

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL  
MINUTES  
APRIL 9, 2014  
STATE CAPITOL BUILDING, ROOM 317  
SANTA FE, NM**

**Members Present:** Mr. David Abbey, LFC                      Mr. Gene Gant, PEC  
                         Mr. Joe Guillen, NMSBA                      Mr. Raul Burciaga, LCS  
                         Mr. Tom Clifford, DFA                      Ms. Frances Maestas, LESC  
                         Mr. Pat McMurray, CID                      Mr. Michael Heitz, Governor's Office

**Designees:**                      Mr. Antonio Ortiz represented the Public Education Department in the absence of Mr. Paul Aguilar.

**1. Call to Order – Mr. David Abbey, Chair**

**a. Adoption of Agenda**

Clerk called roll noting that Mr. Antonio Ortiz would represent the Public Education Department in the absence of Mr. Paul Aguilar.

Ms. Selena Romero introduced 8 new PSFA staff to the Council, and stated that the remaining 2 staff not in attendance will be introduced at the next PSCOC meeting.

**MOTION:** Mr. Burciaga moved for approval of the agenda as presented. Mr. Heitz seconded. Motion carried.

**b. Correspondence**

Mr. Robert Gorrell referred the Council to a letter from Superintendent Frank Chiapetti of the Gallup School District. The letter is regarding the district's elementary schools and references an email sent from Mr. Gorrell to the district that attempts to clarify an advantage to building the bigger school yet allowing the smaller schools to be built at 130 square feet per student instead of 150 that was prior to the guidelines that apply to the new schools. Mr. Gorrell has a meeting scheduled with the School Board to address this issue and the needed pre-k classrooms.

Staff and the district are currently going through the programming of the schools. Ms. Kelly Jernigan, Regional Manager for the Gallup School District, explained that currently the district has begun the programming on Jefferson, Washington, Oñate and Ramah Elementary Schools. She noted that Ramah Elementary School was not in the 2010 awards. Mr. Gorrell stated that currently they are at 130 square feet per student to support the educational programming but the district prefers 150 square feet per student. The district has been invited to present before the Council to address this issue. Mr. Gorrell noted that if there was a justified need for 150 square feet per student to adequately support the educational programs, he would bring it before the Council for their consideration for the increase above the guidelines.

Mr. Chiapetti stated that the district is looking for a solution to what was sold to the community in the consolidation plan that was discussed in regard to economics. The district is not looking for larger classrooms but instead an ability to meet their needs. Mr. Chiapetti indicated the district has possible solutions and are attempting to work out the sq. ft. to meet the needs of consolidating two schools without losing programs.

Mr. Gorrell noted that in regard to the Pre-K program, the Council supports is DD so only one is being looked at in the program. PED through other funding has provided for Pre-K but the Council has not. Mr. Abbey noted that there are \$2.5 million allocated. Mr. Ortiz stated that the applications in the amount of \$5 million for Pre-K classes. He noted that the funding PED allocates for classrooms follows those on the operational side and the application will go out to the districts in two weeks. Mr. Chiapetti noted that the district will apply for Pre-K funding.

## 2. Adoption of Minutes (March 6, 2014)

Upon review by the Council, Mr. Guillen moved for adoption of the March 6, 2014 PSCOC meeting minutes subject to technical corrections. Mr. Gant seconded. There being no objection, motion carried.

## 3. Awards Subcommittee Report

### a. Financial Plan

#### Summary of PSCOC Financial Plan Changes since 3/6/14

#### PSCOC ACTION - OUT-OF-CYCLE, EMERGENCY, ADDITIONAL FUNDING

NMSBVI-P13-016 - Health Services & Jack Hall Additional Funding—Net Award \$40,366  
 Las Cruces-R14-010 - Alameda ES Additional Funding-- Net Award \$364,212  
 Albuquerque-R13-003 - Nuestros Valores Admin Building Project Reversion--Net Award (\$50,625)

