

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL MEETING
MINUTES
January 20, 2017
STATE CAPITOL BUILDING, ROOM 317
SANTA FE, NEW MEXICO**

Members Present: Mr. David Abbey, LFC Mr. Paul Aguilar, PED (arrived at 1:42)
 Mr. Pat McMurray, CID Ms. Rachel Gudgel, LESC
 Mr. Joe Guillen, NMSBA Mr. Raul Burciaga, LSC
 Mr. Gilbert Peralta, PEC Ms. Jessica Kelly, Office of the Governor
 Ms. Stephanie Clarke, DFA

1. **Call to Order**—Chair Abbey called the meeting to order at 1:35 P.M.
 - a. **Approval of Agenda**—Chair Abbey asked if there was any objection to the agenda as presented; Mr. Gorrell noted the following changes: 3A was not an action item and 6E Roswell Del Norte ES was removed per district request. As there were no additional adjustments, the agenda was unanimously approved.
 - b. **Correspondence**—Mr. Gorrell referred to a letter from Mr. Mike Hyatt, Interim-Superintendent for Gallup McKinley County Public Schools, informing Council he would be unable to attend the PSCOC meeting and Mr. Ron Triplehorn, Facility Director, would attend on behalf of the district.
 - c. **Approval of Minutes (December 21, 2016)** - Mr. Peralta moved for Council approval of the December 21, 2016 minutes, subject to technical corrections. Mr. McMurray seconded. The motion passed unanimously.
2. **Public Comment**—Chair Abbey had all guests and PSFA staff introduce themselves.
3. **PSCOC Financial Plan**
 - a. **PSCOC Financial Plan**

Ms. Irion reviewed changes made to the financial plan since the last meeting. Awards were made to Farmington for the Demolition of the Old Tibbetts MS for \$468,000; Broadband Category 1 for \$1,750 and Broadband Category 2 for \$108,416. Total awards made were \$578,166. Gadsden HS was moved from 2017 Q3 to 2017 Q2 and will be funded in FY18 for \$4,502,643. Based upon recent bids, Deming Intermediate was adjusted back to its previous estimate of \$13,711,187 with no change in the estimate from the December PSCOC meeting. NMSD Delgado Hall will be funded through Bond C and was removed from the financial plan resulting in a favorable variance of \$2,530,324. A change in estimates for Roswell Del Norte results in a favorable variance of \$178,000 for design and \$995,000 for construction. However the project which represents a 5% savings has been withdrawn per district request and the financial plan will be updated to reflect the original amounts of \$1.5M for design and \$14.4M for construction. It was requested by Council that staff add an estimate for potential project reversions on current awards. Staff took awards approximately 14 months out that were

substantially complete and used a multiplying factor of 1.5% to determine the amount that would be added to project reversions. The amounts by fiscal year are: \$27.6K in FY17, \$2.5M in FY18, \$2.78M in FY19, \$2.4M in FY20 and \$557K in FY21. Ms. Irion noted the amounts may change and will be continuously updated. Lease Assistance payments were adjusted based upon the receipt of two additional applications totaling \$129,500 which are pending Council approval and will bring the FY17 Lease Assistance award to \$15.7M. Based upon district readiness, Clovis Highland ES has been delayed one quarter. FY17-21 award cycles were decreased to bring the financial plan in balance and estimated uncommitted balances are positive in FY17-18 and zero in FY19-21.

b. Recertification of SSTBs

Discussion: Ms. Irion reviewed the executive summary in detail and noted the following four projects would be affected pending Council action: Lease Assistance, Gallup Combined ES, Maxwell HS and Deming Intermediate. Mr. Guillen proposed this item be held until the affected items were discussed; members agreed and Mr. Abbey moved item 3B Recertification of SSTBs to follow item 6C Maxwell Request for Emergency Assistance.

