

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL MEETING**  
**MINUTES**  
**JULY 31, 2015**  
**STATE CAPITOL BUILDING, ROOM 317**  
**SANTA FE, NEW MEXICO**

**Members Present:** David Abbey, LFC                      Ms. Jessica Gonzales, Office of the Governor  
Dr. Tom Clifford, DFA                      Mr. Joe Guillen, NMSBA  
Mr. Paul Aguilar, PED                      Mr. Raul Burciaga, LCS  
Mr. Gilbert Peralta, PEC                      Ms. Frances Maestas, LESC  
Mr. Pat McMurray, CID

1. **Call to Order** — Chair Abbey called the meeting to order at 9:00 AM.
  - a. **Approval of Agenda** — Mr. Guillen moved for approval of agenda as presented. Ms. Maestas seconded. Motion carried.
  - b. **Correspondence** — No correspondence at this time.

2. **Approval of Minutes (June 30, 2015)**

Upon review by the Council, Dr. Clifford moved for adoption of the June 30, 2015 PSCOC minutes subject to corrections. Mr. McMurray seconded. Motion carried.

**Discussion:** Although Council agreed that the minutes should be consistent Mr. Guillen stated that the minutes are not as reduced as he would like. Mr. Abbey requests that Council members be identified in the minutes in regard to their statements and opinions. Dr. Clifford stated that there is no need to repeat anything that is in the materials, and only discussion should be captured. Staff will continue to work on the format to meet the Council's requests to include only discussion, actions taken by the Council, and identifying member statements.

3. **District Presentation—Deming Public Schools**

**Discussion:** Mr. Ray Trujillo, Assistant Superintendent, Mr. Ted Burr, Executive Director of Finance, and Mr. Herb Borden, Director of Construction and Transportation, represented the district. Superintendent Dr. Dan Lere joined the meeting via video conferencing. Mr. Travis Coker, PSFA staff, provided a timeline of events for the Deming High School Project. The narrative is based on meeting minutes/notes, emails, discussion points, and media beginning Spring 2006 to April 2015.

Mr. Burr thanked the Council and PSFA, stating that in the last 10 years, the district has been able to build 4 new elementary schools, renovate 1 elementary school, and the district is in the process of replacing/renovating the high school, and replacing the 6<sup>th</sup> grade intermediate school. Until 2008, the district was building 1 school per year and bonds were passing with very good margins. In 2008, the bond failed, and based on a post-election survey, the community responded with "what's wrong with old", they wanted the school to stay at the current location, there was low staff support, and the school was not educating the students well enough to deserve a new school.

The district has taken steps toward improvement, including K-3 Plus program has been accepted in all of the elementary schools, and based on the success of Columbus Elementary

under the K-5 Plus program, the K-5 Plus program will be instituted district-wide. The high school now has an improved grade of B. The district has a five-year master plan in place that helped identify problems with the high school, to address the lack of interest due to the age of the building. He indicated that the results of the campus master plan showed that the district could build on the existing site. Initially, the intermediate school was planned to be included on the high school site, however during the ed spec process, it was decided that it would be better to have it on a separate site. In 2014, the district put out a bond question which included a separate intermediate school, and it passed very successfully. The district has their matching funds and hope to issue bids for the new high school in the first quarter of 2016, and will issue bids for the intermediate school in the second quarter of 2016. District will return to the Council for construction funds, and it appears that the estimates are right on budget. Mr. Borden stated that high school construction was initially planned under a 3-phase process, but after review of 2 existing PSCOC high school projects, the district was able to reconfigure the construction to reduce the construction to a two-phase project. Phase 2 involves demolishing the old high school facility and half of Hofacket. Mr. Coker noted that the district is attempting to keep the cost down and anticipates a two-year timeframe for the project. Dr. Clifford request that a staff provide a study on the amount being paid in square footage in various PSCOC funded projects for comparison purposes in the standards.

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

##### **a. Financial Plan**

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

**Discussion:** Ms. Denise Irion presented this item stating that the financial plan has a positive outlook for FY15 and for out-years. Mr. Aguilar referenced the 2 schools moving up in their schedule (Deming Intermediate and Rio Grande ES), and asked if other projects were going to be delayed because these projects are moving up in the queue. Ms. Irion responded that no additional delays would be caused by these moves.