**TOTAL NET AWARDS \$353,953**

#### **PSCOC FUND PROJECT AWARD SCHEDULE DETAIL PHASE 2 ESTIMATE MODIFICATIONS**

Project	FY	Previous Estimate	Current Estimate	Change
Gallup - P11-006 - Church Rock ES	14	\$7,978,040	\$15,958,151	\$7,980,111
Farmington - P13-006 - Farmington HS	14	\$28,515,290	\$32,151,783	\$3,636,493
Hobbs - P14-015 - New Elementary School	14	\$8,709,590	\$11,132,082	\$2,422,492
Hobbs - P14-016 - Broadmoor ES	14	\$7,797,684	\$9,147,729	\$1,350,045
Gallup - P11-005 - Washington ES	15	\$6,825,195	\$16,290,216	\$9,465,021
Gallup - P11-008 - Jefferson ES	15	\$8,825,050	\$15,849,439	\$7,024,389
West Las Vegas - P13-009 - West Las Vegas MS	15	\$4,548,193	\$5,104,381	\$556,188
Albuquerque - P14-001 - Marie Hughes ES	15	\$4,195,130	\$9,622,969	\$5,427,839
FY14 Subtotal		\$53,000,604	\$68,389,745	\$15,389,141
FY15 Subtotal		\$24,393,568	\$46,867,005	\$22,473,437
<b>Grand Total</b>		<b>\$77,394,172</b>	<b>\$115,256,750</b>	<b>\$37,862,578</b>

*Changes per "Construction Cost Inflation" presented at March 2014 PSCOC meeting*

Ms. Casandra Cano, PSFA staff introduced Ms. Denise Irion, PSFA CFO. Ms. Cano noted that the financial plan will be transitioned to Ms. Irion. She referred the Council to the financial plan that is made available in their meeting notebooks/e-book. Included in the report are the PSCOC Financial Plan definitions, sources and uses, PSCOC fund project encumbrance schedule and PSCOC balances.

In regard to construction, there are cost adjustments in to the financial plan due to award language and have been changed from renovation to replacement of schools. Mr. Clifford stated that before the Council votes the \$150 million for this year's cycle, the sources and uses must be reviewed as there are significant deficits. Council needs assurance from staff that this is a sustainable claim. Mr. Gorrell explained that an amount of \$20M was included in the financial plan pre-recession as a reserve fund for emergency funding, additional funding and other district requests. Mr. McMurray noted that there is a statutory timeline for approval of the funding. Mr. Eaton noted that the approval of certification will be reviewed and approved by Mr. Clifford and Mr. Abbey.

**b. Capitan/HS/ES (P13-003) - Award Language Change**

**Executive Summary:** District is requesting an award language change to the award for Capitan HS and Capitan ES to allow the district to utilize the existing middle school (by remodeling and adding on to the existing MS - rank:318, wNMCI: 20.32%) for elementary school students, and build a new secondary school for students grades 6-12. This will result in a less expensive project overall and a smaller campus buildings footprint by approximately 10,000 SF (two core academic buildings instead of three). This will also result in significant operational savings every year, for the life of the buildings. The necessary maintenance effort to care for these building will be reduced as well.

Maintenance		Recommended District Performance
FMAR	17.74%	1. Improve field performance
Using FIMS	Yes	2. Continue development of FIMS program
PM Plan	No	3. Submit updated district PM plan
Work Orders	No	4. Improve documentation in work orders
M3 Metrics	No	5. Implement maintenance performance metrics

The Capitan Municipal Schools had originally been awarded a Capital Outlay Award with the following language: Planning and design to renovate/replace existing high school facilities to adequacy for 150 students, grades 9-12, and planning and design to renovate existing elementary school facilities to adequacy for 206 students, grade K-5. Shared core facilities shall accommodate the entire campus. It is recognized that district does not have financial capacity for their share of the project. Prior to construction, the district shall submit a financial phasing plan that may include potential advance/waiver. A goal of this award would be to reduce the gross square footage of the facility be 50% or more.