MOTION: Council approval of the staff recommendation to adopt the Resolution, Notification and Certification amendment for reauthorization of \$14,733,843 of unexpended bond proceeds as follows:

- SSTB14SB 0001 in the amount of (\$1,130,823) to PSCOC award projects totaling (1,130,823);
- SSTB14SD 0001 in the amount of \$0.00. Certification is to allocate from Emergency Reserve for Contingency \$15,000 to Maxwell High School Boiler Emergency Request;
- SSTB16SB 0001 in the amount of \$15,864,666 to PSCOC award projects totaling \$15,864,666.

As there was no opposition the motion passed unanimously.

c. FY16 PSFA Audit (*informational*)

Discussion: Mr. Danny Martinez, Assurance & Attestation Group Manager with RPC CPAs + Consultants, LLP, presented the audit update. Mr. Martinez stated the opinion given on the financial statements is qualified and was the same as that given on the 2015 audit. A qualified opinion indicates for certain financial statement balances sufficient audit evidence was unable to be obtained; adding this does not mean the balances were incorrect, it simply indicates at the time of the audit sufficient audit evidence was unable to be obtained in those areas. Mr. Martinez acknowledged this was due to the project closeout process and amounts that may be due from other agencies, the State or school districts is changing and the firm was unable to give an opinion on those balances. Regarding the report on Internal Control over Financial Reporting, Mr. Martinez stated PSFA has had dramatic improvement. The 2015 audit reflected five significant findings related to internal controls and project accounting. Three findings were resolved in FY16: Advances Receivables, Draw Requests and The Authority in Reporting Mechanisms. During the entrance conference, RPC CPAs were asked to look at the individual project closeout worksheets as well as the coding in SHARE. RPC was happy to report that internal controls over financial reporting will alleviate that issue. The goal for next year is to have sufficient audit evidence in order to give an unmodified opinion for the FY17 audit.

Ms. Irion reiterated two findings remain that relate to project closeouts; staff is in the process of closing projects and await the certifications that have been submitted to the districts. The second item relates to net revenues and expenditures for prior periods. Draw requests were previously done on a manual system; a query has been built and Ms. Irion anticipates this finding will be resolved by June 30. Mr. Aguilar expressed concern over the inability to qualify or not qualify an opinion and requested additional information. Mr. Martinez reiterated they were unable to state that balances recorded in SHARE (due from other agencies, due from the State, the liabilities, if any, from schools that owe PSFA, and any related revenues and expenditures for that period) were correct. Mr. Guillen thanked staff and Mr. Martinez for all of the work done in getting the agency on track.

4. 2016-2017 Awards Cycle

a. 2016-2017 Lease Assistance Awards

Discussion: Ms. Clarke inquired if this item relates to the recertification of severance tax bonds; Ms. Irion replied in the affirmative, adding that lease assistance was originally certified at \$14.6M. If the proposed motion is accepted by Council, awards will be \$15,729,459 resulting in an additional amount of \$1,129,459 that needs to be certified. Mr. Guillen expressed concern as lease assistance continues to rise and added the Awards Subcommittee felt it worthy of in-depth discussion to determine if the amount should be capped at the prior year's level, the level currently certified or be reduced as all other programs have been reduced. Ms. Kelly felt the escalating costs pertained to inadequate authorizer oversight and that the motion was premature. Mr. Burciaga questioned the \$15.7M listed in the financial plan, noting that the out-years reflected \$12.0M. Ms. Irion replied the out-years were estimated at \$12.0M and is what had been submitted during the special legislative session in response to SB8 and SB4. Mr. Abbey felt a \$12.0M cap was merited on a go forward basis and could be reviewed in April. Ms. Gudgel asked if there were any standards-based projects that were pushed into the next fiscal year due to lack of funds; Mr. Gorrell replied there were none.

