

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL  
MINUTES  
JUNE 25, 2014  
UNM SCIENCE & TECHNOLOGY PARK ROTUNDA  
801 UNIVERSITY BLVD., SE  
ALBUQUERQUE, NEW MEXICO**

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

**1. Call to Order—David Abbey, Chair**

**a. Adoption of Agenda**

The clerk called roll noting that the PSCOC reserves the right to change the order of the agenda as deemed necessary.

Mr. Gorrell requested that the Council include the Cloudcroft School District on the agenda as a potential emergency request.

**Motion:** Mr. Burciaga moved for adoption of the agenda as presented with the changes indicated above. Mr. Heitz seconded. Motion carried.

**b. Correspondence**

Mr. Gorrell referred the Council to a letter from the Tucumcari School District made available in their meeting notebook/e-books thanking the Council for funds awarded to help build and renovate their high school.

Also in correspondence is a letter from the PSCOC Chair, Mr. David Abbey, to Mr. Mark Reynolds, Civil Division Director, notifying the Attorney General's office that neither PSCOC nor staff were notified of a Zuni Lawsuit status conference held on March 17, 2014. As the governing body charged with the oversight of the standards-based process which resulted from the Zuni Lawsuit, the PSCOC requests that they be notified of any future status conferences, review, or other pertaining issues to the Zuni Lawsuit. Staff will give a brief report at the end of the PSCOC meeting.

Mr. Abbey read a letter written to Mr. Leonard Haskie, Gallup School District, on behalf of the Council. Council offers their sincere thanks to Mr. Haskie for many years of service to the Gallup School District and a very well deserved retirement.

**2. Approval of Minutes**

Upon review by the Council, Mr. Guillen moved for adoption of the May 1, 2014 PSCOC meeting minutes subject to technical corrections. Mr. Burciaga seconded. There being no objection, the motion carried.

**3. Overview of 2014-2105 Standards-Based Capital Outlay Application Process/Requirements, District Presentations and Financial Plan**

Ms. Cano gave a brief overview of the Standards-Based Capital Outlay application process and requirements. She noted that the application is divided into two phases beginning with the pre-application process and later a detailed full application including visiting the sites of the applicant school districts/schools. The 2014-2015 application is web-based and districts are able to access it via Internet. Ms. Cano referred the Council to the meeting notebooks that contain district applications, fast facts which are a roll-up of district financial information and past awards, as well as membership by school, site visit reports for districts applying for PSCOC funding and other pertinent information.

Ms. Denise Irion, PSFA staff, referred the Council to the financial plan, provided to the Council in their meeting notebooks. The plan reflects action taken by Council at their last PSCOC meeting for projects and adjustments made since May 1, 2014 as follows:

**Gadsden** - Gadsden HS - P08-003C - Phase II Funding--Net Award: \$13,193,444  
**Alamogordo** - Yucca ES - P11-001 - Phase II Funding--Net Award: \$3,732,665  
**NMSBVI** - Site Improvements - P13-015 - Phase II Funding--Net Award: \$2,675,124  
(State Share 50% \$1,337,562; District Share 50% \$1,337,562 SB60 appropriation)  
**APS** - Marie Hughes ES - P14-001 - Award Language Change and Increase State Funding--  
Net Award: \$ 1,205,197 (\$466,126 previous award + \$739,071 increase funding)  
**Farmington** - Northeast ES - P14-009 - Phase II Funding--Net Award: \$ 10,862,400  
**Farmington** - Hermosa MS - P14-010 - Phase II Funding--Net Award: \$10,475,400  
**Silver** - Aldo Leopold Charter - P14-024 - Phase I Status--**Tabled motion.**

**Total Net Awards: \$42,144,230**

**Discussion:** Ms. Irion continued her report giving a brief overview of the financial plan that includes sources and uses, and project awards noting that the FY15 Awards ScenarioShe also gave a narrative of project award scheduled detail adjustments noting that the financial plan changes as projects come in. Mr. Clifford voiced concern regarding the estimates of projects and for out-year awards resulting in making awards at an unsustainable pace. Ms. Irion reminded the Council that two scenarios were presented to both subcommittees to determine what would work best for the district projects. Mr. Aguilar commented that it is difficult to gather information for both subcommittees as the information may change from meeting to meeting which causes frustration to Council members. Mr. Abbey commented that there is a difference between being accurate and being conservative. His sense has traditionally been conservative in assuming expeditious in new awards. Overtime there is a tendency for projects to take longer than expected which accounts for much of delays. Mr. Abbey went on to say that he believes the Council may be conservative in not counting enough reversions and noted that Council will get more bonding capacity forecasts which leads in an upward direction and may look more favorable in moving forward. Mr. Guillen stated that he feels the information is helpful and that the Public School Capital Outlay Oversight Task Force (PSCOOTF) discussed grant programs and commented that staff provides accurate reports compared to other state agencies. Council directed staff to schedule a joint half-day open meeting study session prior to the PSCOC Award Grant meeting to discuss financial plan and funding for the current cycle. Staff is also directed to provide the Council with an update on the outlook report.

➤ **Albuquerque School District**

**Priority 1 Request: Mountain View ES**—The scope of the project is to include demolition and replacement of all buildings on the campus except for a more recent Mini-Gym addition and Kindergarten Building with 4 classrooms. The buildings that are to remain will be incorporated into the new design. The new facilities will include: 15 Classrooms 1<sup>st</sup> through 5<sup>th</sup> Grade, 2 Kindergarten Classrooms, 1 Teaching Kitchenette, 1 Fine Arts/Music Classroom, 1 Computer Lab, 4 Special Ed. Classrooms, 2 Intervention Program Classrooms, Cafeteria/Kitchen, Library Administration Suite, Health Office Restrooms, Parent Center Related Support Spaces, and Additional Gym Storage. The 14 existing portable classroom buildings will be removed from the site at the end of construction. Site improvements will include reconfiguration and expansion of staff and visitor parking, the bus loading/unloading zone and the parent drop-off/pick-up area. New playgrounds and outdoor learning areas and landscaping will also be included as a part of the site-work. The Mountain View project is under design and the district is hoping to complete it 15 months after the design has been completed.

**Site Visit:** Staff recommends that this be a two-part design and construction award to replace all buildings on the campus except for the Mini-Gym addition and Kindergarten Building with 4 classrooms, renovation/Repairs to the Mini-Gym and Kindergarten Building. The project should address the drainage campus-wide, including the drainage at the courtyards of the new kindergarten building. The lack of proper drainage is already creating settlement at this newer building. The project should include the review of the systems that require repair or replacement at the existing buildings (such as the HVAC and roofing at the mini Gym).

**Facility Master Plan:** The district has current facility master plan.

**Maintenance Assessment:** FIMS: Improve score in PMD module by striving for PM completion rate of 95% or better. Last quarter PM completion rate was 77.40% for the entire organization. PM Planning: Develop standardized process to implement self-inspections using FMAR Guidelines that have been incorporated into the FIMS PMD tool. Enhance and formalize link between Capital Program and Maintenance and Operations in regards to facilities within district PM plan. Review available Post Occupation Evaluations (POE) and take lessons learned to build a well performing and sustainable school. District Staffing Recommendations: Address the shortage of staffing manpower and technical skillsets necessary to maintain this new school and the rest of the APS school facilities in the coming years. FMAR Recommendations: Establish a process to address ALL Major and Minor findings from FMAR Reports through the work order and/or capital planning processes. Utilize the FMAR report findings to enhance the Capital planning process from a maintenance perspective.

