MINUTES
of the
SECOND MEETING
of the
NEW MEXICO FINANCE AUTHORITY OVERSIGHT COMMITTEE

July 17-18, 2017
State Capitol, Room 322
Santa Fe

The second meeting of the New Mexico Finance Authority (NMFA) Oversight Committee for the 2017 interim was called to order by Representative Bill McCamley, chair, on Monday, July 17, 2017, at 9:05 a.m. in Room 322 of the State Capitol in Santa Fe.

Present
Rep. Bill McCamley, Chair
Sen. Jacob R. Candelaria, Vice Chair
Rep. Alonzo Baldonado
Sen. Craig W. Brandt
Rep. Sharon Clahchischilliage
Rep. Kelly K. Fajardo
Rep. Harry Garcia
Sen. Ron Griggs
Sen. Richard C. Martinez
Sen. Michael Padilla
Rep. Jane E. Powdrell-Culbert
Rep. Patricia Roybal Caballero
Sen. William E. Sharer (7/17)
Rep. Linda M. Trujillo (7/17)

Absent
Sen. Joseph Cervantes
Rep. George Dodge, Jr.
Rep. Jimmie C. Hall
Rep. Debbie A. Rodella
Sen. Nancy Rodriguez
Rep. Patricio Ruiloba

Advisory Members
Rep. Bealquin Bill Gomez
Rep. Patricia A. Lundstrom (7/17)
Sen. Mary Kay Papen
Sen. John Pinto
Rep. Tomás E. Salazar (7/17)
Sen. Clemente Sanchez (7/17)
Rep. Sheryl Williams Stapleton
Sen. Bill Tallman (7/18)

Rep. Brian Egolf
Sen. Jeff Steinborn
Sen. Pat Woods
Rep. Monica Youngblood

Guest Legislator
Rep. Miguel P. Garcia (7/18)

(Attendance dates are noted for members who did not attend the entire meeting.)

Staff
Tessa Ryan, Staff Attorney, Legislative Council Service (LCS)
Rebecca Griego, Records Officer, LCS
Kathleen Dexter, Researcher, LCS
Michelle Jaschke, Researcher, LCS
Celia Ludi, Staff Attorney, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file.

__**Monday, July 17**__

State Bond Rating — History, Current Status and Outlook

Jon Clark, chief economist, Legislative Finance Committee (LFC); David Paul, president, Fiscal Strategies Group, and financial advisor to the State Board of Finance (BOF); and Stephanie Schardin Clarke, deputy secretary, Department of Finance and Administration (DFA), reported to the committee on the state's bond ratings, how the ratings are determined and the impact of recent changes to the ratings.

Bond ratings are credit rating agencies' assessments of New Mexico's ability to repay bonds, based on the state's fiscal strengths and weaknesses. While the ratings are "forward-looking", they are based on historical data and are revised in response to changes in the state's fiscal profile. Moody's Investors Service (Moody's) and Standard & Poor's Financial Services LLC (S&P) are currently the only two agencies that have issued bond ratings for New Mexico, and they use different methodologies for determining those ratings: S&P takes an analyst-driven approach, and Moody's uses a market-driven approach. Despite the difference in methodologies, the two agencies' ratings are essentially the same for New Mexico, with the state's general obligation bonds (GOBs) categorized as "strong with a negative outlook" and severance tax bonds (STBs) categorized as "strong with a stable outlook".

Both agencies downgraded the state's bond ratings in 2016, and there is a possibility that S&P will soon further downgrade its GOB rating. One factor in the downgrades is the state's near-depletion of cash reserves, which have historically served as a critical offset to the state's low "wealth factor" in bond ratings. With reserves projected to be only three percent by the end of fiscal year (FY) 2018, the state will remain on the rating agencies' "negative watch list".

Counties, municipalities and school districts have their own bond ratings, which can be affected by factors that might have less of an impact on a statewide rating. Mr. Paul cited Hartford, Connecticut, as an example: when Aetna announced it would be relocating and tens of thousands of jobs would leave the city, Hartford's municipal bond rating was downgraded.

School district bond ratings in New Mexico are vulnerable in other ways: these ratings are directly affected by changes in the state's bond ratings and are also affected when the state taps school district cash balances, as happened in the 2017 regular legislative session.