MOTION 1: Council approval of the Awards Subcommittee recommendation to make awards for 2 charter schools in the amount of \$150,810.50 previously awarded at 50 percent and identified in the attached spreadsheet as compliant with Section 22-8B-4.2 NMSA 1978 and PSCOC documentation requirements at 100 percent of the maximum allowable lease assistance amount. The total amount of 2016-2017 lease assistance awards is \$15,729,459. Upon acceptance of awards by charter schools and school districts, the Council authorizes PSFA staff to distribute award amounts quarterly on a reimbursement basis upon receiving proof of lease payments made. The Council authorizes PSFA staff to make reductions to award amounts subject to PED certifying in writing to PSFA that a condition exists that warrants an award adjustment or suspension which may include: school closure, charter revocation, financial violation or irregularities, adjustment to certified attendance numbers (MEM counts), lease termination or amendment. The Council may also authorize reductions if scheduled attendance does not fully utilize facility, or operational use changes from classroom to non-classroom uses. Since this was a Subcommittee recommendation a second is not required. The motion passed unanimously.

5. 2017-2018 Awards Cycle

a. 2017-2018 Application Announcement, Funding Pool, and Timeline

Discussion: When asked if there was any additional information to present, Ms. Cano indicated there was none.

MOTION: Council approval of the Awards Subcommittee recommendation to consolidate the remaining 2016-2017 and 2017-2018 awards cycles and release the application announcement and timeline with a funding pool for standards-based applications for schools with a weighted NMCI score of 60.00 or greater, and a preliminary funding pool for systems-based applications for schools within the top 100 of the 2017-2018 Preliminary wNMCI Ranking. Based on the number of pre-applications received by the February 10, 2017 due date, a final funding pool will be established that will be used to determine eligibility to complete the full application and be considered for an award. Since this was a Subcommittee recommendation a second is not required. The motion passed unanimously.

b. Systems Initiative Scoring Criteria and Full Application

Discussion: Ms. Cano reminded members that Council had tasked staff to look at the campus gross square foot reduction criterion and come up with alternative ways to calculate the disparity between those districts who could not reduce their gross square footage and those who could.

MOTION: Ms. Kelly moved for Council approval to approve the modified scoring for the Reduction of Campus Gross Square Footage criterion for ranking systems initiative projects and the proposed application process. Mr. Aguilar seconded. The motion passed unanimously.

6. Out-of-Cycle Funding/Additional Funding/Emergency Funding/Award Language Requests

a. Deming – P14-008 Deming Intermediate – Phase 2 Funding

Staff presented the executive summary included in the PSCOC notebooks for this item.

Discussion: This is a staff recommendation as the Deming School Board was unable to make a selection and award of contract prior to the Awards Subcommittee meeting. This award is based upon actual proposals and is in-line with financial plan estimates. The district uses the FIMS products to a very good level, FMAR scores are satisfactory and they are in the process of responding to some of their lower FMAR scores to improve facility conditions. The PM completion rate is between 90%-100% on a quarterly basis. Dr. Dan Lere, Superintendent, Deming Public Schools, stated the district was prepared to move forward with the project as they have their portion of the necessary funds, architectural drawings have been submitted and they have a general contractor on board. The old school will be demolished and turned into parking spaces once the new school is built. Ms. Gudgel inquired as to the current enrollment, Dr. Lere replied it was 405 with 435 anticipated in a couple of years. Mr. Aguilar inquired as to why the audit had not yet been submitted; Dr. Lere replied following a change in auditors, the audit was significantly more thorough and the district was working to address some items. Mr. Aguilar then asked if Council should feel comfortable the district's finances are in order or if the audit would reveal issues they should be concerned about. Dr. Lere replied the issues found were fairly minor and provided an example where one meal out of approximately 180,000 that were served last year was not accounted for in the finances. Mr. Aguilar requested

that a copy of the State Auditors approval for the extension be sent to him; Dr. Lere agreed to do so. As the district did not change the scope of the audit Ms. Clarke stated there is no reason for it to be nearly 60 days late and added they should not agree to a higher amount if the auditors try to bill more; Dr. Lere thanked Ms. Clarke for the information.

MOTION: Mr. Guillen moved for Council approval of the staff recommendation to amend the 2013-2014 standards-based award to Deming Public Schools for Deming Intermediate School to include construction to adequacy for 450 students, grade 6, with an increase in the state share amount of \$13,711,187 (71%), and a corresponding increase in the local share amount of \$5,600,344 (29%). Ms. Gudgel seconded. The motion passed unanimously.

b. Gallup-McKinley P15-007 – New Combined (Lincoln) ES – Phase 2 Funding

Staff presented the executive summary included in the PSCOC notebooks for this item.