**Audit: Current**

**Discussion:** Representing the district were Mr. Kizito Wijenje, Ms. Karen Alarid, and Mr. Brad Winter. It was stated that the project will go out for bid in March 2015. Council voiced concern regarding the district's master plan and decrease of enrollment. Mr. Wijenje stated that the decrease of enrollment is due to students transferring to charter schools. The district is anticipating a flat or very slight decrease. It was noted that the district is developing a new facilities master plan that is reasonable but less projected. Staff will work with the district in the development of a revised master plan.

The district has its local match. Council pointed out that the district has a low marginal FMAR score for maintenance and improvement as well as staffing issues. Mr. Wijenje responded that the district had to make hard choices regarding operational dollars and where the funds were spent in terms of to the classroom and balancing the deferred maintenance. The district has attempted to use their SB-9 funds and other sources where it is allowable to go with contract maintenance and private contracting as much as possible. The district is hoping to work with PSFA in terms of doing service contracts when the building is new. Other issues are demographic issues in that most of the maintenance workers average around 60 years old and are retiring at an unprecedented rate. The district is struggling with training younger maintenance workers and putting them in place since the buildings are so old which is the reason for building less projects and doing cost benefit analysis on the older buildings as well as constructing facilities that require less maintenance. Mr. Clifford stated that the PSCOOTF voiced concern that this district is one of the larger ones in the state with a low marginal score in terms of maintenance. He noted that the district has resources that other districts do not have and is frustrating to see this sort of performance. Mr. Clifford also noted that a large amount of money is being committed to the district's projects, and this is a concern that the district is not maintaining their facilities. The district is directed to report to the Council regarding their maintenance issues as well as staff recommendations at the September 2014 PSCOC meeting.

➤ **Carlsbad School District**

**Priority 1 Request: Pate ES--**The district is requesting funds for the design and construction for a new Pate Elementary School for 600 children on land owned by the district. Carlsbad Municipal Schools plans to build a new Pate Elementary for 600 students on district owned land next to Puckett Elementary School. Once construction is complete, the district would combine the overcrowded Pate ES and overcrowded Puckett ES schools, and re-purpose the Puckett facility to expand pre-k programs. The Pate facility would then be disposed along with the Emmitt Smith facility. Pate ES built in 1955 originally to accommodate 258 students. Pate currently has 254 students and is projected in five years to have 295 students (2018-19 school year). Puckett ES built in 1956 originally to accommodate 238 students. Puckett currently has 248 students and is projected in five years to have 284 students (2018-19 school year). The schools projected population in the 2018-19 school year will be 579 students. A table at the end of the report shows existing enrollment and functional capacity for each of the Carlsbad elementary schools and the projected 2018-19 enrollment and its effect on capacity at each facility, assuming all existing conditions and without effect of new projects. The district has its local match.

**Site Visit:** The existing Pate ES is located next door to a gas and propane refill station. The proximity of the station concerns the district with the potential for gas/propane leaks and possible related life/health/safety concerns. Pate ES location is in close proximity to one of Carlsbad's busiest intersections. The traffic associated with the pickup and drop-off activities at the school adds to the congestion during pickup/drop off activities, and any other planned events. All traffic to and from Pate must enter on Kircher Road. The property is squeezed between the propane station to the South, a church to the North, and drainage ditch that borders the East property line. There is no other street access to the

site. A portable computer classroom was recently added to use for state testing requirements because there was no available space within the school.

**Discussion:** Staff recommends approving the application as prepared as a two-phase award, design & construction to include demolition of the old Pate. Combined projected enrollment for both schools adds up to 579. This is a sound long term, community supported solution to the challenges Carlsbad Municipal School District is facing (educational program equity, technology, operational inefficiency, aging facilities, additional testing requirements). The plan included a school for a 600 that would combine Pate and Puckett Elementary schools. Puckett is currently ranked #124 and should be able to apply within the next 1-4 years. Combining the schools now allows the district at their own expense to renew Puckett and repurpose the facility to expand pre-k programs that are being hindered due to space limitations at the district's current pre-k facility located at the Emmitt Smith. The New Pate Elementary School would remove two schools (Emmitt Smith & existing Pate ES) overall from the districts building inventory and allow the district to improve and expand pre K and elementary programs. This would improve the state's overall FCI by removing 2 schools and adding a new facility with 0% FCI.

**Alternative Options:**

Carlsbad Municipal Schools could renovate existing Pate facility and increase its capacity with additions to the existing building. This option would require the acquisition of more portable classrooms to take on students displaced during a phased construction approach. This approach would not follow what was captured in the district's master plan. This option was also not listed nor described on the district's project descriptions for its recent GO Bond efforts.

**Priority 2 Request:** The district is requesting funds for the design and construction of a new Riverside Elementary School for 600 children on land owned by the district. Carlsbad Municipal Schools plans to build a new Riverside Elementary for 600 students on land that was recently acquired from the BLM after five years of efforts. Once construction of the new Riverside is complete, the existing Riverside facility would be demolished and the land sold. This new school will be the second of four that Carlsbad plans to build to overcome the challenges associated with adapting aging facilities to current and future technology needs, along with challenges relating to program equity across the district's eight elementary schools that are a result of having varied school capacities ranging from 238 students to 433 students.

**Site Visit Report:** Riverside would be costly to renovate given the fact that the school is landlocked and it would be difficult to house the students in the interim. Riverside is landlocked on less than 5 acres, surrounded by private property on 3 sides and is located on the main artery road for a large neighborhood that it serves. With 283 students, the overcrowded 260 capacity school is the only school located on the northern edge of Carlsbad where a significant amount of growth has been taking place recently. There is limited parking on-site. It is awkward and pushed back primary entrance in relation to available parking. Staff recommends that since the growth and economy in Carlsbad is highly dependent on extractive industries and water needed to support these activities, we must examine the situation carefully in order to avoid overbuilding should the economy start to experience a slowdown. For Riverside, providing a core for 600 and classrooms

for 352 students (2018-19 FMP projection of the school without consolidation) might be a viable option to avoid overbuilding. With Carlsbad's rapid growth it is quite possible that the real population of the school could increase prior to completion of the construction phase. With that in mind, Staff recommends counsel consider an award to fund a 600 student core and classroom space for 352 students with any award to include funding demolition of old Riverside ES.

**Alternative Project Options:**

Build a new school to adequacy for the 2018/19 projected enrollment amount of 352 students. This approach would not follow what was captured in the district's master plan or education specification. This option was also not listed nor described on the district's project descriptions for its recent GO Bond efforts.

**Facility Master Plan:** The district has recently completed a new Facilities Master Plan (2014-2019) and Elementary School District Wide Educational Specifications. The FMP contains a plan for implementation and consolidation of its elementary schools. Staff has reviewed the master plan and is waiting upon completion of the FAD updates prior to issuing final approval. In summary, the plan calls for the replacement of Riverside and Pate initially with Sunset and JS Smith to follow later. The district envisions replacing the four schools with increased capacities. Based upon its District Wide Elementary School Educational Specifications, the district desires 600-student capacity schools. The plan calls for Pate and Puckett to be consolidated on a site near Puckett. The district will then locate the pre-K students to the existing Puckett, allowing it to dispose of the EM Smith facility. District will also dispose of Craft and in time, Monterrey. The district could eventually incorporate the Monterrey site into the high school campus for potential use as a 9th grade academy. In all, the consolidation/disposal could take the district from ten facilities to seven.