There are some positive factors that feed into New Mexico's bond ratings. The state's debt ratio is average when compared with other states that have similar bond ratings and is on a downward trend. Unfunded pension liabilities are also average compared with other states, and New Mexico has recently enacted reforms to its pension systems. In addition to these factors, panelists identified restoration of cash reserve levels and reporting on the Comprehensive Annual Financial Report (CAFR) as issues affecting the state's bond ratings.

In discussion, the presenters and committee members addressed the following topics.

Bond rating factors. The main factors in New Mexico's ratings are its cash reserves, pension liabilities, financial reporting and economic growth. Economic diversification beyond a heavy dependence on the oil and gas industry and government employment could help stabilize the state's economy and its bond ratings. Currently, low cash reserves are the greatest risk factor for the state's GOB rating, and volatile oil and gas prices are the greatest risk factor for the STB rating.

Pension funds. If the state's pension funds are put on an "automatic escalator" system tied to fluctuating state revenue rather than the fixed amount currently required, the state would put more into the funds in years when revenue is high and less when revenue dips. A string of bad years, however, could leave the pension funds shy of what they need. Other risks to the pension funds are decreases in public employment and corrections to the equity market.

Panelists additionally mentioned that recently enacted changes to the state's pension systems affected future employees, not the vested property rights of current employees.

Poverty and other economic factors. Some of the factors that Moody's considers when determining a state's poverty score are the percent of families living below the federal poverty level, the percent of the population enrolled in Medicaid, the impact of the earned income tax credit on the state and the state's cost of providing social services. The BOF has a working group that considers information from multiple state agencies on current economic factors, including poverty, prior to any bond issuance.

Municipal bankruptcy. If a municipality declares bankruptcy, the state becomes the oversight entity. A bankrupt governmental entity enters into an agreement with the state through the state aid intercept program, under which the state covers the entity's financial obligations and repays itself by withholding future state funding to the entity. The Local Government Division of the DFA monitors entities for signs of financial problems that might lead to bankruptcy.

CAFR qualified opinion. The qualified opinion that was issued for the state's FY 2016 CAFR concerned the Land Grant Permanent Fund and how its beneficiary distributions are classified: whether they are assets of the State Investment Council (SIC) or assets of each beneficiary. One of the beneficiaries needs to declare its distribution as its own asset and would be harmed if the asset were assigned to the SIC.

Fitch Ratings. New Mexico does not have a bond rating from the third ratings agency, Fitch Ratings, because most investment agencies require only two ratings.

DFA versus LFC revenue outlooks. Differences between the revenue outlooks presented by the DFA and the LFC reflect the age of the data. The LFC's numbers are based on the December 2016 consensus revenue estimate, while the DFA's numbers include revenue received since that time.

Rating downgrades. When a bond rating is downgraded, the cost of borrowing increases. Each percentage point increase in borrowing costs comes to $10,000 per $1 million borrowed. To date, higher education institution bond ratings have not been downgraded, but declining enrollment and budget cuts may affect the ratings. A downgrade in bond ratings does not affect the amount of money available for capital outlay projects but does affect the cost of borrowing money for those projects.

Bond refinancing. The BOF and the DFA monitor the bonds issued by the state in the past for opportunities to refinance them.

State permanent funds. The permanent funds are not considered reserve funds by the rating agencies, and their use is subject to voter approval.

Oil and gas revenue. One-third of the state's revenue is tied to the oil and gas industry. The Consensus Revenue Estimating Group projects how much oil and gas revenue the state may receive in the upcoming fiscal year based on research conducted by the University of New Mexico (UNM) Bureau of Business and Economic Research.

State Bond Rating Changes and Local Project Financing Impacts

Mark Valenzuela, first vice president, New Mexico Public Finance Group, George K. Baum and Company; Erik Harrigan, director, RBC Capital Markets; and Zach Dillenback, chief lending officer, NMFA, reported to the committee on the impact to local governments of changes in the state's bond ratings.

The panelists clarified that there are four types of bonds:

- GOBs, which must be approved by voters and are repaid with property taxes;
- revenue bonds, which are issued by local governments and universities and are repaid with traditional revenue to those entities, including gross receipts taxes;

- net system revenue bonds, which are issued by water and wastewater utility systems and are repaid with revenue from the systems; and
- lease-purchase bonds, which are issued for the benefit of charter schools and entities such as Fort Bayard Medical Center and are repaid with state lease assistance payments.