##### **b. 2015-2016 Standard-Based Awards**

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

**Discussion:** Three districts qualify for the current year funding, and the recommendation is for early planning for each district, indicating a move to a 3-phase award project, and the districts would need to return for design and construction funding.

The financial plan has been updated to reflect these changes. Staff estimates that the districts will return before the Council to request phase 1 design funding within two quarters. Espanola and Roswell districts are estimated to come back before the Council in the first quarter of 2017 for construction funding. Clovis will come back in the third quarter of 2017 for construction funding based on their availability to have their match to complete construction at that time.

Mr. Jody Balch, Superintendent of Clovis Municipal Schools thanked the Council and PSFA, stating that the district has benefitted heavily from the program, with 6 brand new facilities, and Highland ES and Parkview ES would be 2 more, which would equate to approximately 50% of their schools being 5 years old or newer. It is a big benefit to their kids, and they continue to pass their bonds. The district has also used their bond money to

make other district-wide improvements. Dr. Clifford noted that the district has a very good maintenance scores and thanked the district for their hard work in maintaining their facilities. Mr. Guillen appreciated the district for the work they do, along with the PSFA staff, and under the improved conditions of the facilities, he inquired about the school grades and if the learning has been affected. Mr. Balch noted that the district is now using K-3 Plus and the program has helped the students tremendously, and hopes to double the enrollment next year.

Mr. Chad Cole represented the Roswell Independent Schools and thanked the Council and PSFA for their support and assistance in completing projects at 12 of their 20 school sites. He stated that the district passed their bond election in February 2015 with strong community support. He noted that the population at Del Norte Elementary continues to grow. The district will continue to provide PSFA with necessary geocode analysis data for utilization.

Dr. Clifford complimented the district on their maintenance score, and noted that the Mesa School weighting score was reduced significantly. Mr. Cole stated that the district is aware of the reduced score and have sent a response to PSFA that states that the district does not agree with the score. He stated that PSFA response pointed out reasons and sent documentation of various projects that have taken place over the years. It was cited that the re-ranking was a new roof installation at the facility, but instead it was a roof patching project with approximately \$100,000 split between Mesa and Mountain View Middle Schools. The district continues to have many leaks in the building. Dr. Clifford requests a copy of the district response and also staff response to the district. Dr. Clifford noted that the district has included funding for the Mesa School at their recent bond election. Council had directed the district to update their master plan. Mr. Cole stated that the master plan is underway and noted that the district has great maintenance staff. He indicated that the district intends to continue to follow-up and monitor the roof leak issues to patch and repair until the district qualifies for PSCOC funding for the project.

Mr. Abbey noted that he had questions at a previous PSCOC meeting regarding the completed projects regarding checks and balances. Staff has reviewed this issue noting that there is still a nine-month period to close the projects. There are four projects awarded in the 2009-2010 cycle that are past the eleven-month correction period and staff will begin financial closeout for those projects before the end of this fiscal year.

Representatives for the Espanola District were unable to attend the meeting. Mr. Abbey noted that there are funds tied up in FY19 for the Velarde Elementary. Ms. Irina Ivashkova, Regional Manager for the district, stated that she does not have information regarding the school because the district declines to discuss the project. She stated that this may be due to the lawsuit. Mr. Aguilar explained that the district is suing PED to reverse the decision of closing the school. Secretary Hanna Skandera denied the closure due to certain issues. The district was unwilling to provide documentation that public meetings have taken place in the Velarde area. The district was attempting to use the facility master plan meetings as a substitute for holding a meeting in the area once the decision was made. The district could not provide their board minutes until after the fact and did not provide, under any circumstance, how the closure would benefit kids. Secretary Skandera was very clear that the district could resubmit their application and

address all issues to conduct the process accordingly then it would be reevaluated. The district instead chose to file a lawsuit. Mr. Abbey voiced concerned regarding other projects that are open and requests that staff provided an update on the progress of other schools in the district. Mr. Guillen noted that while he supports the decisions of the school boards, Abiquiu Elementary is high on the ranks regardless of what the district plans for Velarde ES.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to make capital outlay project awards under the standards-based capital outlay process to the districts set out before the Council for the purposes and in the amounts specified, including any special conditions contained in the award language for each school (see attached). Each allocation is intended to fully complete the project, phase, or specified purpose. Out-of-cycle design or construction funding may be considered at any future regularly scheduled PSCOC meeting upon completion of early planning, construction documents or equivalent PSFA phase approval and conformance with all contingencies. Since this is a subcommittee recommendation, a second is not required. There being no objection, motion carried.