**Maintenance Assessment:** FMAR Recommendations: The district needs to address all major/minor findings identified on all recent FMAR site assessments, needs to provide proof of alternative method of utility tracking in lieu of non-use of Utility Direct Module. FIMS Recommendations: The district needs to continue to streamline the work order process to fit the schools capabilities, resources and skill sets. In the PM Module, add 2 additional schedule types and collect data for contract services (labor, materials and costs) for improved FIMS Quarterly report ratings. District has advised they will be utilizing the Utility Direct (UD) Module through a contract with Synergistic. PM Planning Recommendations: The district needs to develop the monthly reporting feature of FIMS (Maintenance Metrics) to be delivered to district leadership staff and school board. PSFA will assist in creating the template. District must continue building the current Preventive Maintenance plan to include a Contractor/Vendor Oversight policy, enhanced Staff Development and Maintenance Safety sections for improved PM Plan rating with a goal towards Good or Outstanding. District Staffing Recommendations: Re-evaluate the current staffing model on an annual basis as part of the annual PM Plan update. District has advised they use an alternate guideline to assist in the development of a district wide model through Brady Industries. Staff has identified a problem with the Maintenance Management section of the Facility Maintenance Assessment Reports that has a direct impact on the overall score rating of 2014 FMARs. A team is working diligently to resolve the database problem. Once a resolution is found, corrected FMAR's will be provided to the district Superintendent and Maintenance Group(s). There

is a difference of approximately +2.72 points in the 2014 FMAR's and the difference has been added to this above FMAR's.

**Audit: Current**

**Discussion:** The district needs to provide total project timeline specific to school being applied for that identifies each phase of design along with the estimated construction duration, to notify PED concerning school consolidation plans. The district should include brief descriptions of all grades 1-5 schools in district to include capacities square footage etc. They should also include a better district map that shows only elementary schools to avoid confusion. The district also needs to update the direct appropriation offset amount on the application to include any amounts awarded during the most recent legislative session. The district needs to re-evaluate the current staffing model on an annual basis as a part of the annual PM Plan update. The district has advised staff that they use an alternate guideline to assist in the development of a district wide model through Brady Industries. There are major issues with older schools that include lack of technology issues and asbestos, as well as keeping staff on school site. The district has brought in portables to eliminate crowding in classrooms. The project is under site development. As noted above, the district would like to keep Puckett Elementary School.

District Representative Don Owen noted that the Council will share in the cost of the MACC, soft costs, and site utilities. The district worked with Thurston Developing and improvements to the utility lines on the Riverside property. The Council complimented the district and their community for working together in consolidating schools. The Council also noted that due to the updated match requirements, the district will also need to contribute an additional 8% for their state match from the percentage reported during pre-application. The district provided a timeline for the projects and the Superintendent will present the project to their Board for their approval. The district will monitor their bonding capacity on a regular basis.

Council members agreed that the AMS Subcommittee review this request and also suggested that the district use more prototype schools. Council noted that the district was provided by the legislature and other funding sources for contracting buses for transportation. The district has all liens on their buses back in place. Council member requested that Mr. Aguilar get a final determination for the districts match. Mr. Gorrell explained that staff does not recommend building the classrooms to support students from Monterrey Elementary. There is concern regarding the placement of a propane tank that is located near Pate Elementary. There were concerns from the Council regarding the ranking of these schools. Mr. Owen informed the Council that the city has set aside \$750,000 to start a new loop road around the backside so there will be three different exits and entrances to the property. Currently there are two and Lincoln Drive will be improved where new apartments are being built. The third phase of the housing development will begin soon. The city plans to set aside an additional \$750,000 in the next fiscal year to address the road issues.

The Council asked why there are not more prototype schools in districts as there is much opportunity that is not being taken advantage of. Mr. Gorrell stated that education at schools is decided by local school boards and there is also an issue of whether or not prototype schools would work in all districts. Mr. Guillen noted there has been proposed

legislation on these types of schools that include model, specs and plans for this type of facility but unfortunately the legislation failed due to the objection from construction, architectural and engineering entities. Council requested that the AMS Subcommittee will discuss statewide prototype schools at future meetings.

➤ **NM School for the Deaf**

**Priority 1 Request:** This request is for renovation of the original building of Cartwright Hall built in 1917. The three story building currently houses dorm rooms, dorm style bathrooms and offices. The renovation will need to address numerous code and ADA upgrades including an elevator, ramps, door and hardware upgrades, accessible bathrooms, new windows and finishes. The building will need system upgrades throughout including connecting to the central plant for heating and cooling. NMSD will change the function of the space from dorms to apartments creating visitor accommodations (overnight rooms) in support of Center for Consolation and Training (CECT) programs.

**Site Visit:** PSFA recommends PSCOC consideration of the application. NMSD has the local match for this project. Their request for funding to the 2014 state legislature was approved. Staff recognizes that there is some degree of uncertainty with the project timeline. NMSD is planning to use the Old Laundry Building as family short term apartments building during the renovation of the Cartwright Hall. The demolition of the ERDC Old Laundry Building is included in already funded and currently under the design project #P13-008 NMSD Various Site/Security Improvements. PSFA recommends NMSD work with the current architect on this project, Dekker/Perich/Sabatini, on developing sensible phasing schedule for both Cartwright Hall and Site Works projects that includes the use of the buildings to be demolished in the Cartwright hall renovation. In order to reduce the extra square footage on NMSD campus, this application will include the demolition of the Cartwright Annex. Demolition of the 8,520 SF Annex space will further reduce the yearly expenses associated with maintenance and operation of the facility.

**Priority 2 Request:** The request is for renovation of the original building of Delgado Hall built in 1913. The two story building will provide offices for the superintendent, interpreters, business office, human resources and director of facilities. Multiple code and ADA issues need to be addressed including front entry, toilet rooms and layout of the halls. The building needs upgrades on all major systems including sewer, plumbing, electrical, lighting and HVAC (including connection to the central plant).

**Site Visit:** PSFA recommends PSCOC consideration of the application. Delgado Hall is used for administrative space which is included in the NM Adequacy Standards but currently not funded by the PSCOC. Because this space is in the NM adequacy standards the PSCOC can consider participation of funding for this project. NMSD is requesting a waiver of the local match (100%) for this project; their request for the 2014 state legislative funding was not approved. In order to reduce the extra square footage on NMSD campus, this application shall include the demolition of the Delgado Annex. The Annex has 1,804 SF of space.

**Facility Master Plan:** This request is consistent with the District's FMP priorities and timeline. NMSD has to update their Facilities Master Plan to include the approved

reduction of the unused campus space. FMP needs to be updated and will work with staff for a reasonable plan.

**Maintenance Assessment:** FIMS Recommendations: Utilize data coming from systems to evaluate maintenance performance and staff can assist in this area. PM Planning Recommendations: Develop standardized process to implement self-inspections using FMAR Guidelines that have been incorporated into the FIMS PMD tool. Enhance the PM Plan to include Staff Development, Maintenance Safety and Maintenance Contractor oversight. FMAR Recommendations: Minor findings from FMAR are being addressed in the Capital Plan and construction projects.

