

NEW MEXICO STATE BOARD OF FINANCE

REGULAR MEETING

VIRTUAL MEETING

Santa Fe, New Mexico

January 16, 2025

A regular meeting of the New Mexico State Board of Finance was called to order on this date at 9:00 a.m. in the Governor's Cabinet Room, fourth floor, State Capitol Building, Santa Fe, New Mexico. All participants were attending virtually.

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

Mr. Michael S. Sanchez, Secretary, Public Member

Ms. Wendy Trevisani, Public Member

Staff Present:

Ms. Ashley Leach, Director

Mr. Marcos B. Trujillo, Deputy Director

Legal Counsel Present:

Mr. Blaine Moffatt

Ms. Rebecca Guay

2. APPROVAL OF AGENDA

Treasurer Montoya moved approval of the agenda, as published. Member Cassidy seconded the motion, which passed unanimously.

3. **APPROVAL OF MINUTES: December 17, 2024, Regular Meeting**

Treasurer Montoya moved approval of the December 17, 2024, minutes. Member Lujan seconded the motion, which passed unanimously.

CONSENT AGENDA (Items 4-15)

Presenter: Ashley Leach, Director, Board of Finance

Submitted by: Joe Brown, Capital Projects Director, Higher Education Department

4. **New Mexico State University—Requests Approval of Capital Expenditures for Renovations to Hadley Hall (\$1,471,566)**

5. **New Mexico Institute of Mining and Technology—Requests Approval of Capital Expenditures for Phase II Construction of the New Petroleum Research Recovery Center (\$8,500,000)**

6. **University of New Mexico, Taos—Requests Approval of Revised Capital Expenditures of Fred Peralta Hall (\$6,458,163)**

7. **University of New Mexico—Requests Approval of Capital Expenditures for Renovations of the Tow Diehm Athletic Facility (\$6,790,000)**

8. **University of New Mexico—Requests Approval of the Acquisition of Real Property, Located at 1000 Avenida de Cesar Chavez in Albuquerque (\$5,000,000)**

- Contingent upon director's and counsel's receipt and review of a fully executed warranty deed

Submitted by: Mona Romero, Real Property Agent, Bernalillo County

9. **Bernalillo County—Requests Approval of the Lease of Real Property, Located at 2045 and 2051 Wyoming Blvd. in Albuquerque, to Wings for Life (\$111,120/year)**

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

Submitted by: Stephen Weinkauff, E-911 Bureau Chief, Department of Finance and Administration

10. **Department of Finance and Administration—Requests Approval of an Amendment to the FY25 Budget for the E-911 Program (\$17,435,533)**

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

11. Housing New Mexico—Requests a Private Activity Bond Volume Cap Allocation for the Sunset 1600 Project, Located in Roswell (\$5,700,000)

Submitted by Ashley Leach, Director, State Board of Finance

12. Determination of 2025 Board of Finance Secretary

Ms. Leach stated that it has been recommended that Sen. Michael Sanchez continue serving as Board Secretary.

13. Determination of Members for Private Activity Bond, Banking, Audit, Rule Change, and Procurement Subcommittees

Ms. Leach stated that the list of members, which can be found on page 1191 in the board book, will be posted on the Board of Finance website following this meeting.

14. Open Meetings Act Resolution 25-01

Ms. Leach stated that the resolution could be found on page 1193 in the board book.

15. Interest Rate Policy 25-02

Ms. Leach stated that the Interest Rate Policy 25-02 could be found on page 1197 of the board book.

Treasurer Montoya moved for approval of the Consent Agenda, with the contingencies stated by the director. Member Cassidy seconded the motion, which passed unanimously.

HIGHER EDUCATION

GRADUATE PROGRAMS

Presenters: Dr. Ricardo Ramirez, Department Head, Entomology, Agricultural Consumer, and Environmental Sciences, NMSU; Dr. Donald Conner, Associate Dean & Director of Academic Programs, NMSU; Dr. Ranjit Koodali, Dean of the Graduate School & Associate Provost of International Affairs, NMSU; Dr. Jody Weber, Administrator, Academic Affairs and Policy Division, HED; Dr. Mark Chisholm, Director, Academic Affairs and Policy Division, HED

16. New Mexico State University—Requests Approval of the Doctor of Philosophy in Applied and Agricultural Biology Program

Dr. Ramirez made a slide presentation. He stated that no other institution in New Mexico offers a Ph.D. in this field, making NMSU unique in offering a program that includes disciplines of entomology and weed science.

Dr. Ramirez said enrollment projections are two students a year (year 1 through year 5). This doesn't account for the current Ph.D. students that would be transferring in the initial term. No additional expenses would be needed for the program, and faculty are in place for the program, as are facilities, equipment and tech resources. Currently EPPWS (Entomology, Plant Pathology & Weed Science) faculty serve as major advisors to Ph.D. students.