Even after the recent state bond rating downgrades, the state and all cities, counties and school districts that have their own bond ratings remain in the "investment grade" category. However, school district ratings are especially vulnerable because they receive a "credit enhancement" from the state, which exposes the districts' ratings to fluctuations in the state's ratings. To illustrate, the presenters offered a comparison of three recent bond issuances in Grant County: bonds issued by the county and by the Town of Silver City received ratings of A1 and A+, respectively, while bonds issued by the Silver Consolidated School District were rated several levels lower — Baa2 — due to downgrades to the state's bond ratings.

The state is not the only entity that has been downgraded. Ratings have also dropped for nine school districts, New Mexico State University and the New Mexico Military Institute, while UNM and the New Mexico Institute of Mining and Technology have been placed on "negative outlook" status. One result of the ratings revisions is that more entities are going to the NMFA for project financing through the Public Project Revolving Fund (PPRF) rather than issuing their own bonds. The recent lack of capital outlay funding has also driven more entities to seek PPRF funding.

On questioning, the presenters and committee members addressed the following topics.

PPRF funding. The NMFA is required by statute to get legislative authorization for any project financing it provides through the PPRF. The NMFA conducts outreach to school districts to make them aware of the funding process and application schedule; however, some apply too late in the annual cycle and must wait an additional year before they can receive funding. Changes to this process can only be made by amending statute. One possible change to statute would be language that provides blanket eligibility for projects "unless specifically excluded by the legislature".

The legislature has taken cash balances from the PPRF for other purposes, which leaves less for the NMFA to use for project financing.

School districts. The state's tapping of school district cash balances, reductions to state equalization guarantee distributions and state budget conditions were all factors that Moody's considered when downgrading school district bond ratings.

Some school districts prefer to do their own bond issuances, rather than get PPRF financing, as a way of showing public involvement and support for their projects. Some can also get a better rate on their own than would be available through the PPRF program.

School district project costs are affected by multiple factors beyond borrowing costs, including prevailing wage requirements.

At the request of committee members, Mr. Dillenback agreed to provide a list of each school district's bond ratings compared with the ratings for the county or counties in which those school districts are located.

Minutes

On a motion duly made, seconded and unanimously adopted, the minutes from the June 23, 2017 meeting were approved.

Financing for Green Energy Projects in Public Buildings

Matthias Sayer, deputy secretary, Energy, Minerals and Natural Resources Department (EMNRD), presented a summary of the department's efforts in the area of green energy and introduced Louise Martinez, director, Energy Conservation and Management Division, EMNRD. Ms. Martinez provided a handout detailing the EMNRD's programs for funding energy efficiency and renewable energy projects. She described two program options:

- the Energy Efficiency and Renewable Energy Bonding Act that provides a funding mechanism for state agencies and school districts; and
- the Public Facility Energy Efficiency and Water Conservation Act that provides an opportunity for third-party financing for state agencies, universities, cities, counties and public schools.

The process for implementing the projects includes selecting an energy service company, conducting an energy audit of the facility in question, financing the project, implementing the energy conservation measures and verifying the savings. Ms. Martinez also provided information on performance contracts, which are construction projects that use future energy savings to pay for the upfront costs of the facility improvements. She provided an overview of two major projects at higher educational institutions in New Mexico but noted that in comparison to surrounding states, New Mexico's investment in energy savings performance contracts is minimal. She indicated that the number of job years created by investment in these projects in Arizona and Colorado significantly exceeds those created in New Mexico.

Members discussed the following issues related to energy efficiency and renewable energy projects:

- how power purchase agreements (PPAs) differ from performance contracts and the benefits that accrue to municipalities through PPAs as a result of partnering with outside investors;
- the efficacy and life span of solar systems and the importance of looking at warranty and insurance provisions when purchasing those systems; and

- the funding mechanisms that exist or that are otherwise lacking for schools, municipalities and others to access performance contracts and energy audits.

Panelists and members discussed barriers to participation in energy efficiency projects, including:

- limited state investment in the projects;
- needs for staff dedicated to developing projects for school systems and other entities;
- the reluctance of some communities to take on debt despite possible long-term benefits of pursuing the projects;
- the lack of a state mandate, such as that implemented in Colorado, to improve energy efficiency in facilities throughout the state; and
- the need for education regarding the returns on such investments for communities and individuals.

