3-14)
Presenter: Donna Maestas, Acting Director

Submitted by: Donna Maestas, Acting Director

3. **Approval of Minutes: November 20, 2018 (Regular Meeting)**

4. **Approval of State Board of Finance 2019 Meeting Schedule**

Submitted by Jay Czar, Executive Director, New Mexico Mortgage Finance Authority

5. New Mexico Mortgage Finance Authority (MFA) – Requests Approval for Carryforward Allocation of Private Activity Volume Capacity in the amount of $9,000,000
   for the JLG NM Central Portfolio Project

6. New Mexico Mortgage Finance Authority (MFA) – Requests Approval for Carryforward Allocation of Private Activity Volume Capacity in the amount of $9,650,000
   for the JLG NM North Portfolio Project

7. New Mexico Mortgage Finance Authority (MFA) – Requests Approval for Carryforward Allocation of Private Activity Volume Capacity in the amount of $9,000,000
   for the JLG NM South Portfolio Project

Submitted by: Robert Aragon and Michael Brasher, Subcommittee Members; Donna Maestas, Acting Director, State Board of Finance

8. **Private Activity Bond Subcommittee Recommendations and Allocations for 2018 Carryforward**

9. **Private Activity Bond Subcommittee Recommendations and Allocation of Calendar Year 2019 Private Activity Bond Capacity Category Reservations**

Submitted by: Gregory Rodriguez, Superintendent Carlsbad Municipal Schools

10. **Carlsbad Municipal Schools – Requests Approval of the Donation of Real Property, known as the Jed Howard Loop, Located at Ocotillo Elementary School in Carlsbad to the City of Carlsbad (no consideration)**

* Contingent upon Director’s receipt and counsel review of (1) revised form of quitclaim deed, and (2) fully executed amended donation agreement containing revised legal description of property.
Submitted by: Bill Green, County Manager, Catron County; Katherine Stout, Attorney, Nance, Pato & Stout, LLC

11. Catron County – Requests Approval of the Transfer of Two Parcels of Real Property known as the Main Fire Station and the Lower Frisco Substation of the Rancho Grande Fire District, Located in Catron County, to the Village of Reserve (no consideration)

* Contingent upon Director’s receipt and counsel review of (1) fully executed amended transfer agreement addressing the transfer of physical equipment, and (2) signed minutes from the March 8, 2018 meeting.

Submitted by: Joseph Dworak, Assistant Attorney General, Office of the Attorney General

12. State Armory Board – Requests Approval of the Sale of Real Property known as the Tucumcari Readiness Center, Located at 120 South 11th Street in Tucumcari to Mesalands Community College ($1.00)

* Contingent upon Director’s receipt and counsel review of (1) fully executed revised Real Estate Agreement (2) evidence of approval of the transaction by the Higher Education Department, and (3) updated resolution from Mesalands Community College.

Submitted by: Gerald Hoehne, Capital Projects Director New Mexico Higher Education Department

13. New Mexico State University, Carlsbad Campus – Requests Approval of the Computer Science Building Fire Suppression System ($750,000)

14. New Mexico State University – Requests Approval of the Campus Wide Tunnel System Repairs Phase V ($750,000)

Mr. Brasher moved for approval of the Consent Calendar, with the contingencies. Mr. Archuleta seconded the motion, which passed 6-0.

BONDS AND NOTES

Presenters: Jill Sweeney and Parker Schenken, Co-Bond Counsel, Sherman & Howard, LLC; Luis Carrasco, Co-Bond Counsel, Rodey Law Firm; Peter Kelton, Rodey Law Firm

18. Approval of Amending Resolution – Senior Severance Tax Note, Series 2018S-C

Ms. Sweeney said the purpose of the amending resolution is to add projects to the note, which is closing at the end of this year. The resolution was passed by the board at the last meeting with the understanding that additional projects could be added.
Mr. Carrasco stated that they were able to get most of the projects funded through this issuance, so that only a handful await funding in a future issuance cycle.

Mr. Carrasco said the total amount of the projects is $17,782,296, and this will be the amount of the note that is issued on December 27, 2018.

Responding to Mr. Kormanik, Mr. Carrasco said the projects remaining amounted to less than $50 million, with about 20 projects involved. [Ms. Maestas later clarified that the correct amount was $1,342,410.]

