

**PUBLIC SCHOOL CAPITAL OUTLAY MEETING
MINUTES**

JUNE 30, 2015

**UNM Science and Technology Park Rotunda
801 University Blvd. SE,
Albuquerque, New Mexico**

Members Present: Mr. David Abbey, LFC
Mr. Joe Guillen, NMSBA
Dr. Tom Clifford, DFA
Mr. Paul Aguilar, PED
Mr. Michael Heitz, Office of the Governor
Mr. Gilbert Peralta, PEC
Mr. Raul Burciaga, LCS

Designees: Mr. Rick Martinez for Pat McMurray—CID
Mr. Ian Kleats for Frances Maestas—LESC
Ms. Heather McDaniel—Office of the Governor

1. Call to Order—Chair David Abbey called the meeting to order at 9:00 AM.

- a. Approval of Agenda**—Mr. Burciaga moved for approval of the agenda as presented. Mr. Guillen seconded. Motion carried

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

b. Correspondence

Mr. Gorrell referred the Council to a letter from Mr. Michael Heitz that appoints Ms. Heather McDaniel as representative of the Governor's Office. Ms. McDaniel represented the Governor's Office until 1:00 PM in the absence of Mr. Heitz. Correspondence also includes a letter from Ms. Frances Maestas that delegates Mr. Ian Kleats to represent the Legislative Education Study Committee in her absence and a letter from Mr. Pat McMurray that delegates Mr. Rick Martinez to represent Construction Industries Division in his absence.

2. Approval of Minutes (May 5, 2015)

Upon review by the Council, Mr. Guillen moved for adoption of the May 5, 2015 PSCOC meeting minutes subject to technical corrections. Mr. Burciaga seconded. Motion carried.

3. Overview of 2015-2016 Standards-Based Capital Outlay Application Process/Requirements and District Presentations

a. Overview of Application Process/Requirements & Financial Plan

Ms. Casandra Cano gave a brief overview of the Standards-Based Capital Outlay application process and requirements. She noted that the application is divided into phases beginning with the pre-application process and later a detailed full application including visiting the sites of the applicant school districts/schools. The application utilizes the construction information management system and districts are able to access it via Internet. Ms. Cano referred the Council to the meeting notebooks that contain district applications, site visit reports and district presentation and information submitted by districts applying for PSCOC funding. A separate reference manual that contains information applicable to all applicant districts including the application spreadsheet, information on Facility Master Plan, Maintenance, District Capacity and Enrollment, Bonding Capacity and other funding 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 5, 2015 in the amount of \$1,295,389. She gave a brief on the project detail modifications noting that these projects have crossed fiscal years. The projects were district imposed delays for Central and Alamogordo and upon district recommendation, the projects have been moved out. Ms. Irion highlighted the project fund detail for modifications currently in the plan, these items will be presented at this meeting for consideration with a favorable change of approximately \$1.9 million. She stated that during the Special Session, SB-1 passed resulting in appropriations to PED in the amount of \$5 million of which \$1 million is for the New Mexico Pre-K classrooms and \$4 million is allocated for school buses. Ms. Irion noted that the Broadband Deficiency Correction Program is not budgeted in FY16-FY19 and SB-159 appropriation is \$10 million per year. The financial plan reflects that the Chama District repaid their advance in the amount of \$496,700 on May 18, 2015. Currently, PSCOC has a balance of \$35.9 million remaining for FY15.

b. District Presentations

- **Roswell—Del Norte Elementary School & Mesa Middle School**

The district requests funds for the design and construction for a new Del Norte ES for 625 K-5 students. RISD would then demolish existing Del Norte ES, and repurpose portable classrooms to accommodate renovation activities at other school sites identified in the district facility master plan. Del Norte ES was built in 1958 with additions in 1960, 1981, 1987 with a working capacity of 488 students without portables. Del Norte currently has 579 students and is projected to have 633 students in 5 years (2019-20 school year).

