

ACTION SUMMARY

NM SMALL BUSINESS INVESTMENT CORP

August 15, 2011

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MINUTES OF THE
NEW MEXICO SMALL BUSINESS INVESTMENT CORP.

REGULAR MEETING

August 15, 2011

A regular meeting of the New Mexico Small Business Investment Corporation was called to order on this date at 9:00 a.m. in the conference room of the New Mexico Mortgage Finance Authority, 344 S. 4th Street, S.W., Albuquerque, NM.

A quorum was present:

Members Present:

Mr. Sam Cobb, Acting Chairman

Mr. Joseph Badal

Mr. Alan Fowler

Mr. Lupe Garcia

Ms. Roxanna Meyers

Mr. Clarence L. Smith [designee of Hon. James Lewis, State Treasurer] [leaving 11:45]

Ms. Launa Waller

Members Excused:

None.

Legal Counsel to Board:

Mr. Randall J. McDonald

Financial Advisor to Board:

Mr. Paul Goblet

Contract CFO:

Ms. Dee Brescia

Recording Secretary:

Ms. Judith Beatty

Guests Present:

Mr. Andrew Jacobson, DFA Analyst

Mr. F. Leroy Pacheco, The Loan Fund

Ms. Jacqueline Pacheco, The Loan Fund

Mr. Jim Byrd, Chairman, The Loan Fund Board [Vice President, Community Bank]

Mr. Matt Loehman, The Loan Fund

APPROVAL OF AGENDA

Mr. Garcia moved approval of the Agenda, as published. Ms. Meyers seconded the motion, which passed by voice vote.

INTRODUCTION OF LAUNA WALLER

Ms. Waller introduced herself to the Board and said she is a regulatory manager for ENMR-Plateau Telecommunications in Clovis, which covers the eastern side of the state as a local exchange carrier and also has Internet and wireless subscribers.

IN THE BEGINNING: DAVID BUCHHOLTZ

Mr. Buchholtz made a presentation on the background of the NMSBIC. Mr. Buchholtz stated that he has been practicing law in New Mexico for 30 years.

-- In the earlier years, he and others in the community – Carol Radosevich, Sherman McCorkle, John Carey, Barbara Brazil and others – were interested in trying to promote the growth of the state’s economy through its businesses and also create jobs.

-- Under the legal guidance of Franklin Jones of the Sutin law firm, he and Ms. Radosevich and others began looking at whether some portion of the state’s permanent funds could be used as a catalyst towards business growth in New Mexico.

-- The NMSBIC was the brainchild of Sen. Don Kidd, who was familiar with federal programs in the late 1990s that allowed SBA lending and guarantees to be put in place for small businesses, but those SBA financings require a certain amount of capital to be placed into small business so the SBA loans can be made available to them. He reasoned that if an organization could be funded to invest on an equity basis in small business directly, that funding could help those businesses have more ready access to SBA financing.

-- Sen. Kidd approached him and Ms. Radosevich in the middle of a legislative session and sketched out how he thought this would work, using money from the Severance Tax Permanent Fund, and Mr. Buchholtz and Ms. Radosevich found a legislative draftsman to write up some legislation.

-- Totally unexpectedly, the bill passed and was signed into law by Governor Johnson, who then appointed the NMSBIC Board. The board members included Greg Zanetti, an investment adviser; Carol Cochran, principal at REDW; banker Jerry Walker; and lobbyist Paul Boushelle.

-- The statute was very difficult to work with as it was focused on direct investment in preferred stock to small businesses. Santa Fe Windows and Doors was the first deal. As the

Board struggled to meet Sen. Kidd's goal, it found that the statute needed to be changed and that there may have been other broader opportunities to take the idea and turn it into something more significant.

-- When Governor Richardson was elected, Chuck Wellborn was appointed to the Board.

-- It took two years, working with Sen. Kidd, and also with Zack Shandler at the AG's office and member Wellborn, to make the statutory changes and develop a program where the NMSBIC would be a co-investor with other professional funds in the state. In 2003 and 2004, the focus changed from direct investment into private businesses into a co-investing relationship with a variety of equity and loan funds to help New Mexico businesses.

-- There was no question that the thrust of the legislation was to boost the economy and create jobs and healthy small companies in New Mexico. This was the intent expressed by Governor Johnson and later by Governor Richardson.

Ms. Meyers asked if Sen. Kidd was thinking that if the NMSBIC bought an equity position in a company, a banker would be more likely to lend to them because of the strengthening of their balance sheet.