Mr. Ovidiu Viorica, Regional Manager for the Capitan School District introduced Ms. Shannon Parks from Capitan Schools and Matt McKim with Dekker/Perich/Sabatini, the architect who has been working with the district on their planning and options. Mr. Ed Vinson, School Board President joined the meeting via webcast. It was noted that there

is a significant site change as the district needs a piece of land on the campus which is not inhabited by another building so the high school students can stay in the existing facilities during construction. The site change keeps the kids away from NM-380 and relocation of the high school will help resolve grading and drainage issues on the site, and can be a better site for security purposes. Mr. Viorica noted that the project includes replacement of the existing high school, and renovation or replacement of the elementary, and renovation of the shared facilities of the gym, kitchen and cafeteria which are in need of significant repair. This would result in 3 academic buildings, however the building committee of 25 people discussed the idea of combining the Middle School and the High School to reduce sq. ft. by 10,000 feet. The total cost may be the same or less than original estimate, the district would have only 2 academic buildings, and the drainage solutions would be resolved. Council members agreed that this is a good solution for a difficult site and will serve program issues. Mr. Gorrell noted that the district not asking for budget adjustments, however, although the district passed a bond, they may request a waiver.

Council noted that there are many deficiencies in the district's maintenance practices. Mr. Vinson responded that although the district is doing maintenance, that the district does not have a maintenance plan and are having issues with getting their maintenance reported in FIMS due to lack of staff. Council reminded the district that it is important that the district provide critical information on the preservation of their facilities to the Council. It was also noted that the district has a difficult time passing bonds due to surrounding communities. The timeline for passing bonds and completing the phase 1 of the project is \$10.5 million with a possible advance of \$6 million and a construction manager may be appropriate. The district has passed a \$5 million bond and they currently have \$4.5 million in district funds for the first phase. At the time, the original estimated cost was \$24.1 million with the Council share at \$2.4 million. Council requested that staff provide an analogy of the project for the advance and the schedule for the project to be included in the May PSCOC meeting agenda.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to modify the 2012-2013 standards-based award to the Capitan Municipal Schools for Capitan HS/ES to: Planning and design for renovations/additions to adequacy at Capitan Middle School to house 206 elementary students, grades K-5, and to construct a new secondary school to adequacy for 290 students, grades 6-12. Shared core facilities shall accommodate the entire campus. It is recognized that district does not currently have financial capacity for their share of the total project. Prior to construction, the district shall submit a financial phasing plan that may include potential advance/waiver. A goal of this award is to reduce the gross square footage by 50% or more. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

**c. T or C/ES (P12-012) – Award Language Change**

**Executive Summary:** 2013-2014 enrollment of 3 & 4DD students at Truth or Consequences Elementary school is 28, with an additional 13 identified through the districts child find program that are eligible enroll in the program by the end of this school year. There is a potential for a total of 41 students in 2013-2014.



The four classrooms already exist as kindergarten classrooms; these classrooms will become available for the DD program when the kindergarteners move into the new facility. These classrooms will need some minor alterations to accommodate the DD students. The four kindergarten classrooms were built in 1987.

Mr. Volpato noted that this project is currently in construction and nearly complete. The facility built in 1987 was going to be demolished or turned over for other purposes than classroom but can still be utilized. The district's current budget will accommodate these changes. There is enough contingency for the modifications so there is no additional cost.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2011-2012 standards-based award to the T or C Municipal Schools for T or C ES to include renovation of four classrooms to adequacy to house the 3&4-year-old DD program. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

**d. Gallup/Church Rock ES (P11-006) – Phase II Funding**

**Executive Summary:** Staff recommends additional funding to Gallup-McKinley County Schools for Church Rock Academy to complete the project to adequacy with an increase in the state share amount of \$13,897,567 (85%), contingent upon an increase in the local share amount of \$2,452,512 (15%).