NMFA staff was requested to provide additional information to the committee clarifying the funding mechanisms that exist or that might be developed for energy efficiency and renewable energy programs.

Community Banking Partnerships and Requirements of the Federal Community Reinvestment Act of 1977

Eric Haar, vice president, director of government and industry relations, Federal Home Loan (FHL) Bank of Dallas, presented an overview of the FHL Bank system structure. One of 11 regional FHL banks created by Congress in 1932, the FHL Bank of Dallas serves 835 financial institutions across the region, including 47 institutions in New Mexico. The nationwide FHL Bank system lends money to more than 7,000 banks, credit unions and insurance companies, providing broad liquidity for financial institutions to make home, agricultural and small business loans. In 2015, the system lent $634 billion to member institutions. The FHL Bank of Dallas funds a private grant program with 10 percent of its earnings that is frequently used to support affordable housing. Mr. Haar described some of the other community investments made by the FHL Bank system in 2016, including grants to assist with down payments on homes, to renovate special-needs homes, for small business development and community organizations and for home modifications for wounded veterans.

Committee and panel members discussed how to market the grants and services available through FHL Bank member institutions more effectively. Panelists noted that funding for such programs is limited and that the burden of accessing those funds for community-based organizations falls to the financial institutions. Many of those institutions choose not to devote their own resources to that effort. Upon questioning, Mr. Haar noted that New Mexico lags behind other states in the region in virtually all areas of lending and grant assistance.

Jerry C. Walker, president and chief executive officer, Independent Community Bankers Association of New Mexico, and Bryan "Chip" Chippeaux, chairman, Century Bank, discussed the challenges facing community banks in meeting the requirements of the federal Community Reinvestment Act of 1977 (CRA). Mr. Walker reported that the CRA is designed to discourage discriminatory lending practices, also known as "redlining", and that community banks undergo intensive scrutiny from federal bank examiners to ensure safe, sound and nondiscriminatory lending practices. One member noted that the intent of the CRA is also to assist communities and community-based programs in establishing independent financial footing. Mr. Walker further reported that while there have been recommendations and discussions regarding lending practices by community banks in New Mexico, no fair lending violations have been reported.

Mr. Chippeaux reported that Century Bank has roughly $800 million in assets and considers itself an economic driver for New Mexico, particularly in Albuquerque and Santa Fe, where it has its largest presence. He stated that he believes the bank's success is tied to the community's success, and members and other panelists noted that Century Bank has worked successfully to support community programs and build community relationships. One of the lending challenges enumerated by Mr. Chippeaux is increased regulation, including "hard data" loan requirements under which borrowers must verify their ability to repay loans. Mr. Chippeaux stated that many loans are denied for lack of hard data and that the cash/barter-based economy in many areas of rural New Mexico prevents hard data lending. Mr. Walker reported that a 2015 survey showed that seven percent of United States households are "unbanked", meaning they have no banking services, and that 20 percent of households are "underbanked" and may be subject to predatory lending practices.

Terry Brunner, chief program officer and founder, Grow New Mexico, described his organization's efforts to match impactful projects in the state with the resources needed for successful completion. Mr. Brunner stated that the ideal dealmaking table to find funding and successfully implement proposals to make the state stronger includes government, not-for-profit and private-sector entities, as well as national foundations and donors. In addition, Mr. Brunner reported that there should be a more concerted effort to bring New Mexico banks to the table in this regard. Regarding United States Department of Agriculture (USDA) Rural Development, Mr. Brunner discussed how New Mexico communities may find that low- to no-interest loans offered by the USDA constitute an important financial tool for infrastructure development.

Discussion ensued among the members and panelists on the following topics:

- the need for financial literacy and education at all levels, including schoolchildren, counties, municipalities and other entities;
- the possibility of expanding the role of the NMFA to advise communities on the relative merits of using bonding, low-interest loans or other financial tools to achieve their infrastructure and energy efficiency goals;
- the need to diversify funding sources in the state;
- the changes required to develop cooperative support in smaller communities to address the phenomenon of food deserts;

- the need for adequate staff with the appropriate expertise to perform construction project permitting and inspection in a timely manner at the state level; and
- the need for a definitive report from the state on the gaps in broadband service in order to bring funds to the table to address broadband needs.

