

NEW MEXICO STATE BOARD OF FINANCE

REGULAR MEETING

Santa Fe, New Mexico

June 16, 2026

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

1. ROLL CALL -- QUORUM PRESENT

Members Present:

The Hon. Howie Morales, Lt. Governor [attending virtually]

Mr. Michael Sanchez, Secretary

Mr. Paul Cassidy, Public Member

Ms. Wendy Trevisani, Public Member

Members Excused:

The Hon. Michelle Lujan Grisham, President

The Hon. Laura M. Montoya, New Mexico State Treasurer

Mr. Joseph Lujan, 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 Trevisani moved for approval. Member Cassidy seconded the motion, which passed unanimously.

3. APPROVAL OF MINUTES: May 19, 2026, Regular Meeting

Member Cassidy moved for approval of the May 19, 2026, minutes. Member Trevisani seconded the motion, which passed unanimously.

CONSENT AGENDA (Items 4-11)

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

Submitted by: Joe Brown, Director of Capital Projects & Interim Director of Institutional Finance Divisions, Higher Education Department

4. University of New Mexico Health Sciences Center—Requests Approval of Capital Expenditures for Renovation of 1820 Randolph for the Relocation of the Contract Archaeology Program (\$3,600,000)

Submitted by: William Hawkins, Superintendent, Silver Consolidated Schools

5. Silver Consolidated Schools—Requests Approval of the Sale of Real Property, Located at 405 West Sixth Street in Silver City, to Western New Mexico University (\$1,400,000)

- Contingent upon director and counsel receipt of a fully executed quitclaim deed

Lt. Governor Morales commented that this property sale involved the State of New Mexico, Higher Ed, the Legislative Finance Committee, Public Education Department, Western New Mexico University and the Silver school system. He commended all of the parties involved for their assistance in making this possible.

Submitted by: Olivia Padilla-Jackson, VP Finance & Operations, Central New Mexico Community College

6. Central New Mexico Community College—Requests Approval of the Third Amendment to the Lease of Real Property, Located at 5600 Eagle Rock Avenue NE in Albuquerque, with the New Mexico Department of Finance and Administration (\$24,378.66/year)

- Contingent upon director and counsel receipt of a fully executed lease amendment

7. Central New Mexico Community College—Requests Approval of the Lease of Real Property, Located at 4700 Morris NE in Albuquerque, with New Mexico State University (\$43,906.50/year)

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

Submitted by: Julie Lovato, Contract Specialist, Energy, Minerals and Natural Resources Department

8. Energy, Minerals and Natural Resources Department—Requests Approval Of the Fifth Amendment to the Concession Contract with Outsource Adventures, LLC at Ute Lake State Park

Submitted by: Jacobo Martinez, Assistant Director of Housing Development, Housing New Mexico

9. **Housing New Mexico—Requests an Extension of its Private Activity Bond Volume Cap Allocation for the Montana Meadows/Wildewood Apartments, Located at 201 Montana Avenue in Las Cruces (\$14,129,723)**
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10. **Housing New Mexico—Requests an Extension of its Single-Family Housing 2026 Private Activity Bond Volume Cap Allocation (\$85,664,095.18)**
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Submitted by: Anna Silva, Cabinet Secretary, General Services Department

11. **General Services Department Annual Schedule of Repairs for July 1, 2026, through December 31, 2026**
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Member Cassidy moved for approval of the Consent Agenda, with the contingencies. Member Trevisani seconded the motion, which passed unanimously.

STAFF UPDATES

Presenter: Ashley Leach, Director, State Board of Finance

12. **Director's Report**

Ms. Leach reported that negotiations on the custody bank contract have ended and the contract will be in place by June 30.

Regarding the bonding program item (#15) on today's agenda, Ms. Leach stated that she reported last month that the Office of Broadband would be certifying the need for \$10 million annually separately from the Public School Outlay Council based on legislation passed in 2025. The Board of Finance has received the certification and will be working with them between now and December on next June's certification to make sure the Board really understands the program and how the funding is being spent and on what timeline. This is a fairly new program, and they are working through how they are providing grants through school districts as a state match to federal funds they receive for broadband, along with other details.