Mr. Aragon moved for approval. Mr. Kormanik seconded the motion, which passed 6-0.

[Mr. Eichenberg signed off from the meeting.]

**EMERGENCY FUND BALANCES**
Presenter: Donna Maestas, Acting Director

15. *Emergency Balances – December 18, 2018*

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Reserve Fund</td>
<td>$1,941,495.00</td>
</tr>
<tr>
<td>Emergency Water Fund</td>
<td>$ 104,800.00</td>
</tr>
</tbody>
</table>

Ms. Maestas reported these balances.

Mr. Aragon commented that the board has been extremely frugal and professional in how it has spent these emergency balances.

**EMERGENCY FUNDING REQUESTS**
Presenters: Manuel F. Valdez, President, La Asociacion de Agua de Los Brazos MDWCA; Laura Dubin, Rural Development Specialist, Rural Community Assistance Corporation; Melanie Delgado, Community Services Coordinator, New Mexico Environment Department

16. *La Asociacion de Agua de Los Brazos Mutual Domestic Water Consumers Association – Report Status of Long Term Plan for Sustainability per the Board’s Prior Request*

Ms. Dubin reported that, since the last meeting, Los Ojos has agreed to sit down with Los Brazos and NMED and consider collaboration in a more formal way. Both systems agree that they have infrastructure repairs that they need to work on together, and will apply for a planning grant to do a regional collaboration study and also go after capital outlay for joint infrastructure repairs. She commented that this is very good news, and they feel optimistic, since this is the first time they have been able to get Los Ojos to the table in many years.
Ms. Dubin said they have also taken the board’s recommendation to ask other funders for loan forgiveness. USDA said they could not offer loan forgiveness, but will discuss other options in a meeting tomorrow. Their request of the Water Trust Board is under legal advisement at the current time.

Mr. Aragon stated that, with respect to Los Brazos’s request to convert their loan into a grant, this is only a short-term Band-Aid to a bigger problem. He said political influences at the local level “simply will not allow proper consolidation,” and with the continuing exodus from these small towns, it is a problem that will not go away. He said the legislature passed a bill approving a water policy for Bernalillo County, and he suggested that this be used as a template. He said the policy works, they are conserving water at record levels, and they have reserves that didn’t exist before thanks to proper management. He said it behooves all water associations in New Mexico to meet with their legislators to introduce legislation to consolidate all of the water systems in Northern New Mexico.

Ms. Dubin responded that the RCAC is pushing for regionalization this year, and last month went before the Water and Natural Resources Committee with a draft of the legislation with edits. Communities will be asked to support this legislation, and the hope is to introduce it in the upcoming session.

17. **La Asociacion de Agua de Los Brazos Mutual Domestic Water Consumers Association – Requests to Convert their Emergency Loan of $30,000 into a Grant**

Mr. Aragon moved to convert this loan to a grant. Mr. Brasher seconded the motion.

Mr. Archuleta proposed an amendment that the Los Brazos MDWCA report back to the board in six months on what progress has been made toward regionalization.

The amendment was accepted as friendly.

Board members reviewed a draft resolution prepared by staff converting this emergency loan to a grant.

Mr. Archuleta requested additional language on page 2 following the eighth Whereas stating, in effect, that there was a joint meeting with Los Ojos and Los Brazos for the first time in X number of years, and that they have jointly passed a resolution to make application for a regionalization planning grant.

The motion, as amended, passed 5-0.

**Bonds and Notes**
Presenters: Kenneth A. Guckenberger and Noelle Graney, Disclosure Counsel, Kutak Rock, LLP; David Paul, Financial Advisor, Fiscal Strategies Group

20. **Presentation of Fiscal Year 2018 Annual Financial Information Filing**

Referring to page 17 of the report, Mr. Aragon expressed concern about actions taken by the Educational Retirement Board in April 2017, when the board of trustees voted to decrease the inflation assumption from 3.00 percent to 2.50 percent, a change which resulted in reducing the assumed rate of return on the fund’s investments from 7.75 percent to 7.25 percent, although the real rate of return remained at 4.75 percent. He said he thought there was an obligation to disclose these numbers to the public, and asked how this translated into real dollars.