Discussion: This is a construction funding request for a new school which consolidates Lincoln ES and Roosevelt ES for 380 students. The proposals received exceeded the anticipated MACC and would require a project increase of \$2.2M; PSFA staff has worked with the project team to identify cost saving options to bring the project within the award estimate. Significant discussion during the Awards Subcommittee focused on the foundation system and the cost savings option. After consulting with the geotechnical and structural engineers the owners have decided to retain the original foundation design. The district's PM plan is current and rated outstanding. PSFA recommends the district improve their use of the preventive maintenance direct module and improve the district-wide FMAR score average to a 70% satisfactory rating. Mr. Aguilar inquired as to why the audit had not yet been submitted; Mr. Ron Triplehorn, Facilities Director, Gallup-McKinley County Schools, replied the CFO was working on turning items in to the auditor. Ms. Gudgel asked if Gallup had any comments on the value engineering items, if the district was supportive of them or if there were any concerns. Mr. Triplehorn stated the district was comfortable with the list of value engineering items. Ms. Gudgel sought additional clarification by asking if there were any items on the list the district would prefer not to do. Mr. Triplehorn replied although the district and PSFA will likely never be 100% in agreement, he was 99% comfortable with the items on the list and would be happy to work with PSFA, the architects and contractors to get costs down.

MOTION: Council approval of the Awards Subcommittee recommendation to amend the 2014-2015 standards-based award to Gallup-McKinley County Schools for the New Combined (Lincoln) ES, to include construction to adequacy for 380 students, K-5, with an increase in the state share amount of \$16,495,433 (81%), and a corresponding increase in the local share amount of \$3,869,299 (19%). Since this was a Subcommittee recommendation a second is not required. The motion passed unanimously.

c. Maxwell – Request for Emergency Assistance – Maxwell HS Boiler System

Staff presented the executive summary included in the PSCOC notebooks for this item.

Discussion: The Maxwell Municipal School District is requesting a grant from the PSCOC for \$49,444 to repair or replace the boiler and piping at Maxwell HS as the existing boiler is incapable of delivering and maintaining adequate heat to the building. PED Deputy Secretary Aguilar authorized a distribution of \$50,000 in emergency funding; PSFA Director Gorrell,

with approval from the PSCOC Chair, approved an advance of up to \$65,000 with the understanding if the school could not repay they could request the advance be converted to a grant. Following review of the district's statement of financial position, it was determined the district did not have the necessary funding to fund the costs associated with the boiler system repair or replacement. The PM Plan is current and rated satisfactory and the district is interested in additional use of the school dude products to drive operational maintenance performance. Mr. McMurray reminded members of the Subcommittee discussion concerning the lack of appropriate licensure for those doing the original work. Mr. Karl Sitzberger, PSFA Regional Manager, stated he had contacted the previous general contractor and mechanical subcontractor, however both were unable to find records. Mr. McMurray stated GranCor will need to hire a licensed subcontractor to install the boiler. Mr. McMurray also stated inspectors were sent to look at the situation and verified there were no safety issues regarding the existing boiler. Mr. Guillen confirmed though the unit is not as efficient as it should be the students were staying warm; Ms. Kristen Forrester, Superintendent, Maxwell Municipal Schools, replied in the affirmative adding alternative arrangements have been made until the new boiler is in place.

MOTION: Council approval of the Awards Subcommittee recommendation to make an emergency award in the form of an advance to the Maxwell Municipal Schools to complete the boiler system repair/replacement work at Maxwell High School. Emergency funds distributed by the Public Education Department (PED) in the amount of \$50,000 will be the primary source of funding; the PSCOC awards funding in an amount up to \$15,000, to be used for any necessary costs in excess of the PED emergency funds. Since this was a Subcommittee recommendation a second is not required. The motion passed unanimously.

d. Broadband Deficiencies Correction Program Awards

Staff presented the executive summary included in the PSCOC notebooks for this item.