Panelists were asked for their recommendations on how to move more capital into the New Mexico economy, and NMFA staff members were requested to prepare specific responses to the panelists' recommendations regarding development in the state.

Recess

The committee recessed at approximately 4:20 p.m.

Tuesday, July 18

Reconvene

The committee reconvened at 9:11 a.m.

Panel Discussion: How Small Business Development Centers and Business Incubators Can Address Small Businesses' Access-to-Credit Issues

Members of a panel provided information on the credit resources that small business development centers and business incubators may provide to small businesses. Panel members included John M. Garcia, district director, United States Small Business Administration (SBA); Russell Wyrick, state director, New Mexico Small Business Development Center (SBDC); Bette Bradbury, regional director, Northern New Mexico, WESST; and Kathy Keith, community programs director, Los Alamos National Laboratory (LANL). Members of the panel explained the various programs offered by the SBA and its partners to support small business development and growth in New Mexico.

Mr. Garcia informed the committee that the SBA's purpose is to assist the 28 million American small business owners, including 152,000 in New Mexico, to start, manage and grow their businesses. The SBA's New Mexico district office provides services and capital to businesses in all 33 counties. It works with other organizations to provide free or low-cost business counseling, technical assistance, training and educational workshops. The SBA's four main partners are SCORE (previously known as the Service Corps of Retired Executives), the SBDC, WESST and the Veterans Business Outreach Center.

Access to capital is offered to small business owners through a statewide network of traditional and alternative lenders that offer SBA-guaranteed loans through two programs. Mr. Garcia stated that since 2009, the SBA has approved 2,479 small business loans valued at nearly $900 million in New Mexico, which resulted in creating 9,125 new jobs and saving 20,400 existing jobs.

Mr. Garcia noted that the SBA also supports small business growth by providing information and guidance regarding federal contracting opportunities. Since 2009, the federal government has awarded more than $12 billion in federal contracts to small businesses in New Mexico.

Mr. Wyrick informed the committee that there are 18 SBDC service centers and seven procurement technical assistance programs across the state, in addition to the International Business Accelerator in Santa Teresa. The SBDC is funded by the SBA and the Higher Education Department through Santa Fe Community College. Mr. Wyrick stated that the SBDC is nationally accredited and provides verified economic impact information. He stated that, in 2016, the SBDC assisted in creating 1,019 new jobs and saving 576 existing jobs.

Mr. Wyrick noted that there has been a major shift in small business financing between 2012 through 2014 and 2015 through 2017, particularly due to the increase in the ratio of equity to lending. He attributed this to the introduction of new methods for bringing equity into business financing. He said that often, finding sufficient collateral for a loan is a significant obstacle in starting or growing a small business. He expressed support for:

- inclusion of personal financial literacy in school curricula;
- review of Economic Development Department programs, including identification of barriers to access of programs such as the Job Training Incentive Program;
- continued funding for successful programs;
- collaboration with SBA partners to improve information distribution and leveraging; and
- funding for the one-stop business portal created pursuant to the One-Stop Business Portal Act and improved access for small business owners.

Mr. Wyrick explained that budget cuts affecting higher education will limit the SBDC's ability to support further growth. He said that while higher education institutions may raise tuition to compensate for the cuts, the SBDC does not receive tuition money and is prohibited from charging clients for its services. Thus, he said, the SBDC would have limited means to make up for such a loss of funding. He added that the SBDC has lost staff through attrition and that additional funding cuts could result in reductions in staff and services.

Ms. Bradbury provided an overview of services provided by WESST. She explained that unlike other economic development programs that are entirely publicly funded, WESST is funded with a 50 percent match. WESST must raise a portion of its funds through donations and contributions for services provided. WESST operates six offices around the state, with locations in Albuquerque, Santa Fe, Roswell, Las Cruces, Rio Rancho and Farmington. It also operates three business incubators.

Ms. Bradbury explained that WESST provides business and financial consulting and training to businesses on a one-on-one basis and through workshops. It also serves as a microlender to start-up and existing entrepreneurs, providing loans from $250 to $50,000. WESST provides access to capital through revolving loan programs. Through WESST, a credit-building loan program offers six-month, low-interest loans of $250 to $1,000 to businesses. Another loan program, commonly known for its "tech toolkit" loan, offers up to $5,000 for computers, software and website development. The equipment purchased with the money from this type of loan serves as collateral for the loan. WESST also offers business start-up loans of up to $10,000 and business expansion loans of up to $50,000.