Mr. Buchholtz said that was correct – and not only would they be more likely to lend, the SBA criteria would be met. He said Sen. Kidd felt that the quantity and quality of loans that could access SBA guarantees of financing could be materially enhanced with a source of equity capital for small business. At the same time, because the State Constitution required there be some predictability of return, the idea was to develop an equity vehicle that would look like it also had debt elements for the protection of the whole (redeemable preferred stocks, etc).

Mr. Goblet said this was the model for the Santa Fe Windows and Doors transaction – but that was the only transaction done under this model. After it took \$30,000 and five months to complete the Santa Fe Windows and Doors transaction, it was clear the NMSBIC would never be able to deploy capital under this model efficiently. He said Mr. Wellborn and others then began looking to partner with someone with standardized documents and delivery systems of capital.

Mr. Buchholtz stated that the primary purpose of the Severance Tax Permanent Fund is to generate return on permanent fund investments to return to the general fund and keep the cost of government and taxes down. He said that purpose has tension against the otherwise good purpose of creating jobs, growing the economy and making New Mexico a better source for the investment of outside capital to grow the economy -- and that tension has existed for more than a generation in the statutes, in the Attorney General's opinions and in some case law.

Speaking solely as an observer, Mr. Buchholtz said he thought the NMSBIC, along with the SIC and its private equity committee, have been part of a program that over time has made New Mexico more of a place for private funds to be invested in venture funds that then reinvest. He said one could talk for hours about what the lessons are, having put that in the political

system and whether that system can be corrupted or not – and one can't keep one's head in the sand about that. He added, though, that the system has worked well to date: "I think if you came to New Mexico fifteen years ago and asked, what are our VC funds, what are our loan funds, and how does this work, you'd have a desert. And you don't have a desert anymore... I'd say on the investment side, you can make arguments that everything didn't do as well as it should. But on the economic development side, I think it has done its job. It has been an important tool in developing access to capital to smaller businesses, to emerging businesses, to creating venture capital funds in the state, and having healthy loan funds." He said these elements did not exist at the same level, or with the same depth, before efforts like that of the NMSBIC were put into place.

Mr. Badal said he could understand the point philosophically, but he has been trying to grasp what the NMSBIC has specifically done for economic development, for instance, in job sustainability.

Mr. Buchholtz said that would take an objective analysis, but the NMSBIC could calculate that by looking at where the investments have gone, what have people done with the money, what has happened to the entities that were invested in, what were the jobs before and after, and what still remains. He said the question that can't be answered, which is the big question, is whether any of that would have occurred without the NMSBIC.

Mr. Goblet said there were no VC funds in New Mexico in 1994, and there are now 28 funds that have come to the state. He commented that New Mexico may not be on par with California, but it is considered one of the leaders of the smaller western states in terms of its capital delivery systems.

Responding to Mr. Fowler on what the NMSBIC might do, if anything, to "fix" the statute, Mr. Buchholtz said his sense is that the NMSBIC should first educate the Legislature about what they did and what resulted from it – so there is a better sense of what the NMSBIC is, what did the Legislature do to create it, what are the mandates of the NMSBIC and SIC, and what are the results of that, both positive and negative.

Mr. McDonald added that he wouldn't recommend any changes to the statute, either, and agreed with Mr. Buchholtz.

REVIEW AND ACCEPTANCE OF BOARD MINUTES: July 18, 2011

Mr. Badal moved approval of the July 18 Minutes, as submitted. Mr. Fowler seconded the motion, which passed by voice vote.

FINANCIAL REPORT

In reviewing the July financial statements, Ms. Brescia noted that not all of the financial statements are in from the equity funds through June, so that could ultimately affect the July numbers.

In discussion on capital calls made by the equity funds, Board members asked whether it has discretion to refuse making a capital call. Mr. Goblet responded that the NMSBIC has the responsibility to make a capital call in accordance with the LP agreement; however, it can certainly terminate an agreement under certain circumstances.

Mr. Cobb recommended avoiding that situation by staying engaged with the GPs, letting them know when it feels there is a problem “and trying to steer the ship before it runs aground.”

Mr. Goblet noted that the NMSBIC essentially did that with New Mexico Growth Fund II.

Mr. Fowler moved approval of the July financials. Mr. Badal seconded the motion, which passed by voice vote.