Staff recommends renovation/addition of existing school with multiple project phases and PSCOC required funds for each phase. The recommended phases are:

- Utilization study of existing Roswell schools that includes the number of students living within each school boundary and options to adjust boundaries to resolve overcapacity issues such as those at Del Norte. PSFA would assist in the geo-code analysis of student addresses associated with each elementary school.
- Examine current educational specifications to identify possible deficiencies with current district standard of 375 student capacities for new schools. Educational specification must reflect the actual student population that Del Norte is to house.
- Move into Design and Construction after activities are complete.

Note: Design/Construct phasing should not preclude CMAR procurement.

Staff noted that an alternative option is that Roswell Independent School District could replace the existing Del Norte ES facility and demolish the old facility. Estimated budget would be approximately \$24 million for 625 student school with 76,000 square feet. This approach would require that the district's current 2011-2016 master plan be revised.

Mr. Mac Rogers and Mr. Chad Cole represented the district. Mr. Cole indicated that district passed a bond in the amount of \$16 million leaving the district ready to begin their projects. Enrollment has increased since last year with the growth coming in at the elementary level. There are questions regarding district boundaries and enrollment for validation of cost associated with the project. Adoption of a methodology must be developed for a lower cost and revised later as further information unfolds. Based on the district schedule the design may be done next year. The district is proposing a new building estimated at the cost of \$26.7 million as they believe this is in line with their district goals and previous projects. The district share is \$7.7 million with the state share of \$18.9 million which would include cost for updating education specifications and additional

growth in the district. The building was previously a fall-out shelter and renovations would be useless.

- **Mesa Middle School**

The district requests funds for the design and construction to renovate existing Mesa Middle School.

Staff noted that this project is not eligible for funding because the Mesa Middle School site visit revealed that the facility was not ranked correctly. Following adjustments for replaced windows in the classroom spaces, the replaced roof (TPO/PVC), and other adjustments that may be viewed in the FAD database, the revised wNMCI is 30.08% and therefore in better condition than the PSCOC's 2015 priority cut-off of 50% wNMCI. During the site visit staff observed that:

- Serving kitchen area seemed small and awkward
- At 74,866 sq/ft (without portables), existing capacity of Mesa MS is approx. 538 students. Current enrollment is 449; 499 is projected for next school year, and the current 5yr projection is 482
- Spacious site
- Facility still is currently utilizing several portables, even though the functional capacity of the facility exceeds both experienced enrollments and future projected enrollments
- Maintenance efforts need to improve at this site
- In addition to renovation, RISD intends to build another gymnasium onto this facility in order to maintain parity with other recent middle school renovation

It was noted that since the site visit staff has been working to get the updated information into the database. Staff recommends that the district develop this application further and re-apply next year. RISD is currently under contract for an update to the district's facilities master plan. PSFA staff feels the FMP process will provide more current insight into the needs of this facility.

Staff notes that another alternative would be to replace this application with one for Nancy Lopez ES, the district's next worst ranking facility according to the FAD.

Mr. Cole noted that the Mesa Middle School was constructed in 1958 with one addition in 1968. Issues include a deteriorated parking lot, roof repair, site improvements and possible asbestos. The district is proposing a small addition to house the special needs students. Council noted that there is limited funding and both projects cannot be funded at this time. Mr. Cole stated that the district is not opposed to renovation of the projects. Staff stated that the cost of renovation is due to the enrollment of students but at this stage there is not enough information to set a firm cost to the projects.