#### **Audit: Current**

**Discussion:** Mr. Mark Apodaca (Business Manager) and Mr. Harold Moya (Project Manager) represented the NMSD. Mr. Moya stated that the school has not secured the design service of a design professional but anticipate that design phase will begin June 2015. The school has its matching funds for the Cartwright Hall project. The school will apply for a waiver to offset renovations for Delgado Hall. The Council stating that part of the request is for administration. He noted that the Public School Capital Outlay Act is specific about not funding administration projects and the school has received funding from the legislature to make up the school share. Mr. Aguilar asked if there is a legal tension that the Council would not be able to deal with. Mr. Abbey clarified that Delgado Hall was not funded in 2014 and it is Cartwright that houses the students. The school would have to come back for additional funding. Mr. Gorrell explained that when the adequacy standards and law that supports them were developed, there was a consideration that the NMSD was supporting all other NMSD districts in the state and their administrative space was considered support spaces. There was not a definition for administrative spaces. The administrative spaces were within the support spaces. Mr. Guillen noted that within the past 2-3 years that the school has been approaching the legislature for funding for some of their projects from the Public School Capital Outlay Fund and the school is coming for funding via the Council. He stated that it seems that the strategy is to hit the funding from both sides and the regular school districts do not have that opportunity. Mr. Guillen stated that the regular school districts depend on local bonding capacity to determine funding for their projects from the Council. In the past the NMSD utilized GO Bonds through the Higher Education Department for their local share. The Council encourages the school to continue using their GO Bonds but that has not happened recently. Mr. Guillen asked if this is a change of strategy from the NMSD. Mr. Apodaca replied through the interpreter that he does not believe that it is change of strategy and the school will be going to the higher education capital outlay meeting in August will discuss this area for funding. The school is still involved in various funding options but the last few projects have been supported by PSFA. Mr. Gorrell explained that the legislature appropriates the funding but language states that it is under the Council determination on how much they receive. The school has decided to keep the laundry hall for space. The laundry building is used to house parents that live far from Santa Fe and do not want to be separated from their parents. The parents are allowed to live in the housing until they get a situated and can live on their own. The housing is done on a semester to semester basis. The average number of housing currently being used is six families that are limited to the space in the old laundry building. The school anticipates that there are more families in need but cannot be housed. The Council

voiced concern regarding the cost of the housing. Mr. Moya explained that the cost of the building is scheduled for an elevator to meet ADA requirements. It also needs new heating and HVAC facilities as well as other improvements that need to be undertaken. Mr. Abbey commented that this project is a very expensive solution. Mr. Moya reiterated that there are new children coming into the facility and parents do not want to be separated from them and the school is trying to keep a family unit together.

➤ **Raton School District**

**Priority 1 Request: Columbian ES/Kearney ES/Longfellow ES – Combined ES—**

The district is requesting funding for construction of a new elementary school that would consolidate the three existing elementary schools into one facility. New building will include kitchen facility sized to serve as the district- wide kitchen. The district is requesting consideration of a waiver to enable the completion of the total project, after bond passage, without future district indebtedness. The district is currently scheduled to go for a local bond election on September 9, 2014; where they will ask for the available bonding capacity.

**Site Visit:** Staff recommends PSCOC consideration of the application, including Longfellow ES which is currently ranked 102 (preliminary wNMCI rank). Inclusion of Longfellow ES in this application cycle is encouraged since this school is part of the overall design solution for the consolidated elementary school, contributes to economies of scale when constructing the facility, eliminates possibility for construction cost escalation associated with delayed phases, and results in associated operational savings sooner rather than later. Staff recommends PSCOC consideration of an award for a site selection feasibility study which will include the following attributes: (1) comparative analysis of all district owned property sites as potential locations for the consolidated school, (2) analysis of availability of utilities to site (3) analysis of site access and potential traffic impacts, (4) analysis of site potential for joint use opportunities with other public entities, and (5) analysis of potential improvement costs for site to adequately support a consolidated school. Staff recommends PSCOC consideration of any award being contingent upon the success of a local bond election currently scheduled for Sept. 9, 2014. District should continue to pursue opportunities to transfer ownership of existing elementary facilities to others, which will reduce overall project cost by eliminating need for demolition.

**Alternative Project Options:** District should continue to pursue opportunities to transfer ownership of existing Elementary facilities to others, which will reduce overall project cost by eliminating need for demolition.

**Facility Master Plan:** The superintendent is fairly new to Raton and New Mexico the district discussed the philosophy of “Right Sized Schools”, especially since all district schools are too large for current enrollments. The district presentation included a list that reflects the school type, gross square footages over adequacy for the current enrollment, and dollars/year using the \$6 a square foot to maintain the extra square footage. The district enrollment trends and enrollment projections have declined. The district lost 125 students, since last school year. The current enrollment projection may be too high and enrollment should be watched closely to determine final enrollment capacity for the consolidated elementary school. In 2009, the district developed the Educational

Specifications (Ed Specs) for the combined elementary school. However, since the document is 5 years old, enrollment declined, the gross square footages has changed (too high), document has a full size high school gym and district-wide kitchen totaling 5,486 +gsf over Statewide Adequacy Standards, and science labs, as well as the possibility of changing educational programs, result in the need for the document's update. The possibility of not updating the Ed Specs and making the necessary updates was discussed to make the necessary updates in the Project Programing / Feasibility Study, which could save dollars and time. The district does not and will not have any additional capital to fund 100% of the square feet over adequacy, so the facility should be sized to adequacy. Concern was expressed for the short timeline of the bond election (September 9, 2014). This does not allow for much time for planning, important decisions to be made or advertisement for "buy in" from the community. Current economic and demographic trends will make the bond passage difficult. It appears the Longfellow site could be the best site for the consolidated elementary from a financial position and would encourage further utilization of community shared or joint use of land and city facilities. The site feasibility study is one major planning tool that needs to be analyzed in order for this bond to be successful. The scope of project and site should be identified before the bond election. There is a question as to whether or not the Feasibility Study/Program will be completed before the bond election. It is recommend that the superintendent continue to work with the State's Historical Preservation Office to identify potential alternative uses and documenting the facilities that should be demolished. The district master facility plan is timely and matched with the request.

**Maintenance Assessment:** FIMS Recommendations: The district needs to utilize data coming from systems to evaluate maintenance performance; PSFA can assist in this area. PM Planning Recommendations: The district must develop standardized process to implement self-inspections using FMAR Guidelines that have been incorporated into the FIMS PMD tool. They must also enhance and formalize link between Capital Program and Maintenance and Operations in regards to facilities within district PM plan, PSFA can assist in these areas. District Staffing Recommendations: Address the shortage of staffing manpower and technical skillsets necessary to maintain the new school and the rest of the Raton school facilities in the coming years. Consider a possible part-time administrative assistant for the Maintenance organization to help with PO processing and the work order system. FMAR Recommendations: Process established to address all Major and Minor findings from FMAR Reports through the work order and/or capital planning processes. Utilize the FMAR report findings to enhance the Capital planning process from a maintenance perspective.

#### **Audit: Current**

**Discussion:** Dr. Neil Terhune, Superintendent, and Mr. Ben Munden, Maintenance Director and Benjamin Gardner of Dekker/Perich/Sabatini represented the Raton School District.

The district is able to meet their share of Phase I of the design process. The district will share the school site with the city and the city will share the cost of the facility, however, the district will seek a waiver of the construction phase. Raton will hold a bond election on Sept 9, 2014. Mr. Terhune stated that the district will comply with all staff recommendations.