Maintenance		Recommended District Performance
FMAR	43.63%	1. Improve field performance 2. Implement Maintenance Performance Metrics
Using FIMS	Yes	
PM Plan	Yes	
Work Orders	Yes	
M <sup>3</sup> Metrics	No	

Mr. Volpato informed the Council that this project has completed the design phase and going out for construction pricing. The district is requesting Phase II funding. The original award was for \$1.4 million to complete the design. The total price for this project is estimated that includes the contractors proposal came in at \$18.5 million. The district is requesting \$16 million in phase 2 funding. Mr. Volpato noted that the district also requested a waiver in the amount of \$1.5 million. The district submitted a statement of financial position that has been reviewed by staff. The statement indicates that the district has a short-fall in out years but currently they have the funding to proceed with this project. The Awards Subcommittee recommends that a waiver not be granted and the district can come back before the Council for future projects to request a waiver if needed.

The Council recognizes Representative Lucky Varela.

Mr. Gorrell noted that the district indicted that currently they are able to manage their project. Staff feels that PSFA should monitor the progress of this project and all district projects. PSFA feels that there may be a requirement that the district hire a construction manager to assist in the direct management of all PSCOC funded projects. Mr. Clifford stated that this portion of the motion should be included in the Capitan motion for their



award language change request. Staff is directed to prepare estimates of the cost of the projects reflecting the latest cost information and out-year costs.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2010-2011 standards-based award to the Gallup-McKinley County Schools for Church Rock Academy (ES) to include phase 2 construction to replace existing facilities to adequacy for 330 students, grades K-5, with an increase in the state share amount of \$13,897,567 (85%), contingent upon an additional local share of \$2,452,512 (15%). The district shall incorporate the additional maintenance contingencies that include: (1) improve field performance and (2) implement maintenance performance metrics, and shall report to the PSCOC every 6 months during the project on their maintenance operations. PSFA shall monitor the progress of this and all district projects, and may require the district to hire construction manager to assist in the direct management of all PSCOC funded projects. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

**e. Central/Naschitti ES (P13-004) – Phase II Funding**

**Executive Summary:** Staff recommends additional funding to Central Consolidated School District for Naschitti Elementary School to complete the project to adequacy with an increase in the state share amount of \$5,397,499 (63%), contingent upon an increase in the local share amount of \$3,169,960 (37%).

Maintenance		Recommended District Performance
FMAR	55.64%	1. Improve field performance
Using FIMS	Yes	
PM Plan	Yes	
Work Orders	Yes	
M <sup>3</sup> Metrics	Yes	

This request is for Phase II construction funding to renovate/replace the existing school facility to adequacy for 125 students, grades K-5. This will include the construction of a fire tank required by the Navajo Tribal Utilities along with abatement/demolition of the existing school building. PSFA staff recommends that the PSCOC approve the state funding request totaling \$5,397,499 (63%) as requested to complete construction to adequacy. The district has in place their required funding amount match totaling \$3,169,960 (37%).

Mr. Volpato stated that district has the design and an RFP for construction and pricing from a contractor. The request is to renovate/replace the existing facility to adequacy for 125 students K-5. The total project cost came in at \$10 million with the district requesting the additional \$8 million to complete the project.

The district is in the process of completing the ed specs for Newcomb HS. There was a fire tank and utilities that were required by the Navajo tribe that was not in the original budget. Additionally the total project came in at \$350 per sq. ft., and the construction cost at \$290 per sq. ft. which is much higher than the originally estimated cost. The Council noted that the district's maintenance score is at 56%. The district



superintendent stated that the district has a new maintenance supervisor that is getting information into the system and field performance improvements will be forthcoming.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2012-2013 standards-based award to the Central Consolidated Schools for Naschitti ES to include Phase 2 construction to renovate/replace existing facilities to adequacy for 125 students, grades K-5, with an increase in the state share amount of \$5,397,499 (63%), contingent upon an additional local share of \$3,169,960 (37%). Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

**f. Tularosa/MS (R14-018) – Additional Funding**

Executive Summary: The Tularosa School District is requesting additional funding for Tularosa MS Roof to complete the project to adequacy with an increase in the state share amount of \$47,889 (73%), contingent upon an increase in the local share amount of \$17,713 (27%).