Dr. Clifford noted that the Mesa Middle School is the worst in the state and passed their bond. The district should not have to wait a year to repair this school. Mr. Abbey noted that all the schools in Roswell are new except Del Norte, Washington Avenue and Nancy Lopez. PSFA has, in the last decade, rebuilt public education in the district with a remarkable record of success. The district agrees that Del Norte would be a smaller school. The district could build on the same site but is not desirable to having adjacent streets. The district has found some favorable sites. Mr. Abbey voiced concern regarding funding awarded to the district in the amount of \$1.5 million for Missouri Avenue that has not been used by the district and the school has been open for a year. In regard to Valley View it was noted that this school is also open and have \$1.2 million that has not been used. He

asked what it takes to close out these projects and for the unspent balances to be available for reallocation. Mr. Cole answered stating that each of the projects are complex and there are district and state change orders. Mr. Volpato explained that once the school is complete and the students move in, there is still work that remains. At that point there is an 11 month warranty period for the contractor to finish work that does not interrupt students, a post occupancy evaluation and time to assure that all work has been done and the school is looked over for health/safety issues to address the needs of the students.

Master Plan: Currently being updated

Preventive Maintenance Plan: Current and Using FIMS

Audit: Current and district is able to meet their match and a waiver is not required.

- **Clovis—Highland Elementary School**

The district request is for a replacement school with an estimated projected budget of \$16,374,667. The district cited the following contributing factors: water entering the building in several areas, the roof system is approaching the end of life expectancy and beginning to fail, existing galvanized water supply lines are beginning to fail as well as the existing cast iron and clay sewer lines, remediation is necessary in some areas due to the identification of asbestos and lead based paint, ADA deficiencies, windows, doors & door hardware deficiencies, interior finishes showing signs of wear and age, security is not up to current district standard, administration area is believed to be below adequacy, and playground equipment is considered unsafe.

Staff notes that the school facility's structure and many of its building systems are in good condition and recommend that the facility should be improved by limited renovation sufficient to add approximately 25 years of additional functional life before replacement or renewal renovation. It is recommended that the award require that the project be sufficient to reduce the FCI by 33%, or from 64.52% currently to 43% post-project. The project should be reviewed that would include all critical systems for repair or replacement, i.e. roofs and HVAC. Improvements should also include parking and parent pick up drop off, ADA access, and site utilities.

Mr. Gorrell noted that the district has replaced building systems in the facility over the life of the school. It is staff opinion that there is a potential for fixing more systems to extend the life of the school. Council asked that school districts documents include maps that reflect boundaries similar to the handout provided for the Roswell district. Currently the district is relying on portables to house students as the working capacity without the portables is 190 students.

An alternative solution would be to demolish and replace the facility at an estimated cost of \$14,000,000.

Deputy Superintendent Carrie Bunce and Mr. John King represented the district. Ms. Bunce gave an estimated cost in the amount of \$11.6 million for renovation or \$15.4 million for replacement, and provided a timeline for the project. Council noted that the staff summary indicates that the district will not have Phase II local match funding until October 2017. Mr. King explained that it is critical that funding for the Parkview and Highland projects coincide with each other. The next bond election will be in 2017 which would include the district's Phase II portion of Highland ES. The critical part is that Parkview will be used as the interim school while Highland ES is completed. The timeline is consistent with the two projects to allow for funding. Council voiced concern regarding

the timeline to complete that project in 2018 because the students would have to wait until that time to occupy the facility. Ms. Bunce explained the students from Highland ES will be moved to the existing Parkview ES during the summer of 2017, and the existing Parkview ES students will be moved into their new Parkview ES facility. Council asked if there would be an addition for staff. Ms. Bunce stated that if the project would be a renovation, the district would not have a problem utilizing portables for staff purposes. The district does not contend that there are issues with classroom space but instead for the infrastructure, plumbing, ADA compliance and the foundation of the facility.

Master Plan: Current

Preventive Maintenance Plan: Current and using SchoolDude

Audit: Current and received an unmodified opinion. District has certified that they can meet their match and no waiver is required.

