

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL
MINUTES
APRIL 9, 2013
STATE CAPITOL BUILDING, ROOM 317
SANTA FE, NM**

Members Present: Mr. David Abbey, LFC Mr. Gene Gant, PEC
Mr. Joe Guillen, NMSBA Ms. Frances Maestas, LESC
Mr. Dee Dennis, RLD Mr. Raul Burciaga, LCS
Mr. Tom, Clifford, DFA

Designees: Mr. Antonio Ortiz for Mr. Paul Aguilar, PED
Ms. Mandy Jones for Mr. Keith Gardner, Office of the Governor

1. Call to Order at 9:05 AM

Mr. David Abbey, Chair

a. Approval of Agenda

The clerk called roll noting that Mr. Antonio Ortiz would serve as designee for Mr. Paul Aguilar, Public Education Department, and Ms. Mandy Jones would serve as designee for Mr. Keith Gardner, Department of Finance and Administration.

MOTION: Mr. Burciaga moved for adoption of agenda as presented. Mr. Gant seconded. Motion carried

b. Correspondence

Council was presented with a press release dated April 2, 2013 from the National Council of School Governments entitled "State K-12 School Facilities Launch National Council of State Facilities. The release reports that "facilities officials from ten states formed the National Council of State Facilities to leverage each state's strengths and create new tools and knowledge to improve our nation's K-12 infrastructure". New Mexico is contributing to the planning of the new organization and Mr. Gorrell holds the position of Council President.

2. Approval of Minutes (January 10, 2013)

Upon review by the Council, Mr. Gant moved for adoption of the January 10, 2013 PSCOC minutes subject to technical corrections. Mr. Burciaga seconded. There being no objection the motion carried.

3. Subcommittee Reports

a. Awards Subcommittee

• Financial Plan

PSCOC Financial Plan: Summary of PSCOC Financial Changes since 1/10/13. Project Funding Adjustments:

- NMSBVI (C10-002), phase funding to replace WEC Building, net award: \$7,576,828;
- Berrendo Elementary, Roswell (P11-017), Phase 2 funding for campus renovations, net award: \$8,068,427;
- El Capitan Elementary, Roswell (P11-019), Phase 2 funding to replace existing facility, net award: \$10,464,360;

- Military Heights Elementary, Roswell (P11-018), Phase 2 funding for campus renovations, net award, \$7,319,755;
- Rita Marquez/Anton Chico Elementary School, Santa Rosa (P12-010), Phase 2 funding to replace existing facility, net award: \$4,398,000.

Upon the council's request, the Financial Plan will be compiled with projected construction funding for new awards spread over multiple years included with a plausible scenario and presented to the Awards Subcommittee for approval. The full Council will review the Financial Plan at its next scheduled meeting.

- **Additional Funding/Emergency Funding/Award Language Requests**

- **Corona-FMP**

The Awards Subcommittee reviewed this request and recommend approval.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2012-2013 facilities master plan award to the Corona School District to correct the funding of the project to include a state share amount of \$1,400, based on actual contract costs. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

- **New America Charter School FY-2013 Q3 & Q4 Lease Assistance Reimbursement**

A lengthy discussion ensued as to why this charter school is paying \$40 per sq. ft. Ms. Susan Fox, attorney for New America, gave a brief history of the charter and indicated she would take the council's concerns to the New America Charter School governing council. The Council asked that the school explore negotiations or amendments of the lease with the landlord. The property belongs to the Archdioceses and allows room for leased portables. The facility currently houses 400 students and is now at maximum enrollment. Council will review the lease negotiations.

Council voiced concern regarding weather maintenance and custodial services are built into the lease cost. These issues will be taken to school members.

The Council requested that the New America financial officers appear before the Awards subcommittee and work in an effort to bring the lease rates to cost effective affordable market rates in 2014 or face the possibility of termination of the lease.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to release the remaining 2 quarters of the 2012-2013 Lease Assistance awards to New America Charter School-Albuquerque upon receiving proof of lease payments made.

AMENDED MOTION: Mr. Abbey moved for approval of the Council to release the third quarter of the lease reimbursement and the charter is to report to the Awards Subcommittee on a plan to renegotiate and adjust the lease payments to bring them towards market value. The school is also directed to submit lease rates for FY-14 as well as other pertinent information to the next PSCOC meeting. Mr. Guillen seconded. There being no objection, the motion carried.

b. Administration, Maintenance & Standards Subcommittee

- **Getting a Statewide FMAR Assessment—*Informational***

A draft letter to district superintendents was presented with reference to FMAR visits and assessments. Staff will complete FMARs throughout the remainder of the fiscal year with the assistance of several qualified contractors to conduct the visits. Council directed staff to move forward with the facility maintenance reporting.