BONDING PROGRAMS

Presenter: Luis Carrasco, Bond Counsel, Rodey, Dickason, Sloan, Akin & Robb P.A.

13. **Amending Resolution for State of New Mexico Severance Tax Bonds, Series 2026A (Maximum Principal Amount of \$385,000,000) (Providing Final Project List and Redemption Notice Requirements)**
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Mr. Carrasco stated that the purpose of this resolution is to finalize the list of projects following completion of the due diligence process by Board, Tax and Bond counsel. The resolution also amends Section 10 of the Board's May 19, 2026, resolution to flesh out the

requirements for providing notice of redemption should the Board elect to redeem certain maturities prior to their maturity date.

14. Amending Authorizing Resolution for State of New Mexico Severance Tax Bonds, Series 2026S-A1 and Series 2026S-A2 (Maximum Principal Amount of \$850,000,000) (Providing Final Project List)

Mr. Carrasco stated that the main focus of this resolution is to finalize the list of projects following completion of the due diligence process. The notes are a series of short-term bonds customarily issued by the Board to fund legislatively approved projects. The S-A1 note will be in the amount of \$513,306,000, which includes \$185,864,000 to the Water Trust Board, \$92,932,000 to the Tribal Infrastructure Board, \$92,932,000 for the Colonias Infrastructure Board, and \$51,628,000 to fund the New Mexico Housing Trust Fund. The resolution also memorializes the anticipated deposit to the Capital Development and Reserve Fund. The deposit will be funded with the proceeds of the 2025S-A2 note in the amount of \$197,100,000, which is the maximum amount authorized. Both notes total \$710,406,000.

15. Amending Reauthorizing Resolution for State of New Mexico Supplemental Severance Tax Bonds, Series 2026S-B (Maximum Principal Amount of \$700,000 (Providing Final Project List)

Mr. Carrasco stated that the main purpose of this resolution is to finalize the list of projects following the due diligence process. The final project list includes \$150,045,800 for the Public School Capital Outlay Council, \$10,000,000 for the Office of Broadband Access and Expansion, and any remaining capacity for the UNM School of Medicine, anticipated to be approximately \$170,000,000. The total amount is \$330,045,800 or less, depending on the final receipts.

16. Resolution Reauthorizing Certain Severance Tax Bond/Note Projects

Mr. Carrasco stated that this resolution provides approval for projects reauthorized during the 2026 legislature for a change in purpose, a change in oversight agency, or an extension of time.

Member Cassidy moved for approval of Item 13. Member Trevisani seconded the motion, which passed unanimously.

Member Trevisani moved approval of Item 14. Member Cassidy seconded the motion, which passed unanimously.

Member Cassidy moved for approval of Item 15. Member Trevisani seconded the motion, which passed unanimously.

Member Trevisani moved approval of Item 16. Member Cassidy seconded the motion, which passed unanimously.

Presenters: Luis Carrasco, Bond Counsel, Rodey, Dickason, Sloan, Akin & Robb P.A.; David Paul, Financial Advisor, Fiscal Strategies Group; Ashley Leach, Director, State Board of Finance

17. Informational Presentation on the Final Terms Certificate for State of New Mexico Severance Tax Bonds, Series 2026A

Mr. Carraco reviewed the Final Terms Certificate.

E-911 PROGRAM

Presenter: Stephen Weinkauff, NM911 Bureau Chief, Department of Finance and Administration, Local Government Division

18. Department of Finance and Administration—Requests Approval of the E-911 Program FY27 Budget (\$21,790,605)

Mr. Weinkauff stated that this request for \$21,790,605 is to fund 36 grantees representing 44 primary Public Safety Answering Points (PSAPs). Within that total statewide project, they are proposing an \$18,322,092 operating budget and are carrying over a previously authorized capital budget of \$3,468,513.

Mr. Weinkauff said key highlights of the FY27 budget request are the termination of the legacy E-911 Voice Network and inclusion of a Computer Aided Dispatch (CAD) System Maintenance budget, which is a new budget category as a result of rule change 10.6.2 NMAC.

