

**NEW MEXICO STATE BOARD OF FINANCE**

**REGULAR MEETING**

**HELD VIRTUALLY**

**March 16, 2021**

A regular meeting of the New Mexico State Board of Finance was called to order on this date at 9:00 a.m. via videoconference.

**1. ROLL CALL -- QUORUM PRESENT**

**Members Present:**

The Hon. Tim Eichenberg, State Treasurer  
Mr. Joseph Badal, Public Member  
Mr. Paul Cassidy, Public Member  
Mr. Michael S. Sanchez, Secretary, Public Member  
Ms. Wendy Trevisani, Public Member

**Members Excused:**

The Hon. Michelle Lujan Grisham, President  
The Hon. Howie Morales, Lt. Governor

**Staff Present:**

Ms. Ashley Leach, Director  
Mr. Marcos B. Trujillo, Deputy Director  
Ms. Debbie Romero, Secretary, Department of Finance and Administration

**Legal Counsel Present:**

Ms. Marah deMeule, Attorney General's Office

**2. APPROVAL OF AGENDA**

Item 8 was moved off of the Consent Calendar, to be heard following Item 13.

Ms. Trevisani moved approval of the agenda, as amended. Mr. Eichenberg seconded the motion, which passed by unanimous roll call vote, with Mr. Badal, Mr. Cassidy, Mr. Eichenberg, Mr. Sanchez and Ms. Trevisani voting in favor.

**3. APPROVAL OF MINUTES: FEBRUARY 16, 2021 (REGULAR MEETING)**

Mr. Cassidy moved approval of the minutes of February 16, 2021, meeting, as presented. Mr. Sanchez seconded the motion, which passed by unanimous roll call vote, with Mr. Badal, Mr. Cassidy, Mr. Eichenberg, Mr. Sanchez and Ms. Trevisani voting in favor.

#### **CONSENT AGENDA**

Presenter: Ashley Leach, Director, Board of Finance

Submitted by: Pamela Heltner, County Manager, Otero County

**4. Otero County—Requests Approval of the Lease of Chaparral Family Medical Center, Located at 204 Angelina Boulevard in Chaparral, to Presbyterian Medical Services (\$36,520/year, services in lieu of cash rent)**

- Contingent upon director's and counsel's receipt and review of a revised and fully executed lease agreement.

**5. Otero County—Requests Approval of the Lease of High Rolls Senior Center, Located at 59 Cottage Row in High Rolls, to Sacramento Mountain Senior Services, Inc. (\$16,900/year, services in lieu of cash rent)**

- Contingent upon director's and counsel's receipt and review of a revised and fully executed lease agreement.

**6. Otero County—Requests Approval of the Sale of Real Property, Located at 15 and Main Street in La Luz, to Jennifer E. Leute and Holden D. Leute (\$82,000)**

- Contingent upon director's and counsel's receipt and review of (1) a revised and fully executed sale agreement, (2) a revised and signed resolution of the County Commission, and (3) a revised and executed Quitclaim Deed.

Submitted by: Chris M. Barela, Real Property Specialist, Santa Fe County

**7. Santa Fe County—Requests Approval of the Lease of Real Property Located at 2052 South Galisteo Street in Santa Fe to Santa Fe Recovery Center, Inc. (\$14,864/month)**

- Contingent upon director's and counsel's receipt and review of (1) a revised and fully executed lease agreement and (2) signed minutes of the County Commission.

Submitted by: Ashley Leach, Director, Board of Finance

**9. Consideration of Amending Resolution for State of New Mexico Supplemental Severance Tax Note, Series 2019S-D**

**10. Investment Report for Month-Ended January 31, 2021**

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**11. Emergency Fund Balances – March 16, 2021**

	<u>Balance</u>	<u>Appropriation</u>
Operating Reserve Fund	\$2,357,224.00	\$2,500,000.00
Emergency Water Fund	\$ 165,943.93	\$ 175,000.00

**12. Fiscal Agent and Custodial Bank Fees Reports**

**13. Joint Powers Agreements for Month-Ended February 28, 2021**

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Mr. Cassidy moved approval of items 4 through 9, excluding item 8. Mr. Eichenberg seconded the motion, which passed by unanimous roll call vote, with Mr. Cassidy, Mr. Eichenberg, Mr. Sanchez and Ms. Trevisani voting in favor. [Not present for the vote: Mr. Badal.]