- **PSFA FY-13 Budget Projection and Category Transfer BAR for FMAR and Standardized Lease Contractors**

Staff met with vendors and reviewed statewide skilled contracts to move forward with a plan. The AMS Subcommittee agreed this would be a good expenditure for baseline evaluations. In addition, the BAR will include \$50,000 to contract with an outside firm to draft standardized lease agreements for the charter and traditional schools to utilize. It was noted that PSFA currently has four positions open that would be filled immediately and salaries would be reserved in the budget for these positions. The FMAR initiative will utilize a statewide agreement on an hourly base for electrical and mechanical services that included assessment. PSFA has created a database and are ready to capture the data to begin building the baseline. Staff indicated that Legislative Council Services may have legal firms in mind that are experts in drafting standardized leases.

MOTION: Mr. Dennis moved for Council approval of the Administration, Maintenance & Standards Subcommittee recommendation to approve a budget adjustment request (BAR) transferring \$150,000 from category 200 (personal services) and \$206,000 from category 400 (other costs) into category 300 (contracts) to complete the FY13 FMAR initiative and to enter into a contract for legal services to create standardized leases. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

4. 2013-2014 Standards-Based Capital Outlay Award Cycle

a. 2013-2014 Standards-Based Pre-Application Received

Staff reported that 32 applications were received for 22 schools for planning and design projects for Phase 1 funding in the amount approximately \$19.4 million (see attached). Applications received for potential out-of-cycle are approximately \$186 million. Upon the direction of the Council, staff concentrated on schools with a weighted NMCI above 55.

The Albuquerque District submitted late applications for four projects.

After a brief discussion the Council requested that staff provide a list of those districts that are high in ranking but did not apply.

MOTION: Mr. Guillen moved for Council approval of the PSCOC Awards Subcommittee recommendation to authorize PSFA to assist those districts that submitted pre-applications by the March 22, 2013 deadline within the top 100 of the revised preliminary NMCI rankings to develop the full applications and perform site visits as appropriate to gather additional information on behalf of the Council. Full applications are due May 6, 2013. Since this is an award subcommittee recommendation a second is not required. There being no objection the motion carried.

b. 2013-2014 Standards-Based Roof Applications Received

Staff reported that 20 roof pre- applications were received from 15 districts (see attached). PSCOC has capacity of \$10 million per fiscal year to allocate for roofing projects. The state match for applications received is approximately \$8.4 million.

The Awards Subcommittee has agreed to accept the late applications from the Gallup School District due to the funding capacity to make additional awards for roofs. Staff will also solicit applications from other districts that may not have applied or missed the deadline.

The Mesa Vista School District is applying for funding. The district was previously awarded but the project did not move forward due to lack of their local match. The district feels that they can produce their match for this award request.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to accept the standards-based roof applications which may proceed in accordance with previously adopted criteria. Districts are encouraged to move expeditiously with the hiring roof consultants from the PSFA-approved pool to evaluate these critical roof projects and submission of the required reports to the PSFA for final review and analysis such that award recommendations may be brought to the July 25, 2013 PSCOC meeting. Districts must provide evidence of claims against roofing warranty or demonstrate evidence that original roof warranty has expired or contract did not require warranty; as well as, notification to NM Construction Industries Division with evidence that contractor has been contacted to repair roof but has been non-responsive. Staff is directed to solicit additional applications for consideration at a future PSCOC meeting. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

c. 2013-2014 NMCI Rank Appeals

The Lordsburg School District requested that the PSFA staff reassess their high school facilities, however, the rankings were already published and the school was ranked at 54. Based on staff reassessment, the district's weighted NMCI would go up to 77.31 from its current 47.7 which would put the school's rank at approximately 5. Adjustments will also be reflected in the FAD database.

Staff indicated Rio Rancho School District also submitted an appeal for Lincoln MS, but staff is still reviewing the information.

MOTION: Council approval of the Administration, Maintenance & Standards Subcommittee recommendation to approve the rank appeal from the Lordsburg Schools for Lordsburg High School; based on a reassessment of the facilities, the wNMCI will increase from 43.71% to 77.31%, and the current ranking of 54 will be adjusted to approximately 5. The rank appeal from Rio Rancho Schools for the Lincoln Middle School is deferred pending PSFA review of the information provided by the district. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

d. 2013-2014 Proposed Workplan/Timeline

Staff affirms that both subcommittees have reviewed the workplan/timeline. He highlighted various changes in the timeline noting that it is subject to change.

Mr. Berry indicated that site visits will follow the full application submittals which are due on May 6, 2012. He presented tentative dates of June 20 & 21, 2013 for the presentation meetings. It was suggested that Council hold the meetings outside of the Santa Fe/Albuquerque area with the possibility of splitting the dates to hold the meetings at two designated school districts.

This report is for informational purposes only. No action is required by the Council.

