

**NEW MEXICO STATE BOARD OF FINANCE**

**REGULAR MEETING**

**HELD VIRTUALLY**

**January 19, 2022**

A regular meeting of the New Mexico State Board of Finance was called to order on this date at 9:06 am.

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

**Members Present:**

The Hon. Tim Eichenberg, State Treasurer [Acting Chair]

Mr. Joseph Badal, Public Member

Mr. Paul Cassidy, Public Member

Mr. Michael S. Sanchez, Secretary, Public Member [joining at 9:10 a.m.]

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**

Ms. Trevisani moved approval of the agenda, as published. Mr. Badal seconded the motion, which passed unanimously, with Treasurer Eichenberg, Mr. Badal, Mr. Cassidy and Ms. Trevisani voting in favor. [Not present: Mr. Sanchez]

**3. APPROVAL OF MINUTES: DECEMBER 21, 2021 (REGULAR MEETING)**

Mr. Cassidy moved approval of the minutes of the December 21, 2021, meeting, as presented. Mr. Badal seconded the motion, which passed unanimously, with Treasurer

Eichenberg, Mr. Badal, Mr. Cassidy and Ms. Trevisani voting in favor. [Not present: Mr. Sanchez]

**CONSENT AGENDA (Items 4-18)**

Presenter: Ashley Leach, Director, Board of Finance

Submitted by: Gerald Hoehne, Director, NMHED

4. **Eastern New Mexico University, Ruidoso—Requests Approval of Capital Expenditures for HVAC Replacement (\$500,000)**

5. **University of New Mexico Health Sciences Center/Hospital—Requests Approval of Capital Expenditures for the Renovation of Interventional Radiology Room 4 (\$575,000)**

6. **University of New Mexico Health Sciences Center/Hospital—Requests Approval of the Acquisition of Real Property Located at 1301 Lambertson Place NE in Albuquerque (\$3,750,000)**

- Contingent upon director's and counsel's receipt of (1) a fully executed purchase and sale agreement and (2) a fully executed warranty deed

7. **University of New Mexico Health Sciences Center/Hospital—Requests Approval of Capital Expenditures for Renovation of 1301 Lambertson Place NE (\$3,000,000)**

Submitted by: Stephanie LeMaster, Real Property Specialist, NGNM-DFM-PP

8. **State Armory Board—Requests Approval of the Donation of Real Property, Located at 2011 Industrial Park Road in Española, to the City of Española (no consideration)**

- Contingent upon director's and counsel's receipt of (1) a fully executed donation agreement and (2) a fully executed quitclaim deed

Submitted by: Robert L. Padilla, Court Executive Officer, Bernalillo Metropolitan Court

9. **Bernalillo County Metropolitan Court—Requests Approval of the Lease of Real Property, located at 801 4th Street NW in Albuquerque, to Fifty/Fifty Coffee House and Pub, LLC (\$14,904/year)**

- Contingent upon director's and counsel's receipt of a favorable TRD review of appraisal

Submitted by: Randy Hernandez, Chief Procurement Officer, Grant County

10. **Grant County—Requests Approval of the Lease of Real Property, Located at 2609 Camino Del Bosque in Silver City, to El Grito, Inc. (\$33,221/year)**

- Contingent upon director’s and counsel’s receipt of (1) a fully executed lease agreement, (2) a favorable TRD review of the revised appraisal, and (3) minutes from the County Commission approving the lease

Submitted by: Lucía F. Sánchez, County Manager, Rio Arriba County

**11. Rio Arriba County—Requests Approval of the Lease of Real Property, Located at 807 Calle Chamisal in Española, to Darrin’s Place LLC (\$204,00/year)**

- Contingent upon director’s and counsel’s receipt of a fully executed lease agreement

Submitted by: Ashley Leach, Director, Board of Finance

**12. Second Amending Resolution for State of New Mexico Supplemental Severance Tax Note Series 2018S-B**

**13. Open Meetings Act Resolution 22-01**

**14. Interest Rate Policy 22-02**

Submitted by: Vikki Hanges, Chief Investment Officer, State Treasurer’s Office

**15. State Treasurer’s Office Investment Report for Month-Ended November 30, 2021**

Submitted by: Ashley Leach, Director, Board of Finance

**16. Emergency Balances – January 19, 2022**

	<u>Balance</u>	<u>Appropriation</u>
Operating Reserve Fund	\$2,100,000.00	\$2,500,000.00
Emergency Water Fund	\$ 86,900.00	\$ 109,900.00

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

**18. Joint Powers Agreements for Month Ended December 31, 2021**

**Mr. Badal moved approval of the Consent Agenda, as presented. Mr. Cassidy seconded the motion, which passed unanimously, with Treasurer Eichenberg, Mr. Badal, Mr. Cassidy, Mr. Sanchez, and Ms. Trevisani voting in favor.**

**PRIVATE ACTIVITY BONDS**

Presenters: Chad Rennaker, President, Palindrome Communities; Westin Glass, Director of Development, Palindrome Communities; Marcos A. Gonzales, Assistant Director Economic Development, Bernalillo County

**19. Bernalillo County—Requests Approval of a Private Activity Bond Allocation for the Trailhead at Chamizal Apartments Project, Located in the Village of**

## **Los Ranchos de Albuquerque (not to exceed \$29,500,000)**

Mr. Gonzales stated that Bernalillo County is requesting approval of a Private Activity Bond cap allocation for a 204-unit multifamily housing project in the village of Los Ranchos. He said the complex will be for residents earning at or below 60 percent of the area median income (AMI).