Española—Abiquiu Elementary School

The district is applying for PSCOC funding for the renovation of the Abiquiu Elementary School. Abiquiu ES was originally constructed in 1985. The multipurpose building with a gymnasium/cafeteria and kitchen was added in 1993 and the classroom for the Boys and Girls Club was added in 2011. The school houses grades K-6. The current enrollment is 117 students. The facility contains approximately 25,377 square feet of permanent construction building space, including a stand-alone well house. There are no portable buildings on site. The renovation will include roof replacement/repairs, HVAC and electrical upgrades, domestic water system upgrades, parking and drop off/pick up area improvements, classroom finish upgrades, ADA compliance improvements, etc.

Staff recommends replacement of building systems to extend the life of the facility. It is premature for a renewal renovation or replacement project. Staff recommends a design capacity of 117 students. If funded, the school square footage to be renovated to adequacy needs to be adjusted excluding the space occupied by the Boys and Girls Club (2,282 square feet) and the Title I classroom (297 square feet). The school is well maintained, however, due to the age of the main building, it shows deterioration in finishes and is in need of building systems upgrades.

Superintendent Bobbie Gutierrez represented the district. Council noted that a large portion of the budget is for an administration addition. District stated that the building was not designed with safety in mind as there is no monitoring or security system in place. Council noted comments regarding over adequacy for the Boys Club and Title I. The Boys Club activities is understandable, however, the Title I activities are not considered to be part of the program. Staff explained that typically federal programs are not under state funded projects and are not included in the adequacy standards. The Boys & Girls Club would have to be federally funded for their facilities. Council asked if there would be a possibility of consolidating this school. Ms. Gutierrez stated that it would not be a consideration given its isolation from the district. In regard to the history of the NMCI ranking for the school, Council noted that there was a significant deterioration in the quality of the school between 2014 and 2015 which turned this facility from one of the best to one of the worst. Staff explained that in 2012 the district had a vendor to assess their schools and report the data to PSFA and based on the report the ranking changed from 429 to 92. Council directed staff to bring a report as to why the ranking went from 36% to a 56% the following year. Staff noted that lack of maintenance has caused the deterioration of the facility.

Council noted that Alcalde and Velarde Schools have excess capacity by 100 students. There is an outstanding award to rebuild Velarde which would not be entertained today given the figures provided to the Council. The Council would not approve a project that is a few miles from another project that has excess capacity of 200 for a school of 84 students. Ms. Gutierrez stated that due to pending litigation associated with this issue, she does not feel comfortable speaking about these schools. Council noted that there is a phase 2 funding amount for Velarde in the financial plan. Staff explained that while there is a phase 2 funding amount for Velarde, the district decided to add the additional capacity into the new Alcalde school, and as a result, they could move the Velarde students into the Alcalde school. The Council has left the decision up to the district on what schools they want to leave open or closed. Originally, the School Board decided that they want to keep Velarde open and asked for the award, but then the School Board changed members and there were new opinions and decided they did not want to move forward with the project although there were bids received for construction. Council noted that there is \$2.7 million in the financial plan in FY19 for this project. The district applied to PED to close the school but staff does not know the status of the outcome. Staff indicated that Council may want to revert the funds and the district can reapply if needed. Council indicated that there is a 5-year forecast and are constrained by available revenue from projects that need attention and suggested moving the Alcalde project to FY20 which is outside of the forecast as to not impair the projects that need immediate funding. A Council member indicated that there may be decision within the next 6 months but is uncertain if it will happen.

Master Plan: Current. Decline in enrollment

Preventive Maintenance Plan: Current. Improved maintenance

Audit: Current. Received an unmodified opinion. District has certified that they can meet their match and a no waiver is required.

4. Director's Report

a. Broadband Deficiencies Correction Program Status Report

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

The PSFA continues to work with program partners PED and DoIT. During the regular coordination meetings, PED expressed interest to utilize their expertise in the area of E-rate and lead the effort to organize a potential E-rate Consortium application. DoIT is working to find common ground between the BDCP and other broadband initiatives in the State, such as TeleHealth and State Libraries (also eligible for E-rate funding), and to coordinate the broadband infrastructure data gathering, working with vendors and carriers. The PSFA is working with the FCC and they are interested to partner with New Mexico in the effort to upgrade broadband access.

