

NEW MEXICO STATE BOARD OF FINANCE

REGULAR MEETING

Santa Fe, New Mexico

March 17, 2026

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, 4th Floor, State Capitol Building, Santa Fe, New Mexico.

1. ROLL CALL -- QUORUM PRESENT

Members Present:

The Hon. Howie Morales, Lt. Governor
The Hon. Laura M. Montoya, New Mexico State Treasurer
Mr. Paul Cassidy, Public Member
Mr. Joseph Lujan, Public Member

Members Excused:

The Hon. Michelle Lujan Grisham, President
Ms. Wendy Trevisani, Public Member
Mr. Michael S. Sanchez, Secretary, Public Member

Staff Present:

Ms. Ashley Leach, Director
Ms. Jeannette Gallegos, Deputy Director
Mr. Roberto Vasquez, Board Administrator
Mr. Zachary Shandler, Board Legal Counsel

2. APPROVAL OF AGENDA

Member Cassidy moved for approval. Treasurer Montoya seconded the motion, which passed unanimously.

3. APPROVAL OF MINUTES: February 17, 2026, Regular Meeting

Member Cassidy moved for approval of the February 17 minutes. Member Lujan seconded the motion, which passed, with Treasurer Montoya abstaining.

CONSENT AGENDA (Items 4-5)

Presented by: Ashley Leach, Director, State Board of Finance

Submitted by: Megan Manilla, Chief Financial Officer, New Mexico Educational Retirement Board

4. New Mexico Educational Retirement Board—Requests Approval of An Amendment (Change Order #4) to the Contract with Enterprise Builders Corporation for the Construction of the NMERB Headquarters, Located at 5211 Las Soleras Drive in Santa Fe (\$12,833,336.39)

- Contingent upon director and counsel receipt of a fully executed change order #4

Submitted by: Stephen Weinkauf, NM911 Bureau Chief, Department of Finance And Administration, Local Government Division

5. Department of Finance and Administration—Requests Approval of an Amendment to the FY26 Budget for the E-911 Program (\$30,052.121)

Member Lujan moved for approval of the Consent Agenda, with the contingency. Member Cassidy seconded the motion, which passed unanimously.

GENERAL SERVICES DEPARTMENT

Presenter: Anna Silva, Cabinet Secretary, General Services Department

6. General Services Department—Requests Approval of a Contract with Franken Construction Company, Inc. for the Construction of a State Fire Marshal Office, Fire Training Academy, and Memorial, Located at 27499 E. Frontage Road I-25 in Santa Fe (\$28,145,638.13)

Ms. Silva stated that the RFP for construction was released on February 10, 2026. There were five bidders, with Franken Construction submitting the lowest bid. The facility will have four training rooms with capacity for 40 students each, which can be opened up to create just one training facility or two rooms for 80 people. There will also be a kitchen, small gymnasium, break room, and bays for two fire engines. There will also be a memorial garden and amphitheater. The memorial wall will contain 43 names of fallen New Mexico firefighters with total capacity for 120 names.

Member Cassidy commented that it was striking to see a \$4 million difference between the first and second bids, with four bids in the \$29 million range. He commented that Franken is a good name but asked if this was a concern with the difference.

Ms. Silva responded that all of the bidders were interviewed, and the one thing that was a concern was the cost and timeline for phase 1, and that change orders would be unacceptable for the timeline or any of the items. The bidders were also asked about lead time beginning on day one, which would help with the cost of construction.

Member Cassidy asked if the \$25 million bid compared to the \$29 million bid was any indication of where construction costs might be going.

Ms. Silva responded that the number one driver for holding construction costs is competition, and the more competition they have, the better the pricing. GSD had seen that not only with this project but other projects. Previously they were seeing one or two bidders, and now they are seeing five or six.

Ms. Leach stated that approval is contingent upon director and counsel receipt of a revised and fully executed contract

Member Cassidy moved for approval, with the contingency. Member Lujan seconded the motion, which passed unanimously.

REAL PROPERTY DISPOSITIONS

Presenter: Corey Needham, County Manager, Lea County; Vance Nobe, Project Representative, Excelsior Hobbs Power, LLC

7. Lea County—Requests Approval of the Sale of Real Property, Located at The East/South Side of Arkansas Junction and Buckeye Road in Lea County, to Excelsior Hobbs Power, LLC (\$9,361,355)

Mr. Needham said the subject property was originally acquired in October 2010 for \$2,314,000. The property has been appraised at \$1,800 an acre, which would equate to \$3,460,000. They are proposing the sale to Excelsior for \$5,000 an acre, for a total of \$9,361,355.

Responding to Member Cassidy, Mr. Needham said Excelsior is primarily an energy company, so the property is being purchased and developed initially for electricity production with the intent to provide it to a commercial user. The preferred user would be a datacenter, which has not been identified yet. Lea County is strategically positioned for this project because of the natural gas availability, available land, and an industrial type of workforce. In addition, it is very close to three of Lea County's power plants.

Treasurer Montoya asked if there has been any opposition from community members or other communication from them. Mr. Needham responded that the project is in its infancy, so they have not had any. Over the last 30 days, however, they have passed resolutions at the county level addressing ways that they plan to protect the community should something like this come in, specifically with respect to water use and energy use. In terms of water, the user will be required to use an air-cooled or similar type of system, so that water use is only associated with tap and toilet functions. In terms of power, it is to be produced initially behind the meter and that there will be no increased cost to any of existing residential, commercial or

industrial users. They realize that this is only a first step and that other issues will have to be addressed in the future.

Ms. Leach stated that approval would be contingent on director and counsel receipt of (1) a fully executed sale agreement and (2) a fully executed quitclaim deed.

