

**MINUTES  
of the  
FIRST MEETING  
of the  
NEW MEXICO FINANCE AUTHORITY OVERSIGHT COMMITTEE**

**June 7, 2012  
Room 307, State Capitol  
Santa Fe, New Mexico**

The first meeting of the New Mexico Finance Authority (NMFA) Oversight Committee was called to order by Senator Mary Kay Papen, chair, on June 7, 2012 at 11:04 a.m. in Room 307 of the State Capitol in Santa Fe, New Mexico.

**Present**

Sen. Mary Kay Papen, Chair  
Rep. Patricia A. Lundstrom, Vice Chair  
Rep. Alonzo Baldonado  
Sen. Sue Wilson Beffort  
Rep. Candy Spence Ezzell  
Rep. Roberto "Bobby" J. Gonzales  
Sen. Clinton D. Harden, Jr.  
Rep. Yvette Herrell  
Sen. Howie C. Morales  
Rep. Jane E. Powdrell-Culbert  
Rep. Debbie A. Rodella  
Sen. Nancy Rodriguez  
Rep. Henry Kiki Saavedra  
Rep. Richard D. Vigil  
Rep. James P. White

**Advisory Members**

Rep. Ernest H. Chavez  
Rep. Anna M. Crook  
Rep. Mary Helen Garcia  
Rep. Thomas A. Garcia  
Rep. Rick Little  
Sen. Lynda M. Lovejoy  
Sen. Steven P. Neville  
Rep. Andy Nuñez  
Rep. Edward C. Sandoval

**Absent**

Sen. Tim Eichenberg  
Sen. Stephen H. Fischmann  
Rep. Dona G. Irwin  
Rep. James R.J. Strickler  
Sen. David Ulibarri

Sen. William F. Burt  
Rep. David L. Doyle  
Sen. Mary Jane M. Garcia  
Sen. Eric G. Griego  
Rep. Ben Lujan  
Sen. Richard C. Martinez  
Rep. W. Ken Martinez  
Sen. George K. Munoz  
Sen. William H. Payne  
Rep. Sheryl Williams Stapleton  
Rep. Thomas C. Taylor

**Staff**

Lisa Sullivan, Legislative Council Service (LCS)  
Doris Faust, LCS  
Elizabeth Shaw, LCS

**Guests**

The guest list is in the meeting file.

**Handouts**

Handouts and other written testimony are in the meeting file and posted on the New Mexico Legislature web site.

**Thursday, June 7****Welcome**

Senator Papen welcomed committee members, presenters and guests. She relayed to committee members plans for the July meeting in the area of the border with Mexico.

**NMFA Update About Mission, Achievements, New Endeavors and Goals**

Rick May, chief executive officer, NMFA, provided the committee with a handout and figures from loans and grants approved since July 2011, including 89 Public Project Revolving Fund (PPRF) loans for a total loan amount of \$305,590,672; 19 planning grants from the Local Government Planning Fund in the amount of \$716,000; nine loans from the Drinking Water State Revolving Loan Fund in the amount of \$9,024,226; 31 Water Trust Board loans or grants in the amount of \$34,212,127; and 13 loans within the programs of Smart Money, New Markets Tax Credits, Collateral Support and the Primary Care Capital Fund for a total loan amount of \$93,291,375.

Mr. May stated that the NMFA's AAA Standard & Poor's bond rating and AA+ Moody's bond rating were renewed recently, which he attributed to sufficient cash reserves during uncertain market conditions. Mr. May stated that the NMFA will work to maintain its Standard & Poor's bond rating and to raise its Moody's bond rating.

According to Mr. May, the NMFA's short-term goals include expanding the PPRF loan program; improving the distribution of information to NMFA board members, policymakers, local communities and New Mexico taxpayers through better public outreach such as improved newsletters, a redesigned web site and a better relationship with media outlets; improving its administration of the Drinking Water State Revolving Loan Fund program; increasing partnerships with local banks; expanding economic development resources; hosting a national conference for state bond banks and state financing agencies; and co-chairing a state conference regarding infrastructure financing.

In response to a committee member's question, Mr. May stated that the NMFA co-manages with the Department of Transportation the debt service on Governor's Road

Improvement Program (GRIP) loans. It is the intention at the NMFA to refinance the GRIP debt under lower interest rates, according to Mr. May.

### **NMFA View on the Capital Outlay Process**

Mr. May offered some suggestions as to how the capital outlay process could be improved. First, capital projects need an appropriation for design and not just for planning and construction. Second, local communities need to contribute their funds to capital projects that have received state or federal funding, since doing so appears to improve the quality and speed the completion of such projects. Third, projects eligible for the Infrastructure Capital Improvements Plan (ICIP) need to be prioritized. Under the current ICIP process, many local communities are unable to participate. With the assistance of Roxanne Knight of the LCS, who staffs the Capitol Buildings Planning Commission, Sharon Ball of the LCS, who staffs the Public School Capital Outlay Oversight Task Force, and Linda Kehoe of the Legislative Finance Committee, committee members discussed capital improvement prioritization, appropriations for planning versus appropriations for design and the disposition of unused state buildings.

### **PPRF — Project Funding Report**

Mr. May informed the committee that there soon will be a new fee schedule for the PPRF that requires larger payments on larger loans and smaller payments on smaller loans. This should help smaller communities.

Matthew Jaramillo, director of government affairs, NMFA, distributed a handout titled "Public Project Revolving Fund Activity Report". The handout lists past and current PPRF loans as well as applications for PPRF loans that will be reviewed imminently.

### **Request Formation of a Transportation Infrastructure Subcommittee of the NMFA Oversight Committee and the Revenue Stabilization and Tax Policy Committee**

Representative Lundstrom addressed the formation of a Transportation Infrastructure Subcommittee to be composed of members from the NMFA Oversight Committee, the NMFA, the Economic and Rural Development Committee and the Revenue Stabilization and Tax Policy Committee. If approved, the subcommittee would meet four times throughout the interim to discuss and make recommendations on a consistent revenue stream for transportation infrastructure. Upon motion made and duly seconded, the formation of a Transportation Infrastructure Subcommittee passed without opposition.

### **Review and Discussion of Work Plan, Meeting Dates and Locations for 2012 Interim**

Ms. Sullivan led the members in a discussion regarding the committee's interim work plan. She told the members that the work plan is similar to what has been seen in past years with the addition of oversight of the colonias work plan and further outreach to rural communities. She then directed committee members to the last page of the work plan showing meeting dates and locations. A motion was made and duly seconded to approve the work plan and schedule. The motion passed without objection.

### **2012 Legislative Summary**

Mr. Jaramillo and Ms. Faust distributed a handout and summarized the 2012 legislative initiatives endorsed by the NMFA Oversight Committee, including authorizations and appropriations.

**Adjournment**

The meeting adjourned at 2:03 p.m.