Maintenance		Recommended District Performance
FMAR	66.29%	<ol style="list-style-type: none"> <li>1. Improve field performance</li> <li>2. Implement Maintenance Performance Metrics</li> </ol>
Using FIMS	Yes	
PM Plan	Yes	
Work Orders	Yes	
M <sup>3</sup> Metrics	No	

The district's original award was based on an RCIA which recommended 5,684 square feet of roof replacement and 4,240 square feet of roof repair at an estimated \$13.30 per square foot for total project cost. The district decided to replace the entire roof at an additional cost of \$32,386. The district also identified an additional 1,995 square feet of roof replacement at a cost of \$33,216. PSFA staff recommends that the PSCOC approve the state funding request totaling \$47,889 (73%) as requested to complete construction to adequacy. The district has in place their required funding amount match totaling \$17,713 (27%).

Staff recommends that the district replace the entire roof based on identifying several problems.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2013-2014 standards-based roof award to the Tularosa Municipal Schools for Tularosa MS to include replacement in lieu of repair and roof replacement of an additional 1,995 square feet with an increase in the state share amount of \$47,889 (73%), contingent upon an additional local share of \$17,713 (27%). Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

**4. Administration, Maintenance & Standards Subcommittee Report**

**a. Correlation of Maintenance Management to Maintenance Effectiveness**

Executive Summary: The FMAR is made up of two critical scoring components:

1. Actual/assessed conditions on site, from a site visit with photos and detailed comments, for 80% of the total FMAR score.
2. Maintenance Management based on the district's Preventive maintenance Plan (PMP), use of Facility Information Management System (FIMS), and the five year Facility Master Plan (FMP). Together, these give 20% of the total FMAR score.

$$\text{Total FMAR\%} = (\text{Site Visit} + \text{Photos} + \text{Comments}) + (\text{PMP} + \text{FIMS} + \text{FMP})$$

or

$$(\text{Maintenance Effectiveness}) + (\text{Maintenance Management})$$

The attached scatter plot shows significant correlation between implementation of Maintenance Management and actual conditions on site.

Mr. Les Martinez clarified that while a district can score above 70% without FIMS or a current PM plan it is in the best interest of the schools to implement these statutorily required tools. These tools when implemented effectively, maintain continuity in the maintenance processes when Superintendents, and School Boards change at the district.

**b. PSFA FY14 Quarterly Budget Projection**

Ms. Cano and Ms. Irion presented this item to the Council noting that the FY14 PSFA budget for operation is \$5,594,000 and available balance is \$367,000, due to high turn-over rate and high vacancy of 20% experienced in this fiscal year. Mr. Gorrell noted that PSFA will be replacing aging systems and therefore the available balance will be reduced.

Ms. Cano noted that the overall budget for the personal service item is adjustments to accommodate expenditures annually and adjustments due to the high turnover. Some of the income savings are applied to the intern program supported by PSFA that are not initially budgeted for but if there are vacancies, the funds are used to accommodate the interns.

**c. PSFA FY15 Budget with Salary Increases**

Ms. Selena Romero, PSFA staff, noted that this item was presented to the AMS Subcommittee for an increase of 3% for salary increase for employees. This request was presented to the AMS Subcommittee.

Ms. Romero indicated that the cost of the 3% increase request is for \$85,000. The other consideration is that there is approximately a \$30,000 increase to medical services and employer benefits paid. The projections in the budget include the 3% employee raise. Mr. Clifford noted that currently the PSFA is in the negative for personal services. Ms. Romero explained that the budget projection for employees takes in a few considerations. She stated that the 3% (\$85,000) will put the agency in the negative and the other consideration is that there is approximately \$35,000 increase for medical premiums. The PSFA is also requesting that the Council allows the agency to fill some term positions such as the Information Systems Manager who would manage the broadband initiative as a term position. Mr. Clifford requests that the staff bring back assumptions so the Council can determine where the agency is in with regard to FY2015. The Council also has to address the balance with all the position changes.