The application is for the total project with a recommendation for assistance for the feasibility study. Council voiced concern regarding notes that indicate that the district has a short timeline and the decline of enrollment. The city wants to hold on to their historic buildings even if they are costly to maintain. The district will dispose of three buildings. The Council reminded the district that there will be additional cost to demolish the buildings.

#### **4. Awards Subcommittee Report**

##### **➤ Capitan—High School/Elementary School--Phase II Funding (P13-003)**

**Request:** This request is for construction funding for a new secondary school to adequacy for 290 students, grades 6-12. Work includes the re-routing of the bus loop and existing utilities in order to accommodate the new building. The funding will also cover the planning and design for the Phase II of the project which includes the remodel and/or additions to the existing middle school building to accommodate 206 students, grades K-5.

##### **Executive Summary:**

Staff recommends additional funding to Capitan Municipal Schools for Capitan HS/ES to complete construction of the first phase to adequacy and to complete planning and design of Phase II with an increase in the state share amount of \$86,843, contingent upon an increase in the local share amount of \$8,885,888 with an advance of the local share in the amount of \$6,800,000 for a total state award of \$6,886,843. Estimated project amount at time of award: \$24,100,000.

**Discussion:** Ms. Shirley Crawford, Superintendent and two of the districts school board members represented the district. She stated that the facility is 50 feet from the existing high school on US-380. Mr. Volpato noted that the district has submitted a statement of financial position to the PSFA. In regard to the ed tech notes, Ms. Crawford stated that they will be retired next year. The Council noted that the district is selling too many of their ed tech notes. Ms. Crawford responded that the board has made a decision to make ed tech notes. Mr. Abbey noted that this is a priority school than ed tech and commented that there are other alternatives to such a large advance. Council asked why the district needs an advance when the district is selling bonds for a lower priority item. Ms. Crawford responded this was discussed and ed tech notes and in order to preserve SB-9 funds and for greater success of the 2016 bond that would probably go on a back burner but this would be for the local school board to decide. The financial statement will be updated depending on the passage or the districts bond election and cost of the actual construction cost before moving forward. Ms. Irion stated that she assisted the district in preparing their statement of financial plan as their business manager was on leave. She referred the Council to that the district's Statement of Financial Position that is made available to them in their meeting notebooks/e-book and reported how she and the district determined the district bonding capacity and sources and uses. The bonding report was done by George K. Baum & Company. Based upon the districts FY-15 budget that the district has submitted their beginning cash balance is projected to be \$6.3 million so at the end of FY-14 the district will have a total revenue source of \$6.4 million. Based upon what the district is funding for FY-14 their bond fund has expenditures of \$471,000 and are anticipating bonds fees and expenditures of \$522,000, SB-9 is at \$1.2 million and ed tech is at \$198,000. The ed tech previously referenced,

the amount budgeted for FY-15 is a cash carryover balance of \$91,338 that is remaining in their fund. The district would have to go out for an election for this amount. Ms. Irion went on to explain the district projects and funds and noted that the district will be in the negative in FY-16 in the amount of \$706,000. In FY-17, the actual bond sale projection is at \$5 million based upon the bond election. The district has the proceeds coming back for SB-9 and the expenditures for the high school and elementary school in the amount of \$5 million to begin repaying the PSCOC for their advance. The Council does not feel that the district should be doing ed tech when the PSCOC is advancing them funds. The Council does not see how the district can pay PSCOC \$6.8 million in four years. Ms. Irion explained that the district has an amount for FY-15 expenditures and at the time of the advance, the additional amount was not added to the financial statement for the \$6.8 million. Council asked staff if the plan presented would allow the district to repay the advance in four years. Ms. Irion answered in the affirmative. Council noted that the repayment is not in the plan and would not support the use of the funds. Ms. Irion stated that based upon the districts expenditures she believes that plan would allow the district to repay the Council. Mr. Aguilar stated that the funds may be in the district's budget but not for this purpose and requested that the district submit their budget to PED. The Council voiced concern about approving an advance as the district only has 26% bonding capacity and the district do a bond election in 2016 the district may be able to pay the PSCOC. Ms. Cano explained that the four year period is in PSFA/PSCOC regulations the repayment is four years within the time of the advance. Mr. Abbey voiced concern regarding districts promising to pay their advance when the project is complete but then renege on the promise to pay. Ms. Crawford reminded the Council that the district repaid previous advances as promised. Council noted that it is evident that the district has to revise and fine tune their financial statement depending on the amount of the bond issue and the cost of actual construction. If the Council and the district proceed with that understanding the project may move forward.

**Motion:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2012-2013 standards-based award to the Capital Municipal Schools for Capitan HS/ES to include construction of a new secondary school to adequacy for 290 students, grades 6-12, and planning and design for renovations/additions to adequacy at Capitan Middle School for 206 elementary students, grades K-5 with a total increase in the state share amount of \$86,843, contingent upon an additional local share of \$8,885,888. An advance of \$6,800,000 is authorized, and the district commits to repayment of the advance within a four year period. The district shall incorporate the additional maintenance contingencies of: (1) enhance the PM Plan to a Good rating, (2) address all major/minor findings on FMAR reports through FIMS and/or develop capital planning strategies towards resolution, and (3) improve the use of FIMS to 2.0 in each module and improve the PM Completion and Work Order Backlog Rates. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

➤ **Gadsden—Desert View Elementary School--Phase II Funding**

**Request:** This request is for Phase II funding for Desert View ES facility to adequacy for 550 students, grades K-6.

**Executive Summary:**

Staff recommends additional funding to Gadsden Independent School District for Desert View ES to complete construction to adequacy with an increase in the state share amount of \$15,564,809 (88%), contingent upon an increase in the local share amount of \$2,122,474 (12%). Estimated project amount at time of award: \$17,600,000.

**Discussion:** Mr. Volpato stated that this is a Phase II funding request and based on an RFP for construction with a total cost of \$19.4 million. The district has their local match in place. The project came within the estimated budget, and the pricing from the contractor is included in the ebooks/notebooks.

**Motion:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2012-2013 standards-based award to the Gadsden Independent Schools for Desert View ES to include phase 2 funding to complete construction to adequacy for 550 students, grades K-5, with an increase in the state share amount of \$15,564,809 (88%), contingent upon an additional local share of \$2,122,474 (12%). The district shall incorporate the additional maintenance contingencies of: (1) address all major/minor findings on FMAR reports through FIMS and/or develop capital planning strategies towards resolution; (2) improve the use of FIMS Preventive Maintenance Direct module to 2.0 and improve the PM completion rate to 95%. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

➤ **Gadsden—New Elementary Schools--Additional Funding/Award Language Change (P14-011)**

**Request:** This request is for an additional \$586,593 funding for planning and design and to change the current phase I planning and design award language from "*Planning and design to construct new elementary school to adequacy in the Chaparral area to relieve overcrowding, with design capacity for a core of 550 students, and classrooms for 250 students, grades K-6*" to "...and classrooms for 550 students, grades K-6".

**Executive Summary:**

Staff recommends amending 2013-2014 award to the Gadsden Independent School District to include planning and design to construct a new elementary school in the Chaparral area to relieve overcrowding, with design capacity for a core of 550 students and classrooms for 550 students, grades K-6. The original award included a core of 550 students and classrooms for 250 students. The estimated projected project cost to adequacy at the time of the award was \$16,500,000. The design professional estimates that with the additional 300 students, the project to adequacy will cost \$23,365,926. Staff also recommends awarding additional Phase I funds to complete the design to adequacy, with an increase in the state match of \$510,336 (87%), contingent upon an increase in the local share amount of \$76,257 (13%) for a total Phase I award increase of \$586,593.