Mr. Paul responded that is part of the situation faced by most pension funds. The whole premise of defined benefit programs became one of assuming an actuarial rate based on long-term blended stock and bond yields, which were much higher than they are now. The adjustment process downward has been a slow one, because it increases the annual funding costs to governments. Moody’s and GASB required that those assumptions be reevaluated, and Moody’s recasts the present value of unfunded liabilities at something closer to 3.5 to 4 percent. In New Mexico’s case, it has an enormous impact, doubling the unfunded liability, but the larger problem for the state is that there has been a longstanding debate on whose liability it is. DFA has concluded that if all of the operating dollars for local school districts come from the state, it is hard not to cast that as a state liability. ERB’s preferred focus is that it is local school districts’ liability, but local school districts don’t have independent financial resources to fund them. The state’s liability is effectively doubled.

Mr. Aragon said he thought there should be a disclosure to the general public about what happens every year as the state moves forward and fails to meet thresholds.

Mr. Guckenberger noted from table 16 in the report (ERB funded ratio) that the net pension liability has risen from $5 billion in 2014 to $11.8 billion this year.

Given projections that the state’s population will remain steady at 2 million people until 2040, Mr. Aragon wondered how it would be possible to successfully address the unfunded liability. He said the tables were deceptive because the “employer” contribution column should actually be called the “taxpayer” contribution column.

Mr. Aragon agreed with comments by Mr. Paul that it would be a multi-tiered process for the state to address its unfunded liability, and asked Mr. Paul how he thought this process would unfold to reach the desired result. Mr. Paul responded that it would be a variety of things, including creating retirement tiers, creating a defined contribution program versus a defined benefit program, adjusting the COLA, or giving employees the option to defer COLAs to come up with a final average salary for their
last three years. He said the current vesting period in New Mexico is five years, while ten-year vesting is fairly common elsewhere. He commented that there are numerous variables in creating a viable pension system.

Mr. Kormanik noted that there was an effort five years ago to reduce the COLA for the ERB and PERA. At the time those statutes were passed, it was with the intent that it would be reexamined after five years. He said he suspected that the upcoming legislature would deal with these issues.

Mr. Paul commented that it is easy to look at a stock market that has multiplied four times since 2009 and wonder how investment portfolios could have done poorly, but there has been a positive and negative impact over the year on the investor side of zero interest rate policies. Pension funds have significant investments in short-term fixed incomes and there has been a massive shift in wealth from retirees and pension systems to equity investors, and that has had an enormous financial impact.

Mr. Archuleta moved to accept this report. Mr. Brasher seconded the motion, which passed 5-0.

21. Presentation of Debt Affordability Study

Mr. Paul presented this report, with the following highlights:

- General Obligation and Severance Tax bond projections projected to provide $3.1 billion of new money over the next five years.
- While ratings on the state general obligation and severance tax bonds were downgraded over the past two years, with the rebound in revenues, the restoration of general fund reserves, and creation of the rainy day fund, both rating agencies now have a stable outlook on those ratings.
- Moody’s recalculates state unfunded pension liabilities from actuarial rate of 7.75% to high-grade bond rate in range of 3.61 to 4.4%. Rating analysts are now considering ERB liability as a state obligation. NM net pension liability far exceeds its outstanding debt, even before considering ERB liabilities.
- The projected debt capacity of the core state bonding programs is affordable with respect to the revenue streams that are dedicated to debt repayment, and debt ratio impacts.
- The increased Severance Tax Bonding Program capacity will continue to be directly impacted by future trends in natural resource pricing and production.
- Continued improvement in the timing and quality of annual financial reports, including consideration of legislation proposed by DFA to streamline CAFR production process, remain important management objectives.
**PROPERTY DISPOSITIONS**

Presenters: Shirley McDougall, Property Asset Manager, Santa Fe Public Schools; Charlotte Hetherington, Attorney, Cuddy & McCarthy, LLP; Russell Baker, Executive Director, National Dance Institute of New Mexico

22. Santa Fe Public Schools – Requests Approval of the Amended and Restated Ground Lease of Real Property known as the Alameda Middle School Site, Located at 450 La Madera Street in Santa Fe to the National Dance Institute of New Mexico ($38,401 per year including services in lieu of cash)