Mr. Clifford indicated that the language reads that the PSFA would not qualify for a raise as PSFA is executive exempt. Ms. Romero cited Senate Bill 313, Senate Executive Message No 112 from Governor Susanne Martinez as follows: *"Though I have chosen to authorize the three percent pay raise for classified state employees and higher education worker, I have vetoed the compensation increases for all political appointee in the executive branch of state government, for elected district attorneys, and for elected judges throughout the state."* Mr. Clifford indicated that the PSFA is classified as executive exempt employees and are part of the executive branch under the Governor. Ms. Romero cited Senate Bill 313, Section 8 (Compensation Appropriations) reads *"Nineteen million seven hundred ninety-one thousand six hundred dollars (\$19,791,600) appropriated from the general fund to the department of finance and administration for expenditure in fiscal year 2015 to provide salary increases of three percent to employees to budgeted positions who have completed their probationary period subject to satisfactory job performance. The salary increases shall be effective the first full pay period after July 1, 2014, and distributed as follows: ...."* Mr. Clifford stated that PSFA would not receive the pay increase pursuant to Section A. He noted that the Council could authorize the increase by their own action if it is consistent with the Governor's exempt employee salary plan.

Ms. Maestas stated that the PSCOC is in a difficult position as far as determining whether or not PSFA is an exempt agency. Ms. Maestas stated that the Council can authorize a salary increase. Mr. Abbey stated that he would like to try to establish and submit a budget of 3% that the operating budget to add \$85,000 to the budget under the authority of page 219 line 25 SFC/S313, a Chapter 63. Mr. Guillen stated that upon listening to Mr. Clifford's comments, he feels that the Council should be looking for ways to implement the salary increase instead of not implementing it.

**MOTION:** Ms. Maestas moved for Council approval to move forward to include \$85,000 in the PSFA operating budget for the 3% salary increase for all employees pursuant to Chapter 63, Senate Bill 313, Section 8, Paragraph E and authorize increase in the additional amount appropriated for the Public School Capital Outlay. Mr. Guillen seconded.

Mr. Burciaga stated that he is in favor of the motion but is not convinced that PSFA falls under the executive exempt branch.

Mr. Clifford stated that his interpretation is that the Council does not have the authority to authorize a salary increase the budget and feels that the Council would be utilizing the Capital Outlay Fund. He stated that the Council has to cite a different authority to the increase. Mr. Abbey noted that LFC does not object to the salary increases and cited other options. He explained that the motion is set to budget transfer as an option for the Agency that would legally work after July 1, 2014 if necessary. He indicated that PSFA can submit a BAR in July 1, 2014 and it would have to go through a process. Mr. Abbey stated that as law provides, it is the Council's desire to do this. Ms. Romero noted that new employees would not be eligible for the pay increase. Mr. Clifford does not feel comfortable in voting positive for the motion. Mr. McMurray agreed with Mr. Clifford regarding the statute and stated that if there is another way to allow pay raises to

the staff, it is prudent to do so. Mr. Guillen stated that if Council can pursue this with whatever means which is the intent of the motion and work out the details.

With the motion still on the table, the following voted in the negative:

Mr. Clifford  
Mr. Heitz  
Mr. McMurray  
Mr. Ortiz

**d. Personnel Actions**

**EXECUTIVE SUMMARY**

- **Review personnel and position action requests:**
  - Position 00053053: Central Coordinator, advertise and hire for essential position vacant since 3/1/2014.
  - Position 00052627: Promotion and reclassification of Financial Auditor to Chief of Staff due to a change in responsibilities. (To be requested)
  - Position 00053014: Financial Specialist, advertise and hire for essential position vacant since 1/1/2014. (To be requested)
  - TERM: Advertise and hire Information Systems Manager, to manage broadband initiative. To be requested. (To be requested)
  - TERM: Advertise and hire Facility Analyst to manage lease assistance (Property Management). (To be requested)
- **Review of the Regional Manager Career Development Plan**

Career Development Plan progression: Student Intern ⇒ Project Technician ⇒ Regional Assistant Construction Manager ⇒ Regional Construction Manager ⇒ Regional Facilities Manager I ⇒ Regional Facilities Manager II ⇒ Senior Facilities Manager.