Discussion: Mr. Viorica spoke to the four motions presented in the handout material. **Motion 1** relates to the fiber project upgrades to Grants-Cibola County Schools. The total project cost recently approved by the E-rate program is \$2,273,575. The state funding match is \$113,679. Per Mr. Viorica, the state match amount reported to the Awards Subcommittee had a \$5,684 discrepancy which has been corrected. **Motion 2** is to make broadband awards for 8 Category 2 projects approved by the E-rate program with a total state match of \$39,884. Mr. Viorica noted some differences in the district requests and amounts approved by E-rate. Referring to Penasco, the E-rate program approved \$52,401 out of the requested \$715,233. The district had greater needs than what their E-rate budget had available and staff is working with the school to prioritize the work. **Motion 3** will revert the budgetary amounts for the Category 2 projects listed in the meeting material. The districts listed did not apply for Category 2 E-rate or did not apply for BDCP funding last year. This number, combined with the reversions Council has already taken action on is about \$6.2M and is part of the proposed \$7.5M reversion included in the financial plan. **Motion 4** delegates authority to the Awards Subcommittee to make minor modifications to the approved budget in order to comply with E-rate requirements and move projects forward. This is important as the Council will not meet until April and there are hard E-rate deadlines. A related issue is how the budgets for projects that are being developed now for the next E-rate application will be approved. The current deadline to submit 2017 funding

requests to E-rate is expected to be the end of March. Ms. Kelly requested status updates be provided to AMS on projects heard and approved by the Awards Subcommittee. Mr. Guillen stated the authority is to approve up to the award amount already tentatively approved; in most cases the award would be adjusted downward.

MOTION 1: Council approval of the Awards Subcommittee recommendation to make Broadband Deficiencies Correction Program (BDCP) awards of actual E-rate approved project amounts to provide the state match for application funding year 2016 for Category 1 to the Grants-Cibola County Schools for a total of \$113,679 as listed in column E of the award spreadsheets on page 2 of this agenda item for the purposes and up to the amounts specified. This allocation is intended to fully complete the project, phase, or specified purpose. Since this was a Subcommittee recommendation a second is not required. The motion passed unanimously.

MOTION 2: Council approval of the Awards Subcommittee recommendation to make Broadband Deficiencies Correction Program (BDCP) awards of actual E-rate approved project amounts to provide the state match for application funding year 2016 for Category 2 to 8 districts/schools for a total of \$39,884 as listed in column K of the award spreadsheet on page 3 of this agenda item for the purposes and up to the amounts specified. Each allocation is intended to fully complete the project, phase, or specified purpose. Since this was a Subcommittee recommendation a second is not required. The motion passed unanimously.

MOTION 3: Council approval of the Awards Subcommittee recommendation to rescind and revert the budgetary award amounts for Category 2 projects as listed in column M of the award spreadsheet on pages 4 & 5 of this agenda item for 54 districts in the amount specified for a total cost of \$2,567,757. Since this was a Subcommittee recommendation a second is not required. The motion passed unanimously.

MOTION 4: Council approval of the Awards Subcommittee recommendation to delegate the authority to the Awards Subcommittee to make minor adjustments to the 2015-2016 Broadband Deficiencies Correction Program (BDCP) budgetary awards, but not to exceed the PSCOC-approved budgetary award amounts, for the purposes of ensuring compliance with E-rate requirements for review and approval of E-rate applications. Since this was a Subcommittee recommendation a second is not required. The motion passed unanimously.

- e. **Roswell – P16-003 – Del Norte ES – Phase 1 Request to Proceed, Award Language Change & Out-Year Estimate Update**
Removed from agenda per district request.

7. **Other Business**

- a. **Charter Lease Assistance**

Staff presented the executive summary included in the PSCOC notebooks for this item.