Member Cassidy said he was impressed that NMSU has the capacity to put on this Ph.D. program without additional faculty and resources, so the projected revenues appear to be additive. He commented that the grant funding for FTE was very impressive. He asked how many students are in the various programs under these degrees.

Dr. Ramirez responded that they currently have 13 master's students, a number they expect to double through the Ph.D. program.

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

EMERGENCY FUNDING REQUESTS

Presenters: Tanya Torres, Facility Management Director; Lissa Lowe, CEO; Erica Perrine, CFO, Bernalillo County Metropolitan Court

17. Bernalillo County Metropolitan Court—Requests Approval of Emergency Funding for Water Damage Repairs at the Metro Park Parking Structure and Bernalillo County Metropolitan Courthouse Executive Parking Garage, Located at 801 4th Street and 401 Lomas Blvd in Albuquerque (\$650,000)

Ms. Lowe stated that Judge Sanchez was not available for this meeting because he was in court.

Ms. Lowe stated that in January 2024, Bernalillo County Metropolitan Court (BCMC) staff found evidence of leaks and water damage due to drainage and water ponding issues on the top level of the BCMC parking structure. BCMC promptly retained the services of a structural engineer to investigate the extent of the damage. The engineer determined that the water damage has caused significant stress to the concrete pillars that support the structure, and it would be in the best interest of BCMC to use a phased approach. BCMC initiated Phase 1 and is requesting funding to move forward with the next two phases to begin repairs and remediation on that area.

Ms. Lowe stated that, additionally, after a heavy rainfall in August 2024, they experienced additional damage in their executive parking garage due to an exterior grade-level planter that was improperly draining into the parking garage. The structural engineer determined that the planter would have to be removed to prevent further damage, as this could potentially affect the support of the main courthouse.

Ms. Lowe said they are requesting emergency funding in the amount of \$650,000 so they can proceed with both projects. This request includes contingency funding to cover any additional damage that may be found during the remediation.

Ms. Lowe noted that they did request \$294,800 in capital outlay funding for the 2025 legislative session. They presented this request before the LFC yesterday, which recommended approval for \$300,000. BCMC didn't request the full amount because it just received its invoices after estimates had been conducted. Estimates came in after they submitted the funding request. They are requesting the entire \$650,000 from the board today with the intention of repaying a loan from the board.

Responding to Treasurer Montoya, Ms. Green stated that BCMC does not have reserve funding that it could apply to this project, as any remaining balances in the general fund are reverted at the end of the fiscal year. Last fiscal year, they reverted about \$6,000.

Treasurer Montoya asked how they plan to repay the board if they get the \$300,000 recommended by the LFC. Ms. Green responded that they would repay the board back at a rate of \$65,000 every year until the loan was paid off. They would also request funding from the budget committee to add to their budget.

Member Cassidy asked what their cash flow needs are going forward not only with the \$300,000 but with the \$650,000. He commented that it appears that this is truly an emergency and BCMC is likely to find additional problems while undertaking this remediation and is also likely to expend the \$650,000 before the end of June 2025.

Ms. Lowe responded that they have the funding to start this project immediately and will be good to go once they receive the funding. They hope the \$115,921 contingency money included with the \$650,000 will be enough, but if it turns out that it isn't, they expect they will appear before the board to request additional funding.

Responding to Lt. Governor Morales, Ms. Leach said the application submitted by BCMC specified either a grant or a loan; however, staff is recommending a grant. The requested capital outlay would probably not come to the Court until June or possibly July. Because the board reverts the balances of its emergency funds at the end of June, it would receive repayment of the loan late in the fiscal year, so technically the board would be swapping general fund with general fund and wouldn't be replenishing its emergency fund in time for reallocation in FY 2025. In those cases, the staff historically has recommended a grant.

Ms. Green confirmed that BCMC will not proceed with the capital outlay request if they receive the grant funding.

Member Cassidy moved approval of emergency funding to Bernalillo County Metro Court in the amount of \$650,000 in the form of a grant. Treasurer Montoya seconded the motion, stipulating that there will be no request for capital outlay in the same amount. The motion passed unanimously.

PRIVATE ACTIVITY BONDS

Presenters: Kristy Donaldson, Chelsea Investment Corp.; Michelle DenBleyker, YES Housing.; Jeff Ryan, Chelsea Investment Corp.

18. Bernalillo County—Requests a Private Activity Bond Volume Cap Allocation for the West Mesa Ridge A Project, Located in Albuquerque (\$28,900,000)

Ms. Donaldson stated that the West Mesa Ridge project is a three-part multiphase development that includes mixed-use and multifamily affordable housing. The first phase consists of 120 units, all affordable. The project is being developed on 12.4 acres of land located on the west side of Albuquerque off Coors Boulevard. The range of AMIs they are targeting are from 30 percent to 80 percent. There will be 34 one-bedrooms, 70 two-bedrooms, and 24 three-bedrooms. She said this will be Chelsea's first bond deal in New Mexico.