LETTER FROM NM TREASURER’S OFFICE

Mr. Goblet stated that the NMSBIC has received an update from the New Mexico State Treasurer’s Office on the status of the LGIP (Local Government Investment Pool) investment in the Reserve Primary Fund, which noted that, with the seventh distribution (July 2010), \$50.7 billion of Fund assets had been returned to investors. Since then, there have been no additional distributions; and while STO believes there may be additional distributions, the timing is uncertain.

Effective November 24, 2010, all remaining assets were transferred to a liquidating services agent, Crederian Fund Services, LLC. The letter recommended that LGIP pool participants consult with their auditors or accountants regarding any adjustment of value of their investment in the Reserve Contingency Fund (where the LGIP’s remaining position in the Reserve Primary Fund was transferred in March 2009) as of June 30, 2011.

Mr. Goblet said he has recommended to Ms. Brescia and Pulakos that the NMSBIC’s \$10,000 balance in the Fund be written off. He said he feels the NMSBIC has gotten virtually all of the distributions it is going to get.

Mr. Smith invited NMSBIC Board members to attend the State Treasurer’s Investment Committee meetings, noting that Paul Boushelle is a member.

**NM COMMUNITY DEVELOPMENT LOAN FUND PRESENTATION
AND POSSIBLE VOTE: LEROY PACHECO, EXECUTIVE DIRECTOR**

Mr. Pacheco introduced Loan Fund Board Chair Jim Byrd and staff interns Matt Loehman and Jacqueline Pacheco, and made a slide presentation.

-- The Loan Fund is a private 501(c)3 organization that provides the following to business owners and nonprofit organizations across the state and the Navajo Nation:

- Loans from \$5,000 and up.
- Client consulting on wide range of topics.
- Community Development officers all have extensive lending experience. It is the only alternative lending group in the state that makes loans to nonprofits.

-- To date, The Loan Fund has made loans in excess of \$42.5 million and has created and preserved more than 6,000 jobs in New Mexico.

-- The Loan Fund's mission is to provide loans and assistance to improve the economic and social conditions of New Mexicans.

-- They work with all kinds of businesses and nonprofits, including women and minority-owned businesses, entrepreneurs with disabilities, and Native American enterprises.

-- Loans to small businesses for such needs as equipment, inventory, business acquisitions, and working capital.

-- Loans to nonprofits for such needs as bridge financing, real estate acquisition and renovation, equipment, and working capital.

-- Interest rates are generally between 8% and 10%. Loan terms are generally 1-7 years, with longer terms available for real estate secured loans. All loans require collateral.

Mr. Badal asked Mr. Pacheco what The Loan Fund needs to get to 100% sustainability. Mr. Pacheco responded that it would take another \$3 million of loans outstanding at 9%, less the cost of money at 2%. Mr. Byrd added that, if one includes loan runoff, the total is closer to \$6 million. Mr. Pacheco said there are \$2.5 million worth of loans in the pipeline right now.

Mr. Pacheco noted that, in 2009 and 2010, New Mexico banks lent \$1 billion less each year to small businesses. Since 2007, the NMSBIC has increased its commitment to The Loan Fund to \$7.5 million; and that during 2009 and 2010, The Loan Fund made \$22 million in loans.

Mr. Goblet asked Mr. Pacheco if The Loan Fund could be a deposit gathering entity, and Mr. Pacheco and Mr. Byrd responded yes, although they would have to become a CDFI bank.

-- Since The Loan Fund started working with NMSBIC, it has revolved about \$20 million worth of funding. The businesses funded will do a projected \$60 million in sales.

In discussion on the UCC filing, Mr. McDonald clarified that the NMSBIC does not hold the security interest in the underlying collateral of The Loan Fund portfolio; rather, it holds the security interest in the loans themselves, so if the loan is in default, it would be up to The Loan Fund to go after the collateral. If The Loan Fund were in default to the NMSBIC, the NMSBIC would have the right to take over the loans.

Mr. Badal asked how The Loan Fund gets the word out to people and businesses around the state about its lending program.

Mr. Byrd responded that they hired two people in Grants and Gallup to publicize The Loan Fund, but it was not at all successful. He said they are now talking about collaborating with the 22 SBDCs in New Mexico.

Responding to Mr. Garcia, Mr. Byrd stated that banks are now charging 6.75% on a fixed rate loan, and The Loan Fund is charging only 8%, which is not expensive – this is a temporary situation for a business borrowing from The Loan Fund, and the goal is to get the business to grow and get it back into the banks, where it can create further impact on the state.