School surveys: Since the statewide survey was started, completed approximately 35% of surveys have been completed.

- Difficulties related to projects that have to be completed during the summer, making facilities unavailable for surveys.
- Technical personnel is not available during summer because of projects or time off. Schools are making a good effort to support the survey process and there is good progress, keeping the project on schedule.

PSFA is reaching out to all the carriers it knows about and making a significant effort to have a process that is open and transparent. PSFA is willing to talk with anyone who is interested in participating in the development of the broadband program. The goal is to make the best use out of existing infrastructure that took a lot of time, effort and funding to install.

Some of the partners, big and small: New Mexico Exchange Carrier Group (Plateau, Leaco etc..) Redinet – very active partner, Higher Education, CenturyLink, to name just a few. Kendra Karp: PSFA started Phase C3. Based on the data analyzed from ~150 schools, the cost of needed network upgrades varies between \$0 and \$1,000,000. The variation does not allow us to determine, in a responsible way, the upgrade cost for the rest of the schools, based on the information collected so far.

Dr. Clifford asked if PSFA is in contact with the Highway Department (who includes fiber optic cable and raceway installation with every new road project). Mr. Gorrell stated that the Highway Department is a part of the conversation that other groups, like the PRC, have about broadband. We will include the Highway Department in the discussions about the BDCP.

Mr. Martinez asked what technical personnel is not available. Ovidiu Viorica responded that in general, schools have a difficult time finding and retaining qualified technical personnel to manage the IT networks. For the purpose of the current survey, the current school technical (network support) personnel is not always available to assist the survey teams with the network assessments.

This is an informational item and does not require action by the Council.

b. PSCOC Project Status Report

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

Regarding the Capitan elementary/middle school and high school, staff noted that the district went out for a bond election last month. The district came before the Council at their June 2014 meeting to request an advance to proceed and the request was granted. The district chose to go out for a bond election so they would not have to use the advance and the bond election failed so they will have to use the PSCOC advance and go out for another election. This should not delay the project. The advance totals \$6.8 million to be repaid in 2018. The district can hold another bond election in 2 years unless a petition is signed by 10% of the voters, which would allow the election to be held sooner. Council is concerned when districts do not pass their bond election as some districts do not repay advances. Council indicated that until the district has a better track record in passing bonds, there are concerns regarding another phase in their project.

Central Newcomb HS was delayed by the district based upon their available funding and local match, and is reflected in the financial plan presented today.

Regarding the Alamogordo Oregon ES project presented to the Council last month for design funding, the district prefers a combined campus and will wait for Heights ES to come up in the ranking before proceeding with the project. The district has the matching funds for design but do not have funding for the combination school without the assistance of the Council. Council noted that the project was pushed back (this is noted in the financial plan) and other projects can move forward until the district's issues are resolved.

Council directed staff to provide a report on the status of the Deming High School project with the history of the project for an understanding of why there are delays as there is \$50

million in the financial plan for their project. Staff is to invite the Superintendent to present before the Council. Dr. Clifford would like to work with staff regarding criteria of how long Council needs to reserve funds and how it will be reflected in the status report. Mr. Travis Coker, Regional Manager, indicated that the district should have their design schematics sometime in July. This issue will be researched and presented to the Council.

This is an informational item and does not require action by the Council.

c. Master Plan Project Status Report

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

This is an informational item and does not require action by the Council.

d. Lease Assistance Status Report

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

This is an informational item and does not require action by the Council.

e. Maintenance Program Status Report

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

This is an informational item and does not require action by the Council.

5. Awards Subcommittee Report

a. Projects That Cannot Proceed Without Waivers/Advances

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

Discussion: Staff noted that the challenge for districts with Bond Anticipation Notes is they must have a bond passed to utilize it. The listed districts are bonded to capacity therefore cannot utilize them. Mr. Guillen stated that this item was discussed in the Awards Subcommittee and noted that certification is needed from PED.