Mr. Gorrell stated that PSFA would like to move forward in their hiring. In regard to the Deputy Director position, Mr. Gorrell stated that in PSFA does not have the budget to move forward with this position and request that the Council allow him budget authority to fill this position. Ms. Romero referred to the budget projections that were made available to the Council in their notebook/e-books. She highlighted the budget expanse and noted that there would be 2-3 vacancies throughout the year to make the budget work.

Mr. Abbey stated that PSFA must make it very clear that they have submitted budget projections to cover the budget. In regard to some of the positions that are open, Mr. Gorrell stated that PSFA will not exceed The 50 staff approved for FY14 though some positions may need to be re-classified. Mr. Abbey stated that he worked with Secretary Clifford and they have determined that the PSCOC will not get involved in individual personnel matters, and the AMS Subcommittee will regularly review these personnel actions.

## 5. 2014-2015 Standards-Based Capital Outlay Awards Cycle

### a. 2014-2015 Pre-Applications Received

#### **EXECUTIVE SUMMARY**

#### **Standards-Based Applications**

##### **Top 50 (Priority)**

- 11 applications from 7 districts
- Potential Phase 1 State Match \$10,759,406
- Potential Out-of-Cycle State Match \$112,200,589
- Total 2014-2015 Award State Match \$122,959,995

##### **Top 51-100**

- 7 applications from 4 districts
- Potential Phase 1 State Match \$7,468,498
- Potential Out-of-Cycle State Match \$29,701,575
- Total 2014-2015 Award State Match \$37,170,073

##### **Top 100 (Total Funding Pool)**

- 18 applications from 11 districts
- Potential Phase 1 State Match \$18,227,904
- Potential Out-of-Cycle State Match \$141,902,164
- Total 2014-2015 Award State Match \$160,130,068

#### **Standards-Based Roof Pre-Applications:**

- 27 applications from 15 districts
- State Match \$16,699,744 (\$10 million award limit)
- 2 projects identified as “construction-ready” within FY14

Ms. Cano reported that the application announcement went out in March indicating that the open pool was the top 100 of the preliminary rank list with a priority for projects in the top 50. She reminded the Council that they are in the final year of the roof program and there is only a \$10 million award limit.

Ms. Cano highlighted the applications that received and the district needs. She noted that the projects do not include legislative appropriations that have resulted from the 2014 Legislative Session so some of the numbers may change due to offsets.

Ms. Cano noted that PSFA received applications out of the funding pool that includes Albuquerque that will be construction-ready in time for the awards. Raton is looking for consolidation and at the request of the Awards Subcommittee, the other items added are the consolidations schools for Carlsbad and Alamogordo School Districts. In their consolidation requests, the districts are applying for a project that is in the top 100 to consolidate with other schools that have fallen below the top 100.

Ms. Maestas noted that the Awards Subcommittee had an extensive discussion on regarding the initiative to consolidate schools as some schools consolidated are beyond the 100 rank. She noted that Central School District added two pre-k classrooms at Naschitti and now want to demolish the facility. Mr. Gorrell explained that at the time the award was made, they were not coordinated with the facility master plan and the



district did not come before the Council and would be demolished as part of the project discussed earlier. Ms. Maestas indicated that the Council needs to consider a different kind of percentage funding for weeding out the schools that are beyond normal use. Mr. Volpato stated that the application process would identify these schools.

**MOTION 1:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to authorize PSFA to assist those districts that submitted pre-applications by the March 21, 2014 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 5, 2014. Since this is a subcommittee recommendation a second is not necessary. There being no objection the motion carried.

**MOTION 2:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to authorize PSFA review the standards-based roof applications to determine potential late awards for FY14, including development of RCIA scores for prioritization of the applications. The project scopes and projected costs shall be verified by PSFA staff and FY14 award recommendations brought back to the PSCOC prior to the end of fiscal year 2014. The remaining new standards-based roof applications shall be accepted and may proceed in accordance with previously adopted criteria. Districts are encouraged to move expeditiously with the hiring roof consultants from the PSFA-approved vendors to evaluate these critical roof projects and submission of the required reports to the PSFA for final review and analysis such that award recommendations can be brought to the July 22, 2014 PSCOC meeting. Districts must provide evidence of claims against roofing warranty or demonstrate evidence that original roof warranty has expired or contracts 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. Since this is a subcommittee recommendation a second is not necessary. There being no objection the motion carried.