Discussion: Mr. Abbey stated, as requested by the Council, the workgroup looked at potential changes to the statute; Ms. Casias clarified it was members of Council that had done the work. Mr. Guillen sought clarification asking if these were changes to process or statute; Ms. Casias

replied they would potentially change statute. Mr. Abbey stated he would like to treat this as an informational item unless there was any objection as this was a response to a Council request and a status report was being presented. Mr. Guillen asked if this would go any further than a status update presentation; Mr. Abbey replied if it found a sponsor the report to Legislature would be that Council did not endorse specifics but supports the efforts of individual members to reform the statutes in this area; Ms. Kelly agreed it would be a guideline. Ms. Gudgel stated one area remained where there was not consensus pertaining to the funding amount and discussion had gone back and forth on if it should be \$700 or \$733 or \$700 times the potential CPI. Ms. Kelly referred to the last paragraph in the meeting material which states “*change the language to indicate beginning July 1, 2019 schools that receive a D or F grade pursuant to the A-B-C-D-F School Rating Act for three consecutive years will not be eligible for lease assistance payments*” and is one way for Council to reduce the escalating costs or charter lease payouts by targeting those which should not have been reauthorized to begin. This was a compromise to help reduce payments while also targeting chronically failing charters. Mr. Guillen thanked Ms. Kelly for the information. Ms. Gudgel had a draft bill mock-up to send to staff and members. Ms. Kelly asked who would review the FIR that PSFA would write if a bill were to come out of this; Mr. McMurray stated it would fall back to the PSFA Director. Ms. Gudgel stated in the past former Council members had requested Mr. Gorrell send them any analysis being done. Mr. Gorrell has a list going and Ms. Katie McEuen, when sending them to LFC also sends them to staff members. Ms. Gudgel pointed out anyone not on the list should be added. Mr. McMurray sought clarification on where the information that was presented will go to next; Mr. Aguilar stated Ms. Gudgel’s draft bill would need a sponsor to move it forward.

Per Mr. Abbey, this was an informational item only.

b. Reduction of Financial Closeout Period for PSCOC Projects (*informational*)

Staff presented the executive summary included in the PSCOC notebooks for this item.

Ms. Cano reminded members this was in response to Council direction to look at opportunities to close out projects more timely. Staff reached out to both DFA Local Government Division and GSDs Facility Management Division to look at their closeout procedures; our timelines are in line with theirs. Neither agency closes out projects completely until all vendors are paid, including the design professional whose final services occur 12 months after substantial completion. In order to address Council’s concerns and look at opportunities for money to come back to the fund in a timely manner staff is recommending a procedural change where audits begin at substantial completion to look at a partial closeout to revert any available dollars, leaving sufficient balances to pay out all vendors so that the final amount being held 12 -18 months is very minimal.

c. Succession Plan for PSFA Director (*informational*)

Staff presented the executive summary included in the PSCOC notebooks for this item.

8. Informational

a. Broadband Deficiencies Correction Program Status Report

Staff presented the executive summary included in the PSCOC notebooks for this item.