Ms. Hetherington stated that, in early September, it was discovered that Santa Fe Public Schools (SFPS) had entered into a lease with the National Dance Institute of New Mexico (NDI) on February 6, 2002 without obtaining State Board of Finance approval. The agreement was to allow NDI to construct “Dance Barns” with its own funds and provide services in lieu of rent in the form of dance instruction, dance space for students and for related administrative uses to operate such programs. Since then, NDI has made many improvements to the property with its own funds. Both parties would like to correct their oversight by submitting the Amended and Restated Ground Lease. As base rent, NDI shall pay SFPS $1.00 per year and will provide services in lieu of cash that consist of dance instructions at the Dance Barns to students in the school district during the primary term equal to or exceeding the appraised lease value for the property. NDI shall also pay for any taxes, assessments, license fees and other taxes. If in the future the premises fail to continue to qualify as exempt from assessment for ad valorem taxes, the lessee shall be responsible for paying such taxes. The term of the lease is 35 years. An appraisal completed last month determined the fair market lease value to be $38,400 per year.

Responding to Mr. Kormanik, Mr. Baker said the value of the classes was calculated based on the fair market value of six or seven other dance programs in Santa Fe and Albuquerque. The average for an hour of instruction per student in a private studio was $15.16, and the number of students was 708.

Responding to Mr. Aragon on how the number of student hours of instructions was 32,819, Mr. Baker said they made their calculations based on the length of the classes, the number of weeks of the classes, and the number of students in the class.

Mr. Archuleta said he had calculated that the 32,819 in student hours amounted to approximately 1.2 hours of instruction per week, based on 36 weeks.

Ms. Maestas requested that approval be contingent upon Director’s receipt and counsel review of (1) favorable review of appraisal by Taxation and Revenue Department, (2) fully executed Revised Amended and Restated Ground Lease Agreement, and (3) fully executed Amended Agreement to Provide Services between Santa Fe Public Schools and NDI.
Mr. Kormanik moved for approval, with the contingencies. Mr. Archuleta seconded the motion, which passed 5-0.

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
Presenters: Christy Tafoya, Parks Division Director; David Certain, Bureau Chief, NM State Parks Division; Neal Brown, Concessionaire, Lago Rico; James Hildebrandt, Business Enterprise Coordinator; Cheryl Bada, General Counsel, Energy, Minerals and Natural Resources Department

23. Energy, Minerals and Natural Resources Department, State Parks Division – Requests Approval of Concession Contract for the Rock Canyon Marina with Lago Rico, Inc. at Elephant Butte Lake State Park in Sierra County (monthly concession fee of (1) one and one-half cents for every gallon of fuel and oil sold; (b) 7 percent of net receipts from sales and services, excluding fuel and oil sales; and (c) 7 percent of brokered boat sales)

Ms. Tafoya requested approval to enter into a concession contract with Lago Rico, Inc., for the purpose of operating and maintaining a full-service marina and store at Elephant Butte Lake State Park. The Board of Finance approved the expiring contract in March 1999. This contract is for 7 percent of net receipts from sales and services and would have a 20-year term. Mr. Brown has been operating at Rock Canyon Marina since 2007, and his contract will expire in the spring of 2019.

Responding to Mr. Kormanik, Ms. Tafoya said they issued an RFP and received two responses. She said the existing contract would be terminated and replaced by a new contract.

Dr. Certain discussed the evaluation process and scoring.

Ms. Maestas requested that approval be contingent upon Director’s receipt and counsel review of fully executed concession agreement.

Mr. Archuleta moved for approval, with the contingency. Mr. Kormanik seconded the motion, which passed 5-0.