Mr. Glass shared images of the project and provided descriptions. The project is a mix of 1-, 2-, and 3-bedroom units. They are working with Dekker/Perich/Sabatini with the goal of making the character of this complex fit with the architectural character of Los Ranchos, with native landscaping appropriate for the area. The apartment complex will be part of a mixed-use development that will include 10,260 square feet of retail space. The retail portion of the project will have approximately 20 “micro-retail” tenant spaces and an outdoor dining patio on the corner of 4th and Osuna.

Mr. Glass said the total project cost is \$54 million, at about \$266,000 per unit. The PAB funds will not be used for the micro-retail units. The project is roughly \$198 per square foot, which is calculated on their total cost for the three parcels under the PAB allocation.

Mr. Rennaker added that they are providing \$7 million of their own funding to this project. It is very uncommon for PAB bonds and low-income tax credits to cover all of the cost, so they are accustomed to putting in a fairly substantial investment of their own money into these projects. It will probably be a \$200 million project overall when it is finished in the next four to five years.

Mr. Cassidy noted that the purchase price of the land from the Village of Los Ranchos was one dollar, and asked how important that was in this project. Mr. Rennaker responded that this is typical of what their company does almost exclusively. They do private-public partnerships, as they did recently with El Vado and the City of Albuquerque. Palindrome paid one dollar for the site in the El Vado project but put in almost \$6 million of capital into that project. He said the Chamizal Apartments project is a very similar situation. The land was worth between \$5 million and \$6 million, and Palindrome feels that this project never would have moved forward had that subsidy not been available.

Mr. Glass clarified for Mr. Cassidy that the \$700,000 acquisition cost was for the purchase of property that was privately owned.

Secretary Romero asked if supply chain issues will affect this project in terms of finding the materials necessary for it, and how will that affect the cost.

Mr. Rennaker responded that it's not so much the increase in cost as the volatility. On a recent construction project in Albuquerque, they delayed signing the contract for their

lumber supply, which saved them \$1 million by waiting for the pricing to stabilize. He agreed that is a real problem and risk for everyone, and Palindrome has the financial capacity to handle ups and downs like that. He said this is the first stage of a much larger project, and it's imperative for them to do whatever is necessary to get this done to support the remaining phases.

Ms. Leach stated that approval of this item is contingent upon director's and counsel's receipt of a fully executed inducement resolution adopted by the Bernalillo County Commission.

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

**GENERAL SERVICES DEPARTMENT**

Presenter: Anna Silva, Facilities Management Division Director, General Services Department

**20. Capitol Buildings Repair Fund Financial Status Report for Month-Ended December 31, 2021**

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Ms. Silva presented this report.

**21. Legislative Capital Projects Financial Status Report for Month-Ended December 31, 2021**

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Ms. Silva presented this report.

Secretary Romero commented that she did capital outlay for years before her current job, and what she is seeing today is a big improvement over what used to be the case. Now, a lot of money is actually getting out the door and projects are being completed, which really speaks to the leadership of Ms. Silva and the General Services Department. She thanked Ms. Silva for all of her hard work.

**EXECUTIVE SESSION: 9:43 a.m.**

**Mr. Badal moved to enter executive session in order to discuss agenda item #22, Consideration of the Contract for Online Bill Presentment and Payment Services. Treasurer Eichenberg seconded the motion.**

Ms. deMeule stated that the motion to enter into executive session concerns content of competitive sealed proposals, which were solicited pursuant to the Procurement Code. Because the executive session concerns competitive sealed proposal content, it is being closed in accordance with NMSA 1978 Section 10-15-1 H(6) of the Open Meetings

Act. Following the roll call vote, the recorder will be turned off and the board will leave this public open session of the meeting and proceed into executive session.

**The motion passed unanimously by roll call vote, with Treasurer Eichenberg, Mr. Badal, Mr. Cassidy, Mr. Sanchez, and Ms. Trevisani voting in favor.**

[The board returned to open session at 9:54 a.m. Mr. Sanchez reported that the only matter discussed in executive session were the contents of competitive sealed proposals, solicited pursuant to the Procurement Code in accordance with NMSA 1978 Section 10-15-1 H(6) of the Open Meetings Act.]

**STAFF ITEMS**

Presenter: Ashley Leach, Director, Board of Finance

**22. Consideration of the Contract for Online Bill Presentment and Payment Services**

**Mr. Sanchez moved to approve the contract with Point & Pay LLC for the provision of online bill presentment and payment services contingent upon GSD approval. Treasurer Eichenberg seconded the motion.**

Mr. Cassidy commented that the board was very well represented in this, and thanked the committee for doing a great job.

**The motion passed unanimously, with Treasurer Eichenberg, Mr. Badal, Mr. Cassidy and Mr. Sanchez voting in favor. [Ms. Trevisani was not present for the vote, but had indicated during executive session that she would have voted in favor of the motion.]**

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



Michelle Lujan Grisham, President

February 17, 2022

Date



Michael S. Sanchez, Secretary

2/22/2022

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Date