This is an informational item and does not require action by the Council.

b. Bernalillo – P13-002 – Santo Domingo ES/MS – Request for Advance of Local Share

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

These options are presented for Council consideration/modification, but have received no recommendation:

OPTION 1: Council commitment to provide advance funds at the time of Phase 2 award for approximately \$6 million.

OPTION 2: The district is encouraged to request an extension of the lease terms requiring occupancy by January 1, 2018 from the Santo Domingo Pueblo, in order to accommodate the anticipated dates of available district funding to complete construction. The lease has been signed and requires that the district have a new building within 5 years in commencement of the lease (January 2018).

Discussion: Superintendent Alan Tapia and Mr. Martin Montaña represented the district. District passed a bond for \$20 million but were only able to sell \$14.5 million leaving them short of funding for their projects. The educational specifications and the design for the school have been completed. The school serves 100% of Native Americans. There are many deficiencies in the school. Regarding the district's analysis for their property tax base, Council noted that the district indicated that the bonding capacity they can generate is $\frac{3}{4}$ of

what they anticipated. What happened to the assessed value that reduced it? When the plans were in place and the election went out, the district was anticipating a 5% growth in assessed valuation and in over the period of time it's only been 3%. Council noted that although there is funding, it is committed to other projects that are ready to move forward. In all fairness to other districts, Council will have to deny the request. Staff indicated that based on the current criteria the district qualifies for a waiver or an advance. District indicated that they can go out for a bond election in February 2016 and get an Anticipation Notes in 2017. The Council questioned if there is a way to reduce the \$6 million by reducing the scope of the work or if the project can be phased. Mr. Tapia agreed that receiving a portion of the request and phasing the project would be an excellent opportunity. Council noted that it is premature to award an advance without the project details presented go the Council and there is also the fact of lack of funding. District is prepared to go out for an RFP for construction. Council directed staff to create a guideline for waivers. Council encouraged the district move forward with the RFP and look at alternates in their bid release and better financial information.

c. Gallup – P11-005 – Washington ES (Del Norte ES) – Phase 2 Funding

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

Request is for phase II construction funds for new Del Norte (Washington) Elementary School. Del Norte Elementary School is a 2 story building planned for 450 students, K-5 with an overall gross square foot to adequacy of 58,486sf. The amount requested is supported by the successful offeror's bid amount submitted within the proposal. PSFA staff recommends that the PSCOC approve the state funding request totaling \$17,951,841 (85%) as requested to complete construction to adequacy. The district has in place their required funding amount match totaling \$3,167,964 (15%).

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 Washington Elementary School (Del Norte ES), to include construction to adequacy for 450 students, grades K-5, with an increase in the state share amount of \$17,951,841 (85%), contingent upon an increase in the local share amount of \$3,167,964 (15%). Since this is a subcommittee recommendation, a second is not required. Motion carried.

d. Gallup – P11-006 – Church Rock ES – Award Language Change

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

This request is to waive a condition of the Memorandum of Understanding, Number 12 of Section 2 of the MOU that states: "All awards are exclusive of land acquisition costs and offsite utilities and infrastructure expenses which are the total responsibility of the district and community and will not apply to the District's matching fund requirement." Staff does not recommend approval of this award. In the past, the PSCOC has only participated in offsite infrastructure when it would be a cost savings to the state. If the PSCOC elects to participate in this work, the state participation in this project will increase by \$929,502 (with a local match of \$164,029). The budget for this project is sufficient to allow for participation without an increase to the project amount since demolition of the existing Church Rock elementary school was included in the budget for this project and is no longer needed.