Mr. Weinkauff said they have a very healthy fund. The projected fund balance will be over \$12 million at the end of the fiscal year. Projected annual revenues are between \$24.8 million and \$25.6 million.

Responding to Member Trevisani, Mr. Weinkauff said their funding includes some AI-based technologies. This includes call transcriptions that can be analyzed to provide training. While a 911 call will probably never be answered by AI, they see AI being used to answer non-emergency calls and being programmed to pick up certain key words from the caller that moves the call to the 911 queue.

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

PRIVATE ACTIVITY BONDS

Presenters: Dan Foster, Senior Development Manager, Chelsea Investment Corporation; Michelle DenBleyker, YES Housing; Marcos Gonzales, Executive Development Officer, Bernalillo County; Parker Schenken, Bond Counsel

19. Bernalillo County—Requests a Private Activity Bond Volume Cap Allocation and Extension for the West Mesa Ridge B Project in Albuquerque (\$12,900,000)

Mr. Foster stated that Bernalillo County is requesting an extension to December 15, 2026, as the volume cap will expire July 1 and they are not anticipating closing on the issuance until October. He stated that this project will be a 144-unit multifamily apartment project off of Coors and Glenrio in Albuquerque, being developed by YES Housing and Chelsea Development Corporation. This is the second phase of a three-phase development. Phase A is now under construction. All units in West Mesa Ridge B will be rent restricted for residents at or below 70 percent AMI with rent ranging from 30 percent to 70 percent AMI.

Member Cassidy noted that the West Mesa Ridge community features a dedicated on-site STEM focused early childhood education and workforce training center, which is unique. Mr. Foster said the program is being funded, developed and operated by Youth Development Inc. (YDI).

Member Cassidy asked if it is receiving funding from the state's Early Childhood Education Fund. Ms. DenBleyker responded that YDI benefits from that funding, so she believed that would be part of their capital funding.

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

EMERGENCY FUNDING

Presenters: Prudence Brady, Projects Coordinator, City of Bloomfield; Alwyn Sandoval, Project Administrative Assistant, City of Bloomfield; George Duncan, City Manager, City of Bloomfield

20. City of Bloomfield—Requests an Emergency Grant for the Completion of Of its West Water Tank Storage Project (\$259,972)

Mr. Duncan stated that the City of Bloomfield is requesting an emergency grant to address a funding gap for the replacement of its 1-million-gallon west water storage tank. The project began in 2021 when an inspection of the existing tank identified a number of conditions, including structural deterioration, corrosion and overflow leakage that required its replacement. The New Mexico Environment Department identified similar issues that could result in water outages and regulatory compliance violations. The City secured a \$2.1 million legislative appropriation in 2022 and \$526,000 in 2025 Capital Development Program Fund

money for the tank's replacement. Unfortunately, a series of unforeseen events significantly affected the project timeline. At the current time, the project remains under construction, but there is an unfunded balance of \$259,972. Without this funding, the City will likely have to issue a stop work order. He requested the Board's consideration of a grant in the amount of \$259,972.

Member Trevisani asked Mr. Duncan what events caused such a significant delay. Mr. Duncan responded that there were several, including the federal government shutdown in 2025 and moving the tank from City-owned property to Bureau of Land Management property, requiring federal approvals and environmental coordination. Most recently, there was a completely unexpected steel procurement delay due to the global supply chain.

Ms. Leach stated that approval would be contingent upon director and counsel receipt of a reviewed and fully executed resolution from the City of Bloomfield reflecting the final and corrected request amount.