**Discussion:** Since the application the enrollment within the district has increased. The PSFA Planning staff has reviewed the information. Mr. Valdez stated that the district is over capacity among the elementary schools in the area by 704 seats. Making the adjustment the district will be able to balance their enrollment and their over-capacity issue would be reduced to 31 students.

**Motion:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2013-2014 standards-based award to the Gadsden Independent Schools for the New ES to increase design capacity from a core of 550 students and classrooms for 250 students to a New Elementary School to adequacy for 550 students, and an increase in the state share amount of \$510,336 (87%), contingent upon an additional local share of \$76,257 (13%). Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

➤ **Hobbs—New Elementary School--Phase II Funding (P14-015)**

**Request:** This request is for Phase II Construction funding of a new elementary school for 450 students grades K-5 as well as 79 3&4-year-old DD students. This is a CMAR project. The budget is based on an estimated MACC of \$265 per sf due to the aggressive project schedule, Phase II funding is necessary to achieve early work efforts prior to the Guaranteed Maximum Price being established. Both the district and PSFA have agreed that any amount above the advertised MACC will be considered a "district above adequacy", along with any other costs that are determined as such.

**Executive Summary:**

Staff recommends additional funding to Hobbs Municipal Schools for a new ES to complete construction to adequacy with an increase in the state share amount of \$10,445,283 (54%), contingent upon an increase in the local share amount of \$8,897,833 (46%). Estimated project amount at time of award: \$16,128,870 increased to \$19,878,718 as a result of the "Construction Cost Inflation" information presented to the Council at the March PSCOC meeting.

**Discussion:** The owner set the budget for the dollar per square foot for both projects before it went out to the contractor, the contractor agreed to the dollar per square foot. Mr. Volpato informed the Council that staff tracks PSCOC construction projects and the driving factors is the site. Staff and the district worked with Dekker/Perich/Sabatini advisors. In consultation with staff and district, the price that was agreed upon based on the adjustments, material and cost the project is brought into budget at a guaranteed cost.

**Motion:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2013-2014 standards-based award to the Hobbs Municipal Schools for the New ES to include Phase II funding to complete construction to adequacy for 450 students, grades K-5 and 79 3&4-year-old DD students, with an increase in the state share amount of \$10,445,283 (54%), contingent upon an additional local share of \$8,897,833 (46%). The district shall incorporate the additional maintenance contingencies of: (1) address all major/minor findings on FMAR reports through FIMS and/or develop capital planning strategies towards resolution, and (2) improve the use of FIMS Preventive Maintenance Direct module to 2.0; improve the PM completion rate to 95%. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

➤ **Hobbs—Broadmoor Elementary School--Phase II Funding (P14-016)**

**Request:** This request is for Phase II construction funding to replace Broadmoor ES to adequacy for 400 students, grades K-5. This is a CMAR project with an estimate based upon a MACC of \$265 per SF. Due to the aggressive project schedule, phase two funding is necessary to achieve early work efforts prior to the Guaranteed Maximum

Price being identified. Both the district and PSFA have agreed that any amount above the advertised MACC, and other costs identified as such, will be considered as "district above adequacy". Currently that amount is estimated at \$745,103. The district has in place their required funding amount match totaling \$7,346,049 (46%) as well as their above adequacy funding totaling \$745,103.

**Executive Summary:**

Staff recommends additional funding to Hobbs Municipal Schools for Broadmoor ES to complete construction to adequacy with an increase in the state share amount of \$8,623,621 (54%), contingent upon an increase in the local share amount of \$7,346,049 (46%). Estimated project amount at time of award: \$14,440,157 increased to \$16,335,230 as a result of the "Construction Cost Inflation" presented to the Council at the March PSCOC meeting.

**Motion:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2013-2014 standards-based award to the Hobbs Municipal Schools for the Broadmoor ES to include phase 2 funding to complete construction to adequacy for 400 students, grades K-5, with an increase in the state share amount of \$8,623,621 (54%), contingent upon an additional local share of \$7,346,049 (46%). The district shall incorporate the additional maintenance contingencies of: (1) address all major/minor findings on FMAR reports through FIMS and/or develop capital planning strategies towards resolution; (2) improve the use of FIMS Preventive Maintenance Direct module to 2.0; improve the PM completion rate to 95%. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

➤ **West Las Vegas—WLV High School Band Building--Additional Funding (R14-019)**

**Request:** The district is requesting additional funds to enable award of roofing construction contract to the selected General Contractor. Funds needed to award GC & observation contracts = \$39,373.10 10% contingency on GC bid amount = \$25,285.44 Total Additional Funds Requested = \$64,659.00 Mandatory pre-proposal meeting held on 4/10/14 with 4 GC's in attendance. One proposal received on 5/1/14. After deadline, DP asked non-responding GCs about what their pricing may have been and found that prices would have been within about 10% of the bid received. Price received seems fair.

**Executive Summary:** Staff recommends additional funding to West Las Vegas Public Schools for the West Las Vegas High School Band Building to complete construction to adequacy with an increase in the state share amount of \$46,554 (72%), contingent upon an increase in the local share amount of \$18,105 (28%). Estimated project amount at time of award: \$250,000.

**Discussion:** The district representative stated that they have requested that the contractors begin this project as quick as possible due the upcoming monsoon season. The increase of the project is contributed to the condition of the roof and the amount of mechanical equipment and skylights.

**Motion:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2013-2014 standards-based roof award to the West Las Vegas Public Schools for West Las Vegas HS Band Building based on actual cost to complete the work, with an increase in the state share amount of \$46,554 (72%),

contingent upon an additional local share of \$18,105 (28%). The district shall incorporate the additional maintenance contingencies of: (1) improve all areas in their Maintenance Program; (2) address all major/minor findings on FMAR reports through FIMS and/or develop capital planning strategies towards resolution; (3) improve the use of FIMS to 2.0 in the PMD module and improve the PM Completion to 95% or better. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

➤ **Cobre—High School Emergency Request**

**Request:** Superintendent George Peru represented the Cobre School District stating that the district is applying for an emergency grant/advance to take care of several issues that soon will affect life, health and safety if not checked. The district does not have the funds available all at once to handle these immediate problems. These issues are: (1) to replace domestic main water, and old boiler piping lines. The old 1953 boiler lines were reutilized in 2005 for a ground source heat coupling system, (2) there are also several other issues including broken floor joist under the gymnasium floor, a collapsed sewer line in one of the classroom wings, and an area hole in the parking area that is draining water undermining an area in the stem wall and footing. The purpose of the grant would be to prevent something serious happening for life, health and safety reasons in the immediate future. There are a number of eminent problems where an emergency will happen that will cause an immediate risk to health and safety of students and school personnel and the district will suffer significant property damage. The district is at bonding capacity and will not be able to pay back an advance for a long time. It is the district's hope that if they are not able to pay back within the four-year time cycle the advance could be extended or turned into a grant. It was noted that Mr. Robert Mendoza is currently serving as Superintendent for the district.

**Executive Summary**

Staff recommends approval of an emergency award to the Cobre Consolidated Schools to complete the infrastructure repair/replacement work at Cobre High School. Staff recommends the award be made in the form of an advance, which may be converted to a grant subject to verification of available district resources.