**c. 2015-2016 Additional Conditions**

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

In regard to the Additional Conditions presented to the Council about a condition that states that “prior to projects final PSFA-RASC approval and release to bid”, Mr. Aguilar asked if Zuni had been approved and moved forward without having the roadway issue dealt with. Ms. Cano replied that the roadway issue was prior prior to release of the bid. She noted that during the design process that the district came upon the realization of the infrastructure issue so it did n meet the contingency of the MOU. The district is hoping to have funding for the roadway due to other emergency funding awarded by the Council.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation that the standards-based capital outlay and roof awards are further subject to the Additional Conditions presented in the document in the meeting notebook. Since this is a subcommittee recommendation, a second is not required. There being no objection, motion carried.

**d. 2015-2016 Lease Assistance Awards**

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

**Discussion:** Staff provided a brief summary of applications received for the 2016 cycle. Staff received a total of 101 applications of which one (Jemez Valley, Walatowa Charter School) did not meet the deadline. The Awards Subcommittee agreed that the charter would be included in the lease assistance.

Dr. Clifford noted that the CPI reflects a 0.4% increase and stated that the Council could analyze the old data to look at the actual leases paid to compare with the limited amount paid per MEM while looking at how many of their actuals accommodated or overrun their permit limit. Ms. Irion referred the Council to the summary provided in the notebooks that reflects the statistics of the number of leases reimbursed by MEM and separated by

school that reflects which are MEM and which are limited by the lease cost. Mr. Gorrell stated that Council has used the market trend analysis in previous years. Staff has attempted to do a comparable lease rate but couldn't due to the variables of how the leases were structured and who paid for what. He stated that until there is a standard put in place it would difficult to compare the lease rate. Mr. Gorrell informed the Council that PSFA attempted to hire a consultant to do the sampling but there was a cost rate of \$20,000. Ms. Cano noted that applications for the last two years show that it has maintained a consistent of 67% actual lease versus reimbursement for three years in a row. Dr. Clifford noted that there is a concern regarding schools entering into inappropriate favorable lease terms with their sources and 2/3 of the schools are not receiving enough funding from this formula to cover their leases. He suggested that PSFA/PSCOC provide feedback to the legislature to determine if these are appropriate figures. Dr. Clifford suggested that schools are currently using their operational funds for maintenance and other costs of running their schools and do not have mill levies.

Mr. Guillen stated that the Awards Subcommittee reviewed the leases and determined that there was consistency for the last three years and many of the leases are based on amounts provided by the Council. He believes that Council is being reasonable and consistent and noted that while there are other items to consider, this is a small portion of the lease assistance issues. There is concern regarding landlords taking advantage of charter schools. Ms. Irion noted that the Awards Subcommittee agreed that Option C (Rate adjustment for market trend) would be best for consideration of awards.

Dr. Clifford request that staff provide feedback each year from the National Association of Charter Schools.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to make awards in the amounts specified for lease payment assistance on the accompanying spreadsheet. Upon acceptance of awards by charter schools and school districts, Council authorizes PSFA staff to distribute award amounts quarterly on a reimbursement basis upon receiving proof of lease payments made. Council authorizes PSFA staff to make reductions to award amounts subject to PED certifying in writing to PSFA that a condition exists that warrants an award adjustment or suspension which may include: school closure, charter revocation, financial violation or irregularities, adjustment to certified attendance numbers (MEM counts), lease termination or amendment. Council may also authorize reductions if scheduled attendance does not fully utilize facility, or operational use changes from classroom to non-classroom uses. Since this is a subcommittee recommendation, a second is not required. Motion passed by a majority vote with Dr. Clifford voting in the negative.