Ms. Meyers noted \$60,000 in vacation accrual in The Loan Fund's financial statements, which she thought an odd ratio for the salaries. Mr. Pacheco responded that this represents accrued vacation time (two days per month) for seven employees. He said employees are required to take vacation time.

Ms. Meyers asked for The Loan Fund's financial statements for the last two fiscal years.

[Mr. Pacheco and his staff left the proceedings.]

[Mr. Smith excused himself from the proceedings.]

Mr. Goblet referred to his Advisor's Report, which stated that, in February 2011, he provided the NMSBIC Board with an extensive write-up and recommendation on The Loan Fund, and that information was sent to all new and remaining Board members on August 8 as a primer for review before today's meeting. The increased facility for The Loan Fund was approved by both the NMSBIC and Loan Fund boards, but was not executed prior to the changes in NMSBIC Board appointments. Therefore, there is a need to hold a new vote for approval.

Mr. Goblet reported that The Loan Fund has continued to attract additional lending sources and grant funding since the February approval, further strengthening their organization and reducing dependency on the NMSBIC. In 2010, the NMSBIC represented more than 80% of The Loan Fund's entire portfolio. That number is now at about 70% due to changes in The Loan Fund's funding. Their total lending portfolio now stands at \$9,801,816, with the NMSBIC

funding at \$7,084,203. The Loan Fund has a stated goal of attaining a loan portfolio of about \$20 million by 2015.

Mr. Goblet stated that, because the NMSBIC's loan agreement dictates that the non-performing loans (180 days past due) serving as collateral for the NMSBIC must be replaced, the NMSBIC's loan loss exposure has been greatly reduced. The facility is backed by a specified portfolio of loans and then additionally over-collateralized by 5%. There have been no loan losses since 2007, when the facility was amended.

Mr. Goblet said the amended proposal calls for an increase in the credit facility from \$7,500,000 to \$8,500,000, subject to the following:

- 1) That the NMSBIC's called capital represents no more than 70% of the total outstanding loan portfolio on a quarterly basis.
- 2) That the debt to equity ratio is no greater than 10 to 1.
- 3) That the NMSBIC's credit facility remains 100% collateralized with specific loans, of which no loans are greater than 180 days past due.
- 4) That the NMSBIC's credit facility be over-collateralized by 5% with specifically identified loans in which none are greater than 180 days past due.
- 5) That the increased capital be used for loans originated in the last 90 days.
- 6) That none of the NMSBIC's pledged loans are restructured more than once in any calendar year.
- 7) That The Loan Fund maintain a liquidity ratio of 5% of its loan portfolio.

Before making any decision, Ms. Meyers said she would like to know more about the Loftus firm, auditors of The Loan Fund, as she was not sure a small CPA firm was equipped to review potential fraud or mismanagement in such a large loan fund. She said she would also like to review aging of their past due loans in the Loan Fund's entire portfolio, as well as audited financial statements for at least the last two years.

Mr. Badal commented that The Loan Fund would seem to be the "hero of our portfolio" and perhaps the Board should be looking at ways to enhance its growth by increasing the credit facility to a higher amount than contemplated – but first the Board has to make sure The Loan Fund has the organization in place to be able to accomplish that. He asked to see The Loan Fund's business plan. He also wondered if it would make sense for the NMSBIC to assist The Loan Fund in creating a business plan by hiring a consultant to develop it.

Mr. Goblet said the Board could tell The Loan Fund it would be willing to increase the credit facility to \$10 million, for instance, based upon certain conditions. He said that would motivate

The Loan Fund to continue seeking other funds. He stated that The Loan Fund has been working for the last year to broaden its funding sources because of conditions already placed on it by the NMSBIC.

Mr. Cobb suggested that the Board table discussion to the next meeting so Ms. Meyers can be provided the financial information, and that in the next 30 days Mr. Goblet talk to Mr. Pacheco about Mr. Badal's recommendation. If the Board is satisfied with the information provided in the interim, the Board can approve increasing the credit facility to \$8.5 million at that time.

Ms. Meyers moved to table this discussion to the next meeting based on the requests for additional information. Mr. Badal seconded the motion, which passed by voice vote.

Ms. Meyers asked Mr. Goblet to henceforth provide the prior two years of audited financial statements of any of the NMSBIC's loan and equity partners in advance of their presenting to the Board.

ADVISOR'S REPORT

Mr. Goblet provided summaries of the lending and equity partners.