**Discussion:** Ms. Cano referred the Council to a Declaration of Emergency for the district to address several items beginning with domestic water line, a sixty-one year old boiler piping joint replacement at the existing gym floor and a sewer line. At the request of the Awards Subcommittee the district updated the letter to include what life/health/safety issues are contained within these general items. The request is for a grant in the amount of \$200,000 based on the district receiving a proposal from Enoch Mechanical to install the work once the repairs/replacement work is approved. Staff has requested that the district seek additional proposals to assure that they are getting the best attainable price. The Superintendent stated that the district cannot afford to cover these emergencies because the district is also looking at purchasing a bus because their busses are 12 years old and are constantly getting fixed and have mileage of over 100,000 miles. He stated that the busses also fall under life/safety/health area because they are always on the road with staff and students. Mr. Aguilar stated that there are some busses that are funded every year but cannot be used for activities or athletics. The activity busses must be purchased by the district. Mr. McMurray stated that some

of the piping was looked at when the mechanical system was being installed and under the guise of value engineering and was cut out of the project. The Superintendent stated that in when they were doing the value engineering in 2005, the district assumed that they were getting a good price because the bids came in low but now realize that the bids tied in to their 61-year old pipes that serve the gymnasium and main halls at the high school which is where the rust issues are at the district. The district is also concerned about the flooring, rust corrosion of metal pipes.

Mr. Abbey noted that there are requirements that districts provide a certification that states that other funds are not available. Ms. Cano responded that currently the staff is relying on districts statement of financial position to validate that the district does not have available funds. Mr. Abbey also stated that there is a resolution that the local board has to pass. Ms. Cano noted that the letter from the district specifies that no other funds are available that has been signed by George Peru, Associate Superintendent. Mr. Abbey voiced concern that the district does not have the certification/resolution. Mr. Guillen stated that the Awards Subcommittee discussed this request and noted that this procedure is different than the State of Finance procedures. He noted that the document provided was approved by the subcommittee in terms of addressing the life/health/safety issues to assure there are no other local funds to address this situation. Mr. Guillen noted that the subcommittee recommended that the district get better bids than what was originally estimated that would change the amount of approval up to \$200,000 in case the cost did not materialize. Mr. Abbey voiced concern regarding the certification is contained in a letter rather than an official resolution format.

**Motion:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to make an emergency award in the form of a grant to the Cobre Consolidated Schools to complete the infrastructure repair/replacement work at Cobre High School up to \$200,000. The district shall incorporate the additional maintenance contingencies of: (1) update the districts Preventive Maintenance Plan; (2) address all major/minor findings on FMAR reports through FIMS and/or develop capital planning strategies towards resolution; (3) improve the use of FIMS Preventive Maintenance Direct Module from 1.5 to 2.0; and improve the PM Completion rate to 95%. Mr. McMurray seconded. The clerk called roll. Motion passed by a majority vote with Mr. Abbey voting in the negative.

➤ **2013-2014 Late Standards-Based Roof Awards**

**Executive Summary:**

Staff recommends approval of the 2013-2014 late standards-based roof awards to the districts set out in the award spreadsheet for the purposes and in the amounts specified (see attached). Each allocation is intended to fully complete the project, phase, or specified purpose. PSFA shall administer these projects to ensure their completion by December 31, 2015; the PSFA director has authority to cancel projects that are not expected to be complete by the December 31, 2015 date, subject to PSCOC approval of project extension upon appeal.

**Late Standards-Based Roof Award Recommendations:**

4 applications from 2 districts

State Match \$2,028,861 (\$2,399,733 available from FY14 appropriation)

**Discussion:** Ms. Cano presented this item noting that the Standards-Based Pre-Applications were presented to the Council at their April meeting. The pre-applications totaled \$16.7 million of an available \$10 million allocation for FY-15. In order to accommodate the needs the Council authorized PSFA to proceed with accommodating the balance \$2.4 million available from FY-14 cycle. Staff requested a timeline for those seeking to receive a late FY-14 award. There were 4 applications from 2 districts totaling \$2 million. The projects include Apache ES (Farmington) in the net state match of \$502,310, Bluffview ES (Farmington) with the state match of \$692,404, Pablo Roybal ES (Pojoaque) with a state match of \$226,065, and Pojoaque HS (Pojoaque) with a state match of \$608,082 to absorb the \$2 million of the available \$2.4 million remaining of the FY-14 awards.

Council noted that the schools mentioned above are fairly new schools and asked why the roofs on these are in bad shape. Mr. Volpato explained that PSFA had a roof consultant complete the roof condition index where the roofs are evaluated. The recommendation for the above school was to replace the roofs. The roofs were put in the 1970-1990 and have all exceeded their life expectancies of 20 years. In addition, some of the cost is for abatement issues. The RCIA for the FY15 awards are due soon and will be presented to the Awards Subcommittee at the next scheduled meeting. Ms. Cano noted that this is an expiring program and FY15 will be the last year that the Legislature will no longer allocate funds for PSCOC roof projects. Mr. Clifford expressed concern about the financial plan being over budget without extra capacity.

**Motion:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to approve the 2013-2014 late standards-based roof awards to the districts set out in the award spreadsheet for the purposes and in the amounts specified (see attached). Each allocation is intended to fully complete the project, phase, or specified purpose. PSFA shall administer these projects to ensure their completion by December 31, 2015; the PSFA director has authority to cancel projects that are not expected to be complete by the December 31, 2015 date, subject to PSCOC approval of project extension upon appeal. The motion passed by a majority vote with Mr. Clifford voting in the negative.

## ➤ **Broadband Deficiencies Corrections**

### **Executive Summary:**

Staff recommends approval to appropriate \$10 million for the fiscal year 2014 education technology infrastructure deficiency corrections initiative for the purposes and in the amounts specified on the BDCP Assessment/Implementation Phase spreadsheet.

**Approved at the May 1, PSCOC meeting:** Council approval of two definitions to allow a uniform standard to equivalently measure broadband access deficiencies and define potential award parameters for expenditures.

- a. The PSCOC (Broadband Deficiency Correction Program) may participate in corrections that will provide per student/staff broadband access speed of no less than 100 Kbps and no more than 1,000 Kbps except LAN distribution speeds that may be higher.
- b. The PSCOC (Broadband Deficiency Correction Program) may participate in the acquisition and installation of physical hardware and associated software for corrections that include network infrastructure related equipment both on and off

school sites such as servers, switches, wire, fiber, transmitters, receivers, and similar. Excluded are any and all ongoing support services; and, end-user devices, hardware and software.

**Discussion:** Mr. Gorrell presented this item to the Council stating that this program is funded by the Legislature that allows up to \$10 million a year beginning FY-14 and ending FY-19. Staff provided the Council with a draft of the program. If PSFA feels that more funding is necessary to make assessment, staff will come back with better information and estimates as they would have built the program. Mr. Gorrell stated that this is a broadband budget and PSFA does not have a manager for this program. The intention of hiring additional IT staff was to begin this program. Staff is working with PED and DoIT and developed a list concurrently. Tools must be developed to provide schools with local area networks. The estimate is for \$50,000 but staff is not sure if this amount is adequate. Ms. Maestas informed the Council that this item was presented to the LESC and the committee was eager to begin moving this project forward primarily because PSFA needs to hire a broadband manager. She feels that this is an important project and her committee will ask for an update prior to the start of the session. Mr. Clifford voiced concern that the PSFA funds are overdrawn and this program would be taking an extra \$10 million from the fund. He stated that the original agreement was to fund \$50 million and not \$60 million and feels that this program should begin in FY-15. Mr. Guillen stated that he understands the emergency clause in the legislation and noted that some of the funding was to be expended this year. Mr. Abbey stated that to follow the legislative intent, the PSFA was granted \$50 million for this project. Mr. Gorrell explained that the intent was for PSFA to hire staff and immediately start this program but there was no budget to hire the staff needed. Staff is working with other entities to determine how much this program would cost which would give the legislature time to make any adjustments needed. Mr. Guillen stated that based on Mr. Clifford's comments, if this program does not begin this year PSCOC might be shortchanged if action is not taken today. Ms. Maestas agreed and plead with Mr. Clifford to at least hold on to the funding through DFA. Mr. Gorrell stated that the lawyer position is still vacant and will remain vacant. PSFA has advertised in hopes hiring a Broadband Manager within the next month.