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

Presenters: Martin Neave, Mayor, City of Lordsburg; Kristin Johansen, Water Project Manager, Stantec Corporation; Dusti Conover, Financial Officer, City of Lordsburg; Frank Madrid, Utilities and Environmental Supervisor, City of Lordsburg; Priscilla Lucero, Southwest NM Council of Governments

21. City of Lordsburg—Report on Emergency Operating Grant #209-223 and Request for Additional Emergency Grant Funding to Address High Levels of Fluoride in the City's Water System (\$448,581.57 / remaining emergency Fund Balance)

Ms. Conover reported that the City of Lordsburg has made considerable progress, including completing a benchtop hydrogeologic study that included a water quality records review. Progress has also been made on condition assessment of groundwater wells and a field study to test fluoride at different groundwater depths. The City has three wells, one of which is inactive. The other two wells show high levels of fluoride and poor water quality. An infrastructure report reflects that the water treatment infrastructure is in critical condition and beyond the end of its useful life. Several recommendations have come out of the condition assessment, which determined that rehabbing the wells would be very expensive to operate and maintain and risky as well. They recommend drilling a new well and tapping into the lower geological area, which is a fluoride zone with lower concentration. The other recommendation is to proceed with a long-term design for the treatment plant. Ms. Conover said they would like to request that the money spent to date be reallocated towards these two items.

Ms. Lucero stated that approval by the Board of this request would open the door for the City in requesting additional funding from the legislature. Currently, there is \$130 million available for water projects from the Unit Fund, and the first round of applications will take

place in July or August. Money is also available through the Water Trust Board and the Colonias Infrastructure Fund.

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

INFORMATIONAL ITEMS

Presenter: Anna Silva, Cabinet Secretary, General Services Department

22. General Services Department—General Services Department Biannual Inventory of Buildings Report

Secretary Silva stated that the list of 785 buildings includes any buildings that are in the process of being demolished.

23. General Services Department Capital Buildings Repair Fund Financial Status and Legislative Capital Projects Financial Status Reports for Month-Ended May 31, 2026

Secretary Silva presented this report.

Presenter: Ashley Leach, Director, State Board of Finance

24. State Treasurer's Office Investment Report for Month-Ended April 30, 2026

Ms. Leach reported that STO managed \$19.9 billion in assets at the end of April, an increase from \$18.9 billion in the previous month. During the month, the office earned \$58.6 million from its investment positions.

25. State Board of Finance Emergency Funding Updates

Emergency Balances – June 16, 2026

	<u>Balance</u>	<u>Appropriation</u>
Operating Reserve Fund	\$ 708,553.57	\$4,000,000.00
FY25-26 Special Appropriation	\$0.00	\$2,000,000.00
Emergency Water Fund	\$0.00	\$ 109,900.00

Ms. Leach reported these balances. Given the allocation to the City of Bloomfield today, and the balance to the City of Lordsburg, the Operating Reserve Fund is at zero balance.

26. Fiscal Agent and Custodial Bank Fees Report

Ms. Leach reported that, in May, there were negative fiscal agent fees. Gross fees prior to application of the earnings credit were about \$102,000.

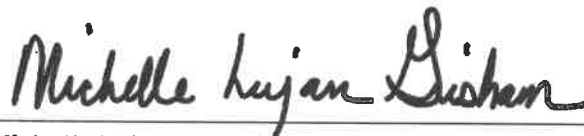
Ms. Leach said custodial bank fees have remained steady at about \$15,000.

27. Department of Finance & Administration Approved Joint Powers Agreements for Month-Ended May 31, 2026

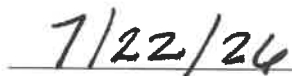
Ms. Leach reported that the following JPAs were approved by the Department of Finance & Administration for the month of May:

- Mora County Sheriff's Office and the Village of Wagon Mound: The Mora County Sheriff's Office will provide Law Enforcement Services to the Village of Wagon Mound due to the Village's current inability to provide these services.
- Wyoming Game and Fish Commission and the New Mexico Department of Game and Fish: To facilitate joint conservation law enforcement investigations between the state of Wyoming and New Mexico Game and Fish, including the reciprocal and interstate use of equipment, personnel, and services.

ADJOURNMENT: 10:47 a.m.



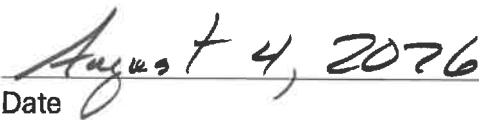
Michelle Lujan Grisham, President



Date



Michael S. Sanchez, Secretary



Date