HIGHER EDUCATION
Presenters: Gerald Hoehne, Capital Projects Director, New Mexico Higher Education Department; Dr. Stephen G. Wells, President; Dr. Cleve McDaniel, Vice President for Administration and Finance; Jerry Armijo, Board of Regents Secretary; Alex Garcia, Director of Capital Projects, New Mexico Institute of Mining and Technology

24. New Mexico Institute of Mining and Technology – Requests Approval of the New President’s Residence ($1,570,117)

25. New Mexico Institute of Mining and Technology – Requests Approval of the New University House ($1,318,792)
Mr. Hoehne requested approval of a new President’s residence at New Mexico Institute of Mining and Technology (New Mexico Tech), consisting of a total of 5,615 square feet with an open floor plan, which will include living space of three bedrooms, three and one-half bathrooms, a den, living and dining areas, a kitchen, and a garage with storage space. Total cost of the facility is $1,570,117, with several funding sources, including New Mexico Tech match in advance funds, funds raised by New Mexico Tech, and a New Mexico Tech Foundation loan. An existing residence on campus, which the President resides in, will be removed from the 1&G square footage of the institution to make room for the new residence, which will provide an offset of 4,792 square feet. The space within the existing residence will not be razed and will be used by both the President and management office.

Mr. Armijo said a university house hasn’t been built since the 1980s in New Mexico, which was at New Mexico State University. New Mexico Tech didn’t have a President’s house until 1964, when it was built and personally financed by then-President Colgate; it still serves as the President’s residence. He said its use is very limited for gatherings. He commented that a growing trend in recent years is that faculty and administration at New Mexico Tech are living in Albuquerque, Los Lunas, or Rio Rancho, so their children are attending schools in those cities rather than in Socorro, and dollars generated in Socorro are being spent elsewhere. To reverse that trend, he said the Board of Regents has told the new President that he has to live on campus one hundred percent of the time and has to be a member of the community. The hope is that this will trickle down to administration and faculty members.

Mr. Armijo said an RFP was issued for architectural services. There were several responsive bidders, and they chose the Van Gilbert firm, which has designed several New Mexico Tech buildings. A construction committee was created; as needs were presented, they recognized the need for a private residence as well as a venue to host larger events in a separate structure.

Mr. Archuleta said he strongly supported these requests and applauded New Mexico Tech’s efforts to support the city of Socorro by encouraging people to live there.

Mr. Archuleta said he wanted the record to be clear that there was no 1&G money, no restricted funds, and no “public money” that would otherwise be used for student instruction, etc. He observed from the application that some money would be “left over” from capital projects that would be used for professional fees and landscaping, and asked if there was any problem in using these funds for those purposes.

Dr. Wells responded that he was committed to not using any monies that would harm the university’s instructional and research endeavors and has worked diligently to put together most of the construction costs from donations.
Dr. McDaniel clarified that all of the landscaping and architectural design services come from their capital reserves, which comes from indirect cost recovery from research grant monies.

Mr. Archuleta asked what is pledged to pay back the foundation loan. Dr. Wells responded that they have turned their research foundation into a philanthropic foundation, which is committed to raising funds. The burden is on him and members of the board to raise the money to do that. They have built a $2 million endowment to pay for the operations of the Deju University House and the current President’s residence.

Dr. McDaniel stated that the two loans, one for the University House and the other for the President’s Residence, are fully covered by pledged donations. He said no future fundraising will be required for the President’s Residence, but on the University House there will be. They are advancing more than $700,000 to move this project forward, but the foundation has pledged to return all of that money and anticipate they will do that through the fundraising.

Lt. Governor Sanchez said he has met people in India, China and Europe who have mentioned New Mexico Tech, “the MIT on the Rio Grande.” He said he fully supported this request.

Mr. Brasher asked Ms. Malavé if she saw any conflict of interest for him in voting on these projects, as a member of the University of New Mexico Board of Regents. Ms. Malavé responded that based on her reading of the Governmental Conduct Act, she disagrees with outside comments that Member Brasher should not vote any projects brought by the Higher Ed Department because Mr. Brasher does not and has not had a personal or substantial financial interest, as defined in the Act, in this or in any other project submitted for Board of Finance approval to date. She said Mr. Brasher was therefore at liberty to vote.

Mr. Brasher responded that, when he came onto the Board of Finance, he agreed to vote where he does not have a conflict; and in fact, he feels he has an obligation to vote where he has no conflict.

Mr. Hoehne said the Higher Education Department had the same concerns expressed by the board today when it was brought forward more than three months ago. He said HED staff toured the campus and looked at the existing residence, and New Mexico Tech provided a lot of information on why this new residence was needed. HED’s major concern was that New Mexico taxpayers not be liable for a lot of the costs for the existing residence and University House. He said HED looked at average construction costs for the area, realizing that it would be challenging to find a contractor willing to do this kind of project in Socorro, despite its close proximity to Albuquerque. In addition to that, there was the understanding that the residence would have amenities with longevity.
Lt. Governor Sanchez commented that the per square foot cost of $275 for the President’s Residence was reasonable, given the location.