Staff received an email from Mr. Johny Cresto that states that "After reviewing our lease for the current Church Rock Elementary as expected the district is required to leave the permanent improvements for the land owners. This means the district will not be demolishing the building as was stated in the award language." Currently, there is no Domestic Water

system or sanitary sewer system coming to the Church Rock property site for these utility systems to be attached. The Gallup McKinley School District has retained DePauli Engineering to design the off-site utilities. The sanitary sewer system will be tied into a major line that is to be ran in front of the school site by the NTUA. GMCS has received pricing from Murphy Builders, and has directed FBT Architects to include the procurement of the utilities into the ongoing Church Rock project as a change order. This work will be required to bring water/sanitary sewer and is needed for the school to be open and operational as both of these lines are the only source for water and sewer tie-in.”

Staff noted that a fire tank was built to meet all requirements due to the 2” water line that did not support the school. District is paying for a 10” water line that runs to Highway 566 that the school can tap into and requesting that the Council participate in the water line. Council asked if the new elementary school is located on tribal land Mr. Cresto responded in the negative stating that the land is within the city limits, the directly east and south of tribal land. The existing Church Rock School is on tribal lease land so when the premises is vacated the facility will be turned over to the tribe.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to deny the request from the Gallup-McKinley County Schools for Church Rock Elementary School to modify the Memorandum of Understanding Section 2, Item 12, to include offsite infrastructure. Since this is a subcommittee recommendation, a second is not required. Motion carried.

e. Gallup – P14-013 – Ramah ES – Award Language Change & Additional Funding

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

District is requesting additional funding for construction of apartment units (teacherages) on the existing Ramah Elementary School site. The project will consist of design and construction funds for four (4) duplex units (8 apartments), consisting of 5,600SF total with each duplex consisting of 1,400SF. This estimate is based on similar projects by GMCS and may be altered as design is completed.

The district indicated that there is not a shortage of teachers but instead a shortage of teacher housing. The cost to house teachers is \$2 million for 4 duplexes/8 units. Council understands and can appreciate the difficulty of not having housing for their teachers. Council requests that DFA look into this matter to determine if there is a way to resolve this issue. It was stated that virtually every district is experiencing this sort of problem. AMS Subcommittee is directed to look at the standards and rethink this request. Staff is directed to meet with the district and keep working with the appropriators as well as their legislators.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to deny the request from the Gallup-McKinley County Schools for Ramah Elementary School to include teacherages in the project scope to adequacy. Since this is a subcommittee recommendation, a second is not required. Motion passed by a majority vote with Mr. Burciaga voting in the negative.

f. NMSBVI – P13-016 – Health Services & Jack Hall – Phase 2 Funding

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

Staff recommends Phase II funding for New Mexico School for the Blind and Visually Impaired for Health Services & Jack Hall to accommodate a library and to complete construction to adequacy with an increase in the state share amount \$453,857 (50%),

contingent upon an increase in the local share amount \$453,857 (50%) funded through the SB-60 appropriation.

Ms. Linda Lyle represented the NMSBVI. Staff noted the total project cost is \$1.3 million which is above the original estimate. The school received an appropriation of \$838,000. Discussion in the AMS Subcommittee the funding request was set up to utilize the entire amount of the appropriation and the remaining was be under PSCOC funding. The project came in over-budget was due to the requirements by the Historical Preservation and crime risks. Council requests a breakdown of the funds to being used for this project.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2012-2013 standards-based award to the NM School for the Blind and Visually Impaired for Health Services and Jack Hall to include construction to adequacy with an increase in the state share amount of \$453,857, contingent upon an increase in the local share amount of \$775,941, to be funded through the balance of the 2013 Senate Bill 60 appropriation. Since this is a subcommittee recommendation, a second is not required. Motion carried.

g. NMSD – P13-008 – Santa Fe Campus Site – Phase 2 Funding

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

Staff recommends Phase II funding for the New Mexico School for the Deaf site project to complete construction to adequacy with an increase in the state share amount of \$4,449,019 (50%) contingent upon an increase in the local share amount of \$4,449,019 (50%) to be funded from the balance of the SB-60 appropriation in the amount of \$7 million for their match and the budget was established at the Board of Finance.