5. Director's Report

a. Status Reports

- **PSCOC Project Status Report**

Mr. Gorrell presented the Project Status Report to the Council, noting that the report was reviewed by the Administration, Maintenance & Standards Subcommittee. He highlighted the various projects in the report along with the projects that are moving forward and projects that are behind schedule.

This report is for informational purposes only. No action is required by the Council.

- **Master Plan Project Status Report**

Mr. Gorrell presented the Master Project Plan Report to the Council noting that the report was reviewed by the Administration, Maintenance & Standards Subcommittee. He highlighted various portions of the report. Staff is directed to include behind schedule master plans on their next status report.

This report is for informational purposes only. No action is required by the Council.

- **FMAR Scores**

The staff provided the Council with maintenance averages for school districts assessed to date. The overall average for maintenance in these districts is approximately 60%.

This report is for informational purposes only. No action is required by the Council.

- **Lease Assistance Report**

Mr. Gorrell presented the Lease Assistance Payment Report to the Council noting that the report was reviewed by the Administration, Maintenance & Standards Subcommittee. He highlighted various portions of the report.

This report is for informational purposes only. No action is required by the Council.

- **Chama Project Update**

Public School Capital Outlay Council members Abbey, Dennis and Aguilar and staff, traveled to the Chama Valley School District to observe and discuss ongoing issues at the Tierra Amarilla Elementary School and Escalante High School. The contractor is in default of contract on the latter. The district received standards-based funding for the schools during 2005-2006 and 2006-2007 awards cycles. The PSCOC awarded approximately \$500 thousand to address ongoing issues in 2012. PSFA staff anticipates the need for approximately \$750 thousand more to remedy the issues. PSFA staff has noted that many of the ongoing maintenance and operational issues e.g. mechanical systems that are being replaced would not be issues with appropriate maintenance.

The PSFA Maintenance & Facilities Divisions will work with the Contractors, the District and the District Subcontractors to establish a plan and appropriate training at the close-out of the work. As a part of this plan, clear responsibilities will be outlined so the district will be able to maintain and handle any future issues with the responsible party. It will include a matrix of each system component, the responsible party to take care of the issue, and for the duration of their responsibility. This is expected to be turned over to district. The district is scheduled to close-out the project by September 30, 2013.

6. Other Business

a. 2013-2014 Legislative Session

Staff presented a brief review of the 2013-2014 Legislative Session. It is determined that PED needs to certify bonds for pre-k and buses although laws do not define these items as supporting education.

Staff will bring lease recommendations to the Awards and AMS Subcommittees to set standards and assess districts to move projects forward.

The Board of Finance staff will review laws, project needs and bonding issues prior to the next PSCOC meeting. Council will discuss this item and provide a motion to certify the needs subject to Board of Finance findings and availability.

b. QZAB-QSCB Awards—*No Applications Received*

Staff informed the Council that no applications were received for these awards. However, PED staff indicated some districts may still be interested in applying for QZAB awards and the application date might get extended for their opportunity to apply.

This report is for informational purposes only. No action is required by the Council.

c. PSFA/PSCOC Strategic Planning & Interim Action Plan-Status

Upon discussion, it is determined that Council will provide input, in writing, of any inclusions/exclusions they feel should be incorporated in the action plan. Staff is directed to reorganize the summary and separate problem statements from action items.

This report is for informational purposes only. No action is required by the Council.

d. Deming High School-Status

Staff informed the Council that the Deming School District has not completed a FMP although it is been funded. In reference to the FMP, the district sent a letter that indicates that the plan is 90% complete. Their design funding for the high school is still in place and adequate to begin the design upon approval of the school board. The FMP will be complete by June 2013. The action to be considered at this point is decertification of the project. The Awards Subcommittee requests an action plan from the district for moving forward.

This report is for informational purposes only. No action is required by the Council.

e. Zuni Lease

Staff reported that according to a letter received on March 18, 2013, the tribe indicates that they are unable to provide a signed long-term lease with the district because of the federally mandated environmental assessment and archaeological studies are complete. Upon the final requirements, the Zuni Tribal Council will enter into a long term lease as required by

PSCOC. The letter states that the letter is a commitment to enter into a long term lease with the Zuni School District for the purposes of constructing a new elementary school.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to authorize design to proceed on the 2012-2013 standards-based award to the Zuni School District for Dowa Yalanne/A:Shiwi Elementary Schools, contingent on acceptance of the executed 50 year or equivalent term land lease by the July 2013 PSCOC meeting. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

f. Next PSCOC Meeting-Proposed for May 3, 2013


Upon discussion, the Council unanimously agreed to hold their next PSCOC meeting May 3, 2013.

Public Comments

There is no public comment at this time.

Adjourn

There being no further action to come before the Council the meeting adjourned at 12:30 PM.

 **Chair**
5/3/13 **Date**