Mr. Abbey agreed that this is a good project with good staff and hopes to have budget approval as expected from the standard-based program. He suggested that Council authorize annually \$10 million subject to staff coming back with appropriation of budget detail quarterly. Mr. Abbey suggested changing \$10 million to \$200,000 and staff present to Awards Subcommittee to address issues and cost, the staff will come back with a plan to authorize budget. Mr. Gorrell gave a detailed report on what PSFA would need to begin this program.

**Motion:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to appropriate \$10 million for the fiscal year 2014 education technology infrastructure deficiency corrections initiative for the purposes and in the amounts specified on the BDCP Assessment/Implementation Phase spreadsheet.

**Amended Motion:** Mr. Abbey moved for Council approval to authorize up to \$10 million for fiscal years 2014-2015 for education technology infrastructure deficiency corrections initiative for the purposes and in the amounts specified on the BDCP

Assessment/Implementation Phase spreadsheet. The Council commits \$2.5 million effective July 1, 2015 subject to detailed reporting monthly on expenditures. PSFA will come before the Council at the next PSCOC with a methodology to bring more specific projects forward. Mr. Guillen seconded. There being no objection the motion carried.

➤ **Analysis of Project Cost Estimates (over-under) at Time of Award versus Actuals or Current Estimates**

**Executive Summary:**

Analysis of estimated award versus actual or recent estimates, if projects are in progress, revealed that projects have come in higher than the original cost estimates by approximately 20%. As of May 2014, this amounted to approximately \$300 million state share across ten award cycles. The analysis included only projects that are standards-based projects and did not include roof awards, master plan awards of emergency projects. Calculations include local match advances, some of which may have been repaid.

**Discussion:** At the request of the Council Mr. Eaton presented a cost analysis of estimated award to bring it up to adequacy. The estimated award is based on the time of the award and what actually transpired or if the project is not yet complete or awarded yet and the current projection cost. Adjustments are made to the financial plan on a monthly basis based upon information received on project costs. The analysis reflects the annual award estimates and the estimated state share amount. Over the period of 2004-2014, the amount over the original estimates at the time of the award is \$307.2 million which approximates to 20% of the cost overages or adjustments to the awards from the time the awards were made.

Mr. Eaton noted that in recent years, particularly in 2013-2014, a number of those projects have yet to proceed to Phase II so they may still be subject to further adjustments. Mr. Clifford suggested that the analysis be sorted by district.

*This item is for informational purposes. No action is required by the Council.*

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

**a. FY14 & FY15 PSFA Budget Projections**

**Executive Summary:**

**FY 14 Budget**

- Estimated to end the fiscal year with a favorable balance of \$277, 677 compared to budget.
- FY14 actual expenditures were updated through June 16, 2014. Since we are in the last month of the fiscal year, numerous invoices were processed for payment. From June 3, 2014 to June 16, 2014 and additional \$112,397.52 in invoices were processed for payment.
- 12% vacancy rate.

**FY15 Budget:**

- Projecting FY15 Budget Available Balance to be favorable \$126,538.
- FY14 Prior Year Actual Expenses were updated through June 16, 2014.
- Currently have 2.0 FTE positions in request to advertise and hire. Information System Specialist and Information System Manager. These are both replacement positions.

- Maintaining vacancy rate required by DFA for FY15.

Mr. Gorrell noted that most of the budget that reverts is due to unfilled positions throughout the year. Council directed staff to provide a report regarding the insufficient budget for FTE's.

*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.

- 4 Projects in the development of their Educational Specifications
- 53 Projects in the planning & design Phase
- 42 Projects in Construction

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

**b. Master Plan Project Status Report**

**Executive Summary:**

Nineteen (19) Facilities Master Plans working towards completion

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

**c. Lease Assistance Report**

**Executive Summary:**

Ninety Seven (97) Lease Assistance Awards totaling \$12.9 million; \$10.8 million disbursed to date, an increase of 2.2 million since last meeting April.

*This report was reviewed by the AMS 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 -72.53% of district use FIMS effectively
- PM plan currency-50.55% of the districts have a current PM plan
- FMAR average score – 58.02% (where 70% is 'passing')
- Total FMARs completed

The current status across New Mexico Schools:

- FIMS usage -72.53% of district use FIMS effectively
- PM plan currency-50.55% of the districts have a current PM plan
- FMAR average score – 58.02% (where 70% is 'passing')
- Total FMARs completed to date –644 up 22 reports from last month's count of 622

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

**7. Public Comment**

Mr. McMurray informed the Council that Cloudcroft School District emergencies will be discussed on June 27, 2014.

**8. 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 (Roll Call)**

**Motion:** Mr. Guillen moved for Council approval to go into executive session in accordance with the Open Meetings Act to discuss limited personnel matters specifically to discuss evaluation of the Executive Director. Mr. Burciaga seconded.

**Members Present:**

Mr. David Abbey	Mr. Michael Heitz
Mr. Joe Guillen	Mr. Raul Burciaga
Mr. Tom Clifford	Ms. Frances Maestas
Mr. Pat McMurray	Mr. Paul Aguilar
Mr. Gene Gant	

**9. Reconvene to Open Session (Roll Call)**

**Motion:** Mr. Guillen moved to come out of executive session and resume the PSCOC meeting. The Council took no action in the executive session and discussion was limited to evaluation of the Executive Director. Roll was taken.

**Members Present:**

Mr. David Abbey	Mr. Michael Heitz
Mr. Joe Guillen	Mr. Raul Burciaga
Mr. Tom Clifford	Ms. Frances Maestas
Mr. Pat McMurray	Mr. Paul Aguilar
Mr. Gene Gant	

Upon Council discussion, it was stated that Mr. Gorrell, PSFA Director, performance exceeds expectations.

**Motion:** Mr. Abbey moved that the Council grant the Executive Director a 4% increase.

**Amended Motion:** Mr. Burciaga moved for a substitute motion to grant the Executive Director a 5% increase which includes the 3% granted to PSFA employees plus an additional 2%. Mr. Guillen seconded.

**Roll Call Vote:**

Mr. David Abbey--YES

Mr. Michael Heitz--NO

Mr. Joe Guillen--YES

Mr. Raul Burciaga--YES

Mr. Tom Clifford--NO

Ms. Frances Maestas--YES

Mr. Pat McMurray--NO

Mr. Paul Aguilar--NO

Mr. Gene Gant--YES

The motion passed by a majority vote with Mr. Heitz, Mr. Clifford, Mr. Aguilar and Mr. McMurray voting in the negative.

**Adjourn**

There being no further business to come before the Council, the meeting recessed at 5:05 PM.

David Abbey Chair

7/29/14 Date