Ms. Keith informed the committee that since 2006, the LANL Community Programs Office has made investments in education programs, community giving and economic development initiatives in northern New Mexico. Ms. Keith stated that several economic development initiatives focus on increasing capital access to small businesses. In particular, she mentioned that the Venture Acceleration Fund (VAF) is a local source of seed financing for early-stage technology start-up businesses in northern New Mexico. The fund is established to support technology-based and manufacturing companies that lack collateral for debt financing or are otherwise not able to obtain angel investments or venture capital funding. It is also available to companies seeking a one-time cash infusion to achieve growth goals.

Ms. Keith explained that businesses repay awards made through VAF financing by providing mutually agreed upon support to northern New Mexico's business start-up community. If a business that has received a VAF award is acquired by another company, leaves the state or fails to provide the mutually agreed upon annual support to northern New Mexico's start-up community, the award must be repaid immediately. When the VAF was created in 2006, there were three applicants for funding. Last year, there were over 100 applicants. More than $9 million has been awarded since the program's inception, with $450,000 awarded this year. Each award usually ranges from $40,000 to $100,000. This year, the maximum award is $60,000.

Ms. Keith added that since 2006, awards through VAF financing have been used to leverage $102 million in follow-up financing. Between 2006 and 2015, VAF financing has assisted 53 companies in northern New Mexico, which, in turn, provide 488 jobs with an average salary of $56,882. Recipients of awards include a beef jerky company in Española that doubled its sales in the first year. Another recipient is Taos Mountain Energy, which received a start-up award six years ago and now distributes its products in 35 states. High-tech companies are also among the recipients. In addition to the VAF, the Native American Venture Acceleration Fund is a new program that makes awards to Native American-owned companies. Another fund will be established to make awards to Hispanic entrepreneurs.

Ms. Keith described other funding sources for new and expanding small businesses, including angel investing, crowdfunding and online lending. For instance, Ms. Keith noted that the New Mexico Angels are collaborating with the Arizona Angels to improve New Mexico entrepreneurs' access to capital. Nationwide, other angel funds are being created. An example is Angel MD, which is being created to provide funding for private medical practices. Other funds are being established to improve capital access to businesses owned by women. Ms. Keith stated that in 2015, angel investors provided $20 billion in business funding.

Crowdfunding is also an increasing source of capital for small businesses. In 2015, 2,700 projects in Bernalillo County were funded through Kickstarter. Ms. Keith stated that businesses in Otero County and Eddy County are also among a growing population of businesses successfully raising capital through Kickstarter. In addition, Meow Wolf in Santa Fe has announced that it crowdfunded $1 million in two days from 660 investors with an average investment of $1,600. The funding will be used to leverage its expansion. Ms. Keith stated that online lenders are another growing source of capital, and some lenders can turn around a loan application in 24 hours.

In discussion, the presenters and committee members addressed the following topics.

Online lending. Each online lender has its own requirements for collateral and repayment. Members and presenters discussed the importance of supporting small business owners in assessing the impact, costs and benefits of any source of capital.

Public support for private businesses. Some possible methods for the state to encourage the growth of small business were discussed, including:

- private-sector collaboration with state universities to develop research and technology, with the universities retaining an ownership interest in the work product;
- development by the Economic Development Department of a single venue to provide emerging entrepreneurs with information relevant to starting a business in New Mexico;
- inclusion of financial literacy classes in school curricula; and
- funding for microlending.

Taxes. Members discussed that certain aspects of New Mexico's gross receipts tax structure could be reformed to reduce inconsistencies or complications for small businesses.

Personal financial literacy. Members and presenters discussed that some small businesses might not qualify for funding because they lack certain skills, such as bookkeeping. They discussed that substitution of a practical math course for college algebra could be considered as an alternative to adding a financial literacy requirement for high school graduation. Another approach might be to support nonprofit organizations that provide financial literacy programs. It was mentioned that the current structure of school curricula might place limitations on that approach.

Adjournment

There being no further business before the committee, the meeting adjourned at 11:36 a.m.