Mr. Harold Moya represented the school. Staff noted that the total project cost is \$11.6 million which is under the original budget that was \$14 million. There are items identified in the project description of which PSCOC will not participate. Staff is working with the school to vet out the items. Mr. Moya agreed that there are items that need to be removed. Staff recommends that PSCOC not participate in items that are above adequacy. Council noted that there will be a reversion of the local share in the amount of \$1.5 million surplus when reverted. This item will be revisited at the September PSCOC meeting to resolve remaining matters. Mr. Moya reported that the school is currently working to bring the facility to adequacy and will come back before the Council for further funding. Council requests that staff provide a schedule/list of all projects funded PSCOC as well as their budget. Staff will also provide a site plan for Council review.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2012-2013 standards-based award to the NM School for the Deaf for Santa Fe Campus Site, to include construction to adequacy with an increase in the state share amount of \$4,449,019 (50%), contingent upon an increase in the local share amount of \$4,449,019 (50%), to be funded through the balance of the 2013 Senate Bill 60 appropriation. Motion carried by a majority vote with Mr. Aguilar voting in the negative.

h. PSFA Consent on District Request for Proposals (RFPs)/Bids for Construction

Staff presented the executive summary included in the PSCOC notebooks for this item. Staff reported on the Requests to Release RFPs for Construction and based on the lack of available funds, there is a need to delay projects.

NMSBVI (Jack Hall & Health Services) and Gallup (Del Norte) will be allowed to release RFPs resulting in an updated program budget with a balance \$20 million. Long term bond issue will come into play after Gadsden and Bernalillo are funded when funding is available. The Gadsden project is a potential project because the bids came in too high and staff will report on this issue at a future PSCOC meeting.

This is an informational item and does not require action by the Council.

6. Administration, Maintenance & Standards Subcommittee

a. FY15 & FY16 PSFA Budget Projection

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

Due to vacancy savings the 200 Personnel Budget Category has a favorable balance for FY15 and will revert over \$440,000. PSFA has reverted an average of \$239,000 from FY10-FY14. Due to the high average reversion PSFA is requesting to partner with DFA to determine how to maximize staff and minimize the reversions. PSFA will leave three positions vacant for FY16 (Division Director, Regional Manager and Attorney) which is a 5.7% vacancy rate; however, given the agency's 13.18% average turnover rate (FY10-FY14) the vacancy rate is projected to be much higher. Staff is directed to present a FY17 request at the end of July to be presented at the September PSCOC meeting.

This is an informational item and does not require action by the Council.

b. Director's Performance Evaluation--Report

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

Ms. Romero proposes that Council set a date for the director to respond to the final evaluation before it is presented to the full Council. Council agreed on July 25th – 28th for director evaluation review. PSFA staff evaluations will begin in July 2015.

This is an informational item and does not require action by the Council.

7. Public Comments

Mr. Michael Heitz announced that he will no longer serve as a Council member. Ms. Jessica Gonzales will represent the Office of the Governor at future meetings. Council thanked Mr. Heitz for his dedication while serving on the Council.

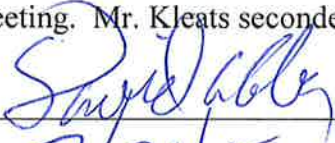
Council announced that Mr. Jeff Eaton will be leaving the PSFA as he accepted a position with Legislative Council Service. Council thanked Mr. Eaton for 14 years of service, diligence and commitment to the Council and PSFA.

Next PSCOC Meeting:

Upon discussion, the Council agreed to hold their next PSCOC meeting on July 30, 2015.

8. Adjourn

There being no further business to come before the Council, Mr. Martinez moved to adjourn the meeting. Mr. Kleats seconded. Motion carried. The meeting adjourned at 3:30 PM.



Chair



Date