Dr. Travis McIntyre, LFC Program Evaluator, drew member attention to the LFC Program Evaluation on Broadband Deployment in New Mexico and noted the major finding is the status quo of broadband deployment will not result in relative improvement in New Mexico's standing in broadband accessibility and speed in the state. The major recommendation is that the state move forward with aggregating demand. The combined purchasing and sharing of large quantities of broadband by schools will incentivize providers to invest and upgrade the electronics necessary to provide the service. The resulting increased capacity will augment available speed and lower access cost for everyone regionally. Referring to the handout, Mr. Viorica stated the high level plan points to leveraging E-rate funding for the implementation of this plan; missing the March 30th deadline is likely to delay implementation by one year or have the implementation cost significantly more. Mr. Viorica emphasized that while not ideal, if procurement does not produce the expected results, the awards do not need to be made. Mr. Viorica added Council may want to consider prioritizing funding for schools that are participating in a demand aggregation network or who have demonstrated significant justification on why they are unable to do so. Ms. Kelly stated the workgroup weighed this option very heavily and months ago the decision was made that aggregation would be a terrible approach because of the up-front costs of \$50M - \$60M. The workgroup had agreed, with the exception of Mr. Viorica and Mr. Gorrell, to move forward with what we are currently doing – Internet Access price procurement. Ms. Kelly went through a list of reasons why the demand aggregation approach would not be effective at this time: K-12 schools don't need to aggregate because they already have, or are on track to have, high speed internet. 96% of K-12 schools are now connected to fiber which is an improvement from 89% a year ago. 75% of school districts are meeting the minimum FCC connectivity standard of 1 megabyte per second per student which has improved from 65% last year. As the state-wide RFP result has not been seen it is yet to be determined whether or not it will have a greater positive impact on this metric. The LFC report attempts to make the point that a state network will increase access for homes and businesses via aggregating K-12 schools and other educational entities. Per Ms. Kelly, the broadband workgroup looked at the analysis in depth and decided against it due to cost and timeframe. Mr. Abbey recognized Representative James Smith and asked if he had any comment on the subject matter. Representative Smith replied though he did not hear the entire conversation he respectfully disagreed with a lot of what he did hear and added that he has introduced HB113 on these issues.

b. PSCOC Project Status Report

Staff presented the executive summary included in the PSCOC notebooks for this item.

c. Master Plan Project Status Report

Staff presented the executive summary included in the PSCOC notebooks for this item.

d. Lease Assistance Status Report

Staff presented the executive summary included in the PSCOC notebooks for this item.

The FY17 awards cycle is complete and award letters will be sent within the next two weeks.

e. Maintenance Program Status Report

Staff presented the executive summary included in the PSCOC notebooks for this item.

f. FY17 PSFA Budget Projection and Personnel Update

Staff presented the executive summary included in the PSCOC notebooks for this item.

9. Consideration for Approval to Adjourn to Executive Session Pursuant to the Open Meetings Act NMSA 1978, 10-15-1 (H)(2) for the purposes of discussing limited personnel matters.

MOTION: Mr. Burciaga moved for Council approval to adjourn to Executive Session pursuant to the Open Meetings Act NMSA 1978, § 10-15-1 (H)(2) for the purpose of discussing a complaint from an employee; and for the purposes of discussing hiring process/interview questions for the PSFA Director position.

Roll call:

Ms. Clarke – Yes	Mr. Burciaga – Yes	Mr. Peralta – Yes
Mr. Aguilar – Yes	Mr. McMurray – Yes	Ms. Gudgel – Yes
Ms. Kelly – Yes	Mr. Guillen – Yes	Mr. Abbey – Yes

The motion passed unanimously.

10. Reconvene to Open Session

MOTION: Council approval to reconvene from Executive Session pursuant to the Open Meetings Act NMSA 1978, § 10-15-1 (H)(2) for the stated purpose of discussing a complaint from an employee; and for the purposes of discussing hiring process/interview questions for the PSFA Director position. Only the above-referenced item was discussed and no action was taken.

Roll call:

Ms. Clarke – Yes	Mr. Burciaga – Yes	Mr. Peralta – Yes
Mr. Aguilar – Yes	Mr. McMurray – Yes	Ms. Gudgel – Yes
Ms. Kelly – Yes	Mr. Guillen – Yes	Mr. Abbey – Yes

The motion passed unanimously.

Upon reconvening from Executive Session, Mr. Gorrell announced that his retirement/resignation would be early April and his last day in the office would be close of business today. Comments from Council included thanking Mr. Gorrell for his many years of services, wishing him well in the future, thanking him for his vision in creating a program that was equitable, recognizing the challenge of doing so and noting that the program was a model for other states. Members to work with Ms. Sawyer on finalizing interview questions. The job description will be sent to Council for final edits and final approval was delegated to Ms. Kelly as the AMS Chair.

11. Adjourn There being no further business to come before the Council, Mr. Burciaga moved to adjourn the meeting. Mr. McMurray seconded. The motion passed unanimously. Meeting adjourned at 4:30 p.m.

Sawyer Chair
4/12/17 Date