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

Presenter: Leandro Cordova, Deputy County Manager, Santa Fe County; Jeff Young, Santa Fe County Attorney; Paul Olafson, Deputy Director, Growth Management, Santa Fe County; Peter Franklin, Bond Counsel; Ronald Mehl, Senior Vice President and Project Partner, Dominion Apartments

19. Santa Fe County—Requests a Private Activity Bond Volume Cap Allocation for the Turquoise Trail Project, Located in Santa Fe (\$70,000,000)

Mr. Cordova stated that Santa Fe County has invested \$4.5 million in the last year in their developer assistance program, helping to bring 770 units of affordable housing into the Santa Fe area in five different projects over the next few years.

Mr. Cordova said Turquoise Trail Apartments will have 312 units, located at 4608 Highway 14, Santa Fe, just south of the intersection of Cerrillos Road and I-25. The development will consist of 13 three-story walkup buildings, containing 120 two-bedroom, 132 three-bedroom, and 60 four-bedroom units, all of which will be 100 percent rent-restricted for households below 60 percent annual median income. The development includes a large community building with management office and a large community area

with kitchen, exercise room, and meeting room for community events. There will be ramadas, a tot lot, and grilling areas.

Responding to Member Lujan, Mr. Cordova said the water will be provided by the county utility. Most of the county's developer assistance fund was used to pay Santa Fe County for the water rights Dominion will be using.

Mr. Cassidy asked whether the Rail Runner station had anything to do with the location of this facility. Mr. Cordova responded Santa Fe County has received a grant from New Mexico DOT to further develop their county trail infrastructure to have a better connection to downtown, and eventually people will have the ability to connect all the way to the downtown from the trail infrastructure.

Mr. Mehl stated that it is difficult to find zoned property, especially for this type of density. He said there are everyday goods and services within about a mile from the site, which is not workable, but the new rail stop will be about a mile from this site as well. He said a lot of people who work in Santa Fe live in Albuquerque, and this really does serve a need for that population. Most residents are families, and they think this site will provide the needed affordable housing for that population, although access to goods is not walkable. He said it is difficult to find zoned sites at a price that works for this type of housing.

Treasurer Montoya asked what the monthly rental rates would be. Mr. Mehl responded that it varies by county. Household income for a one-person household is \$38,460, for two persons it is \$43,920, for three persons it is \$49,440, and for four persons it would be \$54,900. Rental rates would be \$1,119 for a two-bedroom, \$1,259 for a three-bedroom, and \$1,369 for a four-bedroom. Construction will start in July and will take two years to get built. Those numbers will change depending on area median incomes (AMI), but they will be committing the property to those rent levels for the 60 percent AMIs for a period of 20 years.

Responding to Treasurer Montoya, Deputy Director Trujillo said a little over 1,000 jobs will be generated during the construction period. After the construction period, there will be five full-time and five part-time positions.

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

[Lt. Governor Morales stepped away from the meeting.]

INFORMATIONAL ITEMS

Presenter: Ashley Leach, Director, State Board of Finance

20. Presentation of the 2024 Annual Financial Information Filing

Ms. Leach reported on the final changes to this report, which were very minor and addressed a couple of numeric changes to property tax valuations and outstanding debt for cities and counties. Those have been incorporated, and the final report will be filed later today or early tomorrow.

Presenter: Ashley Leach, Director, State Board of Finance

21. General Services Department Capital Buildings Repair Fund Financial Status Report for the Month-Ended December 31, 2024

Ms. Leach presented this report.

22. General Services Department Legislative Capital Projects Financial Status Report for Month-Ended December 31, 2024

Ms. Leach presented this report.

23. State Treasurer’s Office Investment Report for Month-Ended November 30, 2024

Ms. Leach presented this report.

24. Emergency Balances – January 16, 2025

	<u>Balance</u>	<u>Appropriation</u>
Operating Reserve Fund	\$3,271,056.57	\$4,000,000.00
Emergency Water Fund	\$0.00	\$ 109,900.00

Ms. Leach reported these balances.

25. Fiscal Agent and Custodial Bank Fees Report

Ms. Leach presented this report.

26. Department of Finance & Administration Approved Joint Powers Agreements for Month-Ended December 31, 2024

Ms. Leach presented this report.

ADJOURNMENT: 10:30 a.m.

Michelle Lujan Grisham

Michelle Lujan Grisham, President

2-27-25

Date

Michael S. Sanchez

Michael S. Sanchez, Secretary

2/27/25

Date