Submitted by: Christy Tafoya, Director, State Parks Division, Energy, Minerals and Natural Resources Department; Dr. David Certain, Program Support Bureau Chief; Mr. James Hildebrandt, Business Coordinator

**8. Energy, Minerals, and Natural Resources Department—Requests Approval of the Amendment to its Concession Contract with Christy Sports, LLC (no consideration)**

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Dr. Certain requested approval for a five-year extension to the existing contract EMNRD has with Christy Sports, a successful concessionaire operating at Hyde Memorial State Park as a winter sports sales and rental retail operation. This extension, with a minor revision to the contract, would allow Christy's to store items within one of EMNRD's facilities at the park, with the possibility of two additional five-year extensions. He added that these five-year extensions are useful because they allow for opportunities to review, at regular intervals, how concessionaires are operating.

Ms. Trevisani moved for approval. Mr. Eichenberg seconded the motion, which passed by unanimous roll call vote, with Mr. Cassidy, Mr. Eichenberg, Mr. Sanchez and Ms. Trevisani voting in favor. [Not present for the vote: Mr. Badal.]

**BONDING PROGRAMS**

Presenter: David Paul, Fiscal Strategies Group

**14. Presentation of 2020 Debt Affordability Study**

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Mr. Paul made a Power Point presentation. [Available in Electronic Agenda.]

Mr. Cassidy thanked Mr. Paul for an excellent and very clear presentation.

Mr. Cassidy said he hoped a solution to the NMERB's unfunded pension liabilities could be found. The purview of Board of Finance is to keep abreast of how that is going in terms of how it will affect the state's bond ratings, and to help in any way it can in any deliberations on how to fix the problem. He commented that, every time the state raises salaries for Higher Ed or public school teachers, the unintentional consequence is to raise the pension liability.

Ms. Leach responded that NMERB has put forth legislation now scheduled for the House floor to increase pension contributions. She said she would reach out to the NMERB's acting director and ask him to provide a summary of the NMERB's efforts to address its unfunded pension liabilities.

## **GENERAL SERVICES DEPARTMENT**

### **MONTHLY REPORTING**

Presenters: Ken Ortiz, Cabinet Secretary, GSD; Anna Silva, Facilities Management Division Director, GSD

**15. Capitol Buildings Repair Fund Financial Status Report for Month-Ended February 28, 2021**

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Ms. Silva presented this report.

**16. Legislative Capital Projects Financial Status Report for Month-Ended February 28, 2021**

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Ms. Silva presented this report.

[Mr. Badal rejoined the meeting.]

## **STAFF ITEMS**

Presenter: Ashley Leach, Director, Board of Finance

**17. Consideration of Amendment to the Contract with Tax Counsel**

Ms. Leach requested approval of a contract amendment, mutually agreed to by staff and tax counsel, Gilmore & Bell.

Ms. Leach stated that, in 2019, the board divided the bond counsel and tax counsel contracts out and contracted with Gilmore & Bell as tax counsel. At the time, the contract was developed with compensation language where the fee is based on the size of the tax-exempt issuance. In doing that, however, an oversight came to light, which is that, when the board has to review the capital projects appropriated by the legislature, they may have to review all of the projects regardless of whether the board ultimately

funds them with a tax exempt bond or taxable note, and the language does not address that possible overlap. When the board swept the Severance Tax Bonding Fund and issued a very large note in June and later a much smaller bond, tax counsel wasn't able to get compensated for those project reviews for the note based on the language in their contract. As this was never the intent, the contract has been amended, which essentially establishes a separate fee for capital project review for tax counsel.

**Mr. Cassidy moved for approval. Mr. Badal seconded the motion, which passed unanimously by roll call vote, with Mr. Badal, Mr. Cassidy, Mr. Eichenberg, Mr. Sanchez and Ms. Trevisani voting in favor.**

**18. Selection of Rule Change Subcommittee**

Ms. Leach said board staff and board counsel will be kicking off work related to reviewing board rules and statutes to identify necessary and/or desired changes to the rules. It may include a review of the board's policies, including debt policy. She anticipates the process will take three to six months.

Ms. Leach stated that the subcommittee would be made up of three board members who would provide staff and counsel guidance and input, particularly from a policy perspective. She anticipates a meeting once a month and it would not be a significant time commitment because staff and counsel would be doing the heavy lifting. At least one interim report would be made to the full board.

Ms. Leach said Mr. Badal, Mr. Sanchez, and Mr. Cassidy have expressed interest in being in the subcommittee.

**Ms. Trevisani moved for approval. Mr. Eichenberg seconded the motion, which passed unanimously by roll call vote, with Mr. Badal, Mr. Cassidy, Mr. Eichenberg, Mr. Sanchez and Ms. Trevisani voting in favor.**

**ADJOURNMENT: 9:57 a.m.**



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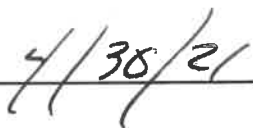
Michelle Lujan Grisham, President

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April 30, 2021

Date

  
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Michael S. Sanchez, Secretary

  
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Date