**b. 2014-2015 Proposed Work Plan/Timeline**

Mr. Gorrell presented the 2014-2015 Work Plan/Timeline to the Council noting that the Work Plan was reviewed by both subcommittees. Staff will modify the Work Plan/timeline as deemed necessary.

*This report was reviewed by the AMS and the Awards Subcommittee and is for informational purposes. No action is required by the Council.*

**6. Director's Report**

**a. PSCOC Project Status Report**

**Executive Summary:** Involved in guiding various projects through the stages of Project Development including, Programming, Planning & Design and the Construction Phase.

- 7 Projects in the development of their Educational Specifications
- 67 Projects in the planning & design Phase
- 31 Projects in Construction

*This report was reviewed by the AMS and the Awards Subcommittee and is for informational purposes. No action is required by the Council.*

**b. Master Plan Project Status Report**

**Executive Summary:** 19 Facilities Master Plans are working towards completion

*This report was reviewed by the AMS and the Awards Subcommittee and is for informational purposes. No action is required by the Council.*

**c. Lease Assistance Report**

**Executive Summary:** 97 Lease Assistance Awards totaling \$12.9 million; \$7.8 million disbursed to date.

*This report was reviewed by the AMS and the Awards Subcommittee and is for informational purposes. No action is required by the Council.*

**d. Maintenance Program Status Report**

**Executive Summary:** The New Mexico PSCOC maintenance program has three major functions or components:

1. Facility Information Management System (FIMS) – A software tool to help school districts manage their maintenance programs, currently provided by SchoolDude.
2. Preventive Maintenance Plans (PMP) – A written plan based on industry standards, combined with automated schedules and reports using FIMS or other software to manage their operation.
3. Facility Maintenance Assessment Report (FMAR) – Site assessments based on industry and federal building management standards to evaluate how well a site is being maintained and the capital investment protected.

The current status across New Mexico Schools

- FIMS usage -64% of district use FIMS effectively
- PM plan currency-42.86% of the districts have a current PM plan
- FMAR average score – 58.76% (where 70% is 'passing')
- Total FMARs completed to date –607

*This report was reviewed by the AMS and the Awards Subcommittee and is for informational purposes only. No action is required by the Council.*

**e. Bond Elections and Advance Repayment Update**

**Executive Summary:**

- Bond election information beginning January 1, 2014.
  - 8 successful bond elections
  - 1 failed bond election
- Cobre – 2014 bonding capacity diminished; will seek bond election in 2015 to repay \$2.5million advance awarded in June 2013.
- Fort Sumner - \$1.5million bond sale in March; will dedicate proceeds once available to make full repayment to PSCOC.

**f. Zuni Lawsuit Status Conference**

Mr. Gorrell presented this item noting that this is still an open lawsuit. He noted that any party may ask for a status conference and it was requested someone other than PSFA. The staff was not included in the conference but the Attorney General was

included. Mr. Gorrell referred the Council to an outline that was provided in the meeting notebooks/e-books. He stated that he cannot relate as to how the conference went but as the Council is managing the program Mr. Gorrell felt that he should present the item to the Council. Mr. Burciaga will ask the Attorney General to notify him of the current status of the lawsuit. He noted that after the presiding judge passed away, it was closed and it was a request that a future status conference be held in Gallup which was allowed by Judge Dupallo upon further discovery. Mr. Abbey directed staff to send a letter to the Attorney General regarding the current status of the lawsuit. The Council requests that this item be included in the May PSCOC meeting agenda.

**7. Next PSCOC Meeting**

Upon discussion, the Council agreed to hold their next PSCOC meeting on May 1, 2014 at 9:00 AM.

**Public Comments**

There is no public comment at this time.

**Adjourn**

There being no further business to come before the Council, the meeting adjourned at 1:40 PM.

David Abbey **Chair**  
5/1/14 **Date**