ACCION NM

ACCION's portfolio now stands at \$2.3 million, the lowest in five years. Due to a far more difficult economy, tougher underwriting standards and demand for higher quality collateral, the number of loans made in any month is about 20. The average loan is about \$10,000. At its peak in 2005, ACCION was originating 60 loans per month, which led to credit quality problems. ACCION's lending, much of which is to very small companies, has helped support and retain 3,300+ employees, and those businesses generate over \$164 million in annual revenue.

WESST Corp

WESST Corp primarily acts as a technical training agency and manages a new incubator in Albuquerque. Since 2005, WESST has made 30 loans totaling \$400,000, of which the NMSBIC's portion is about \$310,000; hence, the average size loan of \$10,000.

EQUITY PARTNERS

Over the next 30 days, the NMSBIC will begin to receive Q2 reports from all the fund partners. The reports will include unaudited FASB 57 mark-to-market valuations, which will be the basis for the NMSBIC's audit and year-end financial report.

Verge Fund 1 and 1.5

These two funds have nearly identical portfolios. Pro rata investments have been made in 15 companies and very small follow-on investments have been made over the last two years. No

new portfolio investments can be made, and almost all of the capital from both funds has been called.

Verge 2

This fund was created in 2009 and primarily consists of cross investments in the best performing portfolio companies in the earlier funds in order to accelerate both the performances of the companies and the Fund's performance. The Fund is about to make its first investment in a new portfolio company and has sufficient capital to invest in three or four new companies over the next two years.

NM Community Capital

NMCC was formed in 2004. Their investment timeline is finished, and they cannot make any new investments. The success of this fund will be driven almost exclusively by its three most recent \$1 million investments in IntelliCyt, Aspen Avionics and ProtoHIT.

Flywheel Ventures

Flywheel may prove to be the most successful New Mexico fund not just in capital raised (\$31 million) but also in return to investors. The NMSBIC is a sidecar fund because its capital can only be invested in New Mexico businesses. The NMSBIC will not be the recipient of their most successful investment, which is in California, but the SIC will benefit from it. The SIC has invested \$15 million in Flywheel and the NMSBIC has invested \$1.5 million in the sidecar fund.

NM Gap Fund

The NMSBIC and Flywheel Ventures helped create NM Gap Fund, which only invests small amounts of capital (less than \$200,000) in very early stage technology companies. The NMSBIC is prime investor in the fund and increased its commitment to \$2 million in 2009. Since its founding in 2007, the fund has invested in 17 companies and has sufficient capital to make two or three more investments.

NM Growth Fund I

This fund was started in 2004 very specifically to provide capital for more traditional non-tech businesses with existing revenues and clients and hence a lower risk profile. As it turned out, all five of the New Mexico companies that the fund invested in have been written down or written off, and virtually all of the committed and called capital will be lost. There may be some very small residual value at some point in time.

NM Growth Fund II

Formed in 2007, after NMGF I had completed its investments, NMGF II attracted several new institutional investors and raised an \$8.5 million fund, of which the NMSBIC is \$3 million. It only made two new investments and two small cross investments before the LPs voted to cease

all additional investments. Current holdings include ClingZ and Hatch Valley Farms, which is the successor to High Desert Chile. Both investments have been written down substantially. A cross investment in Gourmet Pet Supply was written off last year, and a similar sized investment in Aridien has just been written off. Management fees have been significantly reduced and no new investments can be made.

NM MEZZANINE FUND: REQUEST TO EXTEND LIFE OF FUND BY ONE YEAR

Mr. Goblet stated that the Mezzanine Fund was established in 2008 and is the NMSBIC's newest fund (besides Verge 2). Mezzanine is a combination of debt and equity, typically structured as a subordinated debt with warrants. The fund has made two investments to date and is looking at three or four investments between now and September 26 after many months of due diligence. The fund currently holds only one investment (in Exagen Diagnostics). The other investment paid off (in eight months) all of the interest and principal plus \$300,000 in gains.

Mr. Goblet said the Mezzanine Fund has asked the Limited Partners to extend the life of the fund by 12 months, which is an option in the LP agreement and is a typical option in all LP agreements. Their loans are two- year loans with an option for the business to extend the loan by one year; so while they will fall inside of their investment timeline, there maybe one or two loans still outstanding.

Mr. Goblet said NM Mezzanine Fund has invested about \$300,000 of the fund (\$150,000 of the NMSBIC's capital) to Exagen but will not currently release any additional portion of the commitment as the company is in breach of certain covenants.