A representative from Excelsior stated that construction is expected to begin late in 2026 with operations to begin in early 2029.

Member Cassidy moved for approval, with the contingency. Member Lujan seconded the motion, which passed unanimously.

PRESENTATIONS

Presenter: Thomas Neale, Real Estate Director, University of New Mexico

8. South Campus Tax Increment Development District Annual Report

Mr. Neale made this presentation.

Responding to Member Cassidy, Mr. Neale said initial estimates are that the bonding capacity will be \$40 million. UNM has spent a lot of money on forming the TIDD and making improvements to the roadway within the TIDD. They have been working with the developer to make sure they have priority in reimbursement from the TIDD proceeds. Based on the credit strength of the occupants, their financial advisors are anticipating a sponge bond in November 2026 and a much larger bond in the summer of 2027. They think this will be sufficient in making the University whole.

Mr. Neale said UNM sees the Lobo Crossing Shopping Center as a launching point for an update of their financial projections.

INFORMATIONAL ITEMS

Presenter: Ashley Leach, Director, State Board of Finance

9. General Services Department Capital Buildings Repair Fund Financial Status and Legislative Capital Projects Financial Status Reports for Month-Ended February 28, 2026

Ms. Leach reported that, at the end of February, GSD expended about \$34.8 million out of a total of \$72.5 million in awards YTD. This is an increase of a little over \$4 million over the month. Fund balance was \$56.6 million at the end of February for the YTD and about \$15.6 million of that was uncommitted. YTD expenditures

Ms. Leach stated that, as of February, a total of about \$219 million was expended out of \$508.6 million in total appropriations.

10. State Treasurer’s Office Investment Report for Month-Ended January 31, 2026

Ms. Leach reported that, at the end of January, STO managed \$18.9 billion in assets. During the month, the office earned approximately \$57 million from its investment positions. On an unrealized mark-to-mark basis the portfolios decreased by \$12.2 million.

11. 2026 Legislative Report

Ms. Leach presented highlights of legislation passed during the last session that would have an impact on the Board.

12. General Obligation Bond Escrow Project Report

Ms. Leach stated that, at the December 2025 meeting, the Board authorized the defeasance of certain maturities of the State of New Mexico Capital Projects General Obligation Bonds, Series 2017A, 2019, and 2025, in an amount not to exceed \$115,000,000. The defeasance allowed the Board to utilize excess property tax revenues that accumulated in various debt service accounts for outstanding and fully paid general obligation bond series. Staff procured the services of Zions Bancorporation, National Association, to serve as the escrow and paying agent for the State for the defeased maturities. Staff also procured verification agent services from Causey Public finance, LLC. The escrow agreement was executed on January 21, 2026, at which time \$111,540,530.92 was transferred to Zions. This amount reflected the defeasance of the following principal amounts, totaling \$105,185,000:

- \$21,250,000, Series 2017 (single maturity, remaining principal outstanding after 3/1/26);
- \$27,365,000, Series 2019 (three maturities, remaining principal outstanding after 3/2/26); and
- \$56,570,000, Series 2015 (two principal maturities, including 3/1/27 and 3/1/28).

Ms. Leach commented that this was a great opportunity to create some savings for the state. Because this resulted in an increase in the general obligation fund bonding capacity, there will be \$9-\$10 million more capacity annually for the next ten years.

Presenter: Jeannette Gallegos, Deputy Director, State Board of Finance

13. State Board of Finance Emergency Funding Updates

Emergency Balances – March 17, 2026

	<u>Balance</u>	<u>Appropriation</u>
Operating Reserve Fund	\$ 908,553.57	\$4,000,000.00
FY25-26 Special Appropriation	\$0.00	\$2,000,000.00
Emergency Water Fund	\$0.00	\$ 109,900.00

Ms. Gallegos reported these balances.

Ms. Gallegos provided an update to the Board on the refined emergency funding administrative process that Board staff plans to implement on emergency funds in coordination with the Department of Finance and Administration.

Presenter: Ashley Leach, Director, State Board of Finance

14. Fiscal Agent and Custodial Bank Fees Report

Ms. Leach reported that fees continue to be negative for the month of February because of the earnings credit rate as well as the balance in the fund being held by Wells Fargo.

Ms. Leach reported that custody bank fees were \$14,591 in January.

15. Department of Finance & Administration Approved Joint Powers Agreements for Month-Ended February 28, 2026

Ms. Leach reported that there were two joint powers agreement approved in the month of February:

- New Mexico Department of Cultural Affairs and San Juan County: San Juan County is receiving a \$75,000 grant from the Land of Enchantment Legacy Fund to preserve, restore, and rehabilitate storm damage that has impacted Salmon Ruins near Bloomfield
- New Mexico Department of Cultural Affairs and Eastern New Mexico University: ENMU is receiving a \$10,181.21 grant from the Land of Enchantment Legacy Fund to stabilize and preserve well and section of stratigraphy at the Blackwater Draw National Historic Landmark and Museum.

ADJOURNMENT: 10:30 a.m.


Michelle Lujan Grisham, President

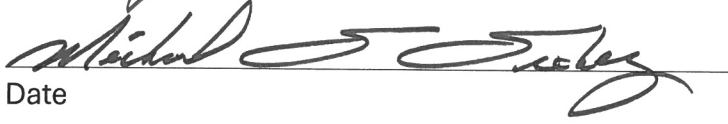
5/22/26

Date



Michael S. Sanchez, Secretary

July 26, 26

A handwritten signature in cursive script, appearing to read "Michael S. Sanchez", written over a horizontal line.

Date