Mr. Aragon moved for approval of Item 24. Mr. Brasher seconded the motion, which passed 5-0.

Mr. Aragon moved for approval of Item 25. Mr. Brasher seconded the motion, which passed 5-0.

[ Lt. Governor Sanchez left the meeting.]

STATE TREASURER’S OFFICE
Presenter: Vikki Hanges, Chief Investment Officer and General Fund Portfolio Manager
26. Monthly Investment Report for Month-Ended October 31, 2018

Ms. Hanges reported that STO managed $5.1 billion in assets at the end of October, and the portfolios earned $8.1 million in income during the month. Oil prices have been very volatile, trading at $47 a barrel earlier today, a 38 percent decline since the beginning of October, when the price was $76.

GENERAL SERVICES DEPARTMENT
Presenters: Anna Silva, Acting Director; Jimmy Rodriguez, Business Operations Bureau Chief; Marty Perrins-Dallman, Deputy Director
27. General Services Department, Facilities Management Division – Requests Approval to Enter into Contract with Jaynes Corporation of Albuquerque for Construction of a New Meadows Three Building Addition, to be Located at Hot Springs Boulevard, Las Vegas ($15,298,983.21)

Ms. Silva requested approval to enter into a contract in the amount of $15,298,983.21 with Jaynes Corporation for construction of a new Meadows 3 Building Addition. Upon approval, construction is scheduled to begin in February 2019 with completion in June 2020.

Responding to Mr. Archuleta, Ms. Silva stated that alternate #1, which was a $5 million wing, had been part of the original scope of services when they first went out for bid but ultimately wasn’t included. Mr. Archuleta asked if there was going to be a problem with the legislature or anyone else if that wing couldn’t be built. Ms. Silva responded that the Department of Health has requested an additional $6 million in their ICIP to cover the cost of the wing. Mr. Archuleta asked if this was going to be added to the original project or would it have to be rebid. Ms. Silva responded that they would only be looking at the 36 beds, which would take up the $21 million. The $6 million will
come up as an alternate, depending on how much they receive for the second and third phases.

Mr. Archuleta noted that alternate #2, which totaled $950,000, was an allowance for the FF&E (furniture, fixtures and equipment), and asked if GSD was going to go to a vendor or through Jaynes. Ms. Silva responded that it was through Jaynes and was part of their proposal. Mr. Archuleta wondered why GSD didn’t just procure the FF&E on their own to avoid the expected markup, but commented that there must have been a good reason for doing it this way.

Ms. Maestas requested that approval be contingent upon Director’s receipt and counsel review of fully executed Amended Contract for Construction Agreement with changes agreed upon by board staff and the parties.

Mr. Aragon moved for approval, with the contingency. Mr. Archuleta seconded the motion, which passed 4-0.

28. Facilities Management Division — Requests Approval of January to June 2019 Schedule of Repairs

Mr. Rodriguez presented this report. He said they are expecting to budget these items through June 2023, and requested approval. The total funding request was in the amount of $5,562,733.

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

29. Capitol Buildings Repair Fund Financial Status Reports for Month-Ended November 30, 2018

Mr. Rodriguez presented this report.

30. Facilities Management Division — Legislative Capital Projects Financial Status Reports for Month-Ended November 30, 2018

Mr. Rodriguez presented this report.

31. Facilities Management Report — Requests Approval of the Inventory of Buildings Report Including an Approved Checklist of Conditions

Mr. Rodriguez presented this report, which was informational.

**STAFF ITEMS**
Presenter: Donna Maestas, Acting Director
32. **Fiscal Agent/Custodial Bank Fees**

Ms. Maestas reported that the amounts reported are consistent with historical monthly fees.

33. **Joint Powers Agreements for Month-Ended November 30, 2018**

Ms. Maestas reported that there were four new joint powers agreements for the month of November.

**ADJOURNMENT**

The meeting was adjourned at 12:55 p.m.

Michelle Lujan Grisham, President

Michael S. Sanchez, Secretary

Date: 3-22-19