Mr. Goblet said there are five members of the advisory committee (including Kevin Garcia of Sandia Pueblo, LANB and two investors). He said the Advisory Committee does not advise on the investments; rather, it deals with issues such as a conflict of interest or changes within the LPA. He said that the Fund wanted the NMSBIC's vote by last Friday. As a representative of the NMSBIC Board on the advisory committee, Mr. Goblet reported that he voted to extend the life of the fund by 12 months in accordance with the option in the LPA.

Mr. Goblet said NM Mezzanine Fund may ask the NMSBIC Board at next month's meeting to allow them to extend the investment life of the fund by three months.

In addressing the pros and cons of such a request, Mr. Goblet said that if NM Mezzanine Fund gets all of three or four investments done, the NMSBIC will have its capital deployed at 10-12% interest, which will offset the management fees. On the negative side, the NMSBIC will pay management fees for another year.

Mr. Cobb noted that the NMSBIC helped create this fund because there was no other mezzanine lending in New Mexico at the time.

CD DEPOSITS

Mr. Goblet stated that the NMSBIC holds CDARs deposits via New Mexico Bank & Trust with the following maturities:

- September 1: \$3,012,938;
- September 8: \$6,773,212; and
- September 29: \$5,013,875. [To be addressed at the September 19 Board meeting]

Mr. Goblet stated that he will seek quotes from three or four banks and email them to the Board members next week, as well as pending rates on the CDARs program.

Given the existing chaos in the marketplace, Mr. Goblet recommended that the Board choose the CDARs product for the September 1 and September 8 maturing amounts and roll them over.

Ms. Meyers moved Mr. Goblet's recommendation. Mr. Badal seconded the motion, based on his understanding that as long as the NMSBIC gets the same kind of security and at the best rate available.

Mr. Cobb said New Mexico Bank and Trust has quoted the best rate for this product. Mr. Goblet added that most of the banks approached by the NMSBIC regarding CD deposits with 100% collateral declined to quote rates.

The motion passed by voice vote.

ADVISOR'S REPORT (Cont'd)

Legislative conversations

Mr. Goblet reported that, while he was having lunch with Ms. Meyers and Mr. Fowler about three weeks ago, Sen. Tim Keller was having lunch at the next table. As it turns out, Sen. Keller's family and Mr. Fowler's family know each other very well. He said Sen. Keller suggested that the Legislative Oversight Committee would be calling the NMSBIC to present in the very near future, and volunteered to meet in advance of that to share his perspectives individually or with the entire Board.

Mr. Goblet said more than likely the NMSBIC will be called in October, and suggested that the Board prepare its thoughts as to the direction of this organization, its desire to produce or engage an economic development expert to produce an impact review, and its thoughts as to possible legislation that might be introduced by SIC staff in January 2012.

Professional services contracts

Mr. Goblet said he felt it would be in the best interest of the NMSBIC to consider renewing the current service contracts for legal, accounting and transcription in the interest of continuity.

Mr. Badal asked if RFPs have to be issued, and Mr. Goblet responded that the NMSBIC does not have to seek RFPs based on an opinion of the Attorney General. He said the only RFP the Board has ever issued has been for his role as financial advisor.

Board members agreed to vote on the contracts for legal, accounting and transcription services at the October meeting.

Former Board recognition

Mr. Goblet stated that a Nambe engraved plaque would cost about \$200 and a framed printed parchment would cost \$100. He said there are five former Board members.

Mr. Cobb stated that Nambeware is now manufactured in China, and suggested that Mr. Goblet look for something made by a local company or artist.

Ms. Meyers suggested that Mr. Goblet be given discretion on the selection process.

Ms. Meyers moved to authorize an expenditure of up to \$1,000. Mr. Fowler seconded the motion, which passed by voice vote.

THE BIG QUESTIONS: Review of Questions and Responses

Because of time constraints, this item was deferred to the next meeting.

Mr. Goblet asked Board members to review his responses and email him with any additional questions so that he can prepare responses for the next meeting.

Mr. Badal said he would like this item prioritized on the next agenda with ample time for discussion.

NEXT MEETING: Monday, September 19, 2011: WESST Enterprise Center

ADJOURNMENT

Its business completed, the NMSBIC Board adjourned the meeting at approximately 1:10 p.m.



Mr. Sam Cobb, Acting Chairman/President

9/19/11
Date