**e. Animas—Request for Emergency Assistance**

Staff gave an update on the district's request for emergency funding. Mr. Rocky Kearney, PSFA staff, informed the Council that the district has submitted their Statement of Financial Position. Ms. Irion provided the Council with information regarding the district's available funds. PSFA has reviewed the request and PED has verified and approved it. Although the district has not formally applied they have demonstrated the need for emergency funding and have scheduled an emergency board meeting for August 4, 2015 to declare an emergency for a lift station. Currently the district is not prepared for

action by the Council. The proposal from the contractor includes pumping and lift stations and work can be done during school season. Major work will be done after school hours to avoid student and faculty impact. Mr. Gorrell stated as rules allow, the Council can do an interim emergency. Staff will continue to work with the district to complete their application and provide the necessary information to the Council.

*This is an informational item.*

**f. Central—Grace B. Wilson/Ruth N. Bond ES/Phase II Funding**

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

Superintendent Don Levinski and others represented the district. The district is requesting Phase II funding for the elementary school that will replace Grace B Wilson/Ruth N. Bond Elementary schools. The project is to renovate/replace facilities to adequacy for 715 students grades K-6.

Mr. Aguilar asked where the school will be built. Mr. Levinski responded that the school will be built in Kirtland. The school will be completed August 2016. Ms. Maestas asked if the school would need another route and does the district need another bus to transport students. Mr. Aguilar stated that the PED Transportation Unit will do an analysis of the route and there may be shorter routes since the schools will be combined. He stated that PED has approximately eleven buses around the state that are not being utilized and can be used for emergency transportation of students. Mr. Kearney noted that there are additional soft costs related to this project. There are also issues with abatement at Grace B Wilson/Ruth N. Bond that need to be accounted for in the budget. The information provided to the Council are merely place holders until final costs are determined.

**MOTION:** Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2013-2014 standards-based award to the Central Consolidated Schools for Grace B. Wilson/Ruth N. Bond ES to include construction to adequacy for 715 students, grades K-6, with an increase in the state share amount of \$13,725,000 (61%), contingent upon an increase in the local share amount of \$8,775,000 (39%). Since this is a subcommittee recommendation, a second is not required. There being no objection, motion carried.

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

**a. 2015-2016 Final wNMCI Ranking**

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

**Discussion:** Staff reported that two schools, Roswell Mesa Middle School and Farmington McCormick Elementary School, changed ranking positions due to reassessments after site visits. Farmington was in complete agreement with the change in ranking while Roswell does not completely agree. Staff reassessed the Roswell Mesa Middle School with the district and adjustments were made to the roof. There may be a change of ranking if there is an opinion that there may be as asbestos. Staff and the district have agreed that testing is needed.

In regard to the 2016 application and ranking process, staff reported that after the final ranking is posted, staff has a year to reassess the rankings. Roswell would have time to continue working with staff to get a better ranking for the Mesa Middle School. PSFA has documentation on file regarding the district's appeal. Staff agrees that there is a portion of roof portion project that was a "patching job" and staff made the necessary adjustments in the data base. Staff agrees that the roof is adequate.

In regard to the Farmington McCormick Elementary School, during the site assessment staff discovered that a 1953 roof was awarded funding and during the site visit it was a new TPO roof that was installed in 2011. Therefore, an old roof had a tremendous amount of square footage with a great deal of weight which was removed which changed the ranking of the school. There is correspondence from the district stating that they were in complete agreement with the ranking.

**MOTION:** Mr. Burciaga moved for Council approval of the Administration, Maintenance & Standards recommendation to release the Final wNMCI Rankings including charter schools that have been reassessed based upon programmatic needs after completing at least one renewal period and incorporating changes in ranking based upon reassessment of some schools. Since this is a subcommittee recommendation, a second is not required. There being no objection, motion carried.

**b. FY15-& FY16 Budget Projection and Personnel Update**

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

**Discussion:** Ms. Selena Romero, PSFA staff, gave FY15 summary of the Budget Projection and Personnel Update that includes: Summary of Positions, Current Positions, Positions Approved, Vacancies and Pending Requests. She reported that PSFA will revert approximately \$366,000 in the personnel category due to turnover. It has taken time to refill positions, especially specialized positions. Ms. Romero also informed Council of new hires and scheduled interviews.

*This is an informational item.*

**c. FY17 PSFA Budget Request**

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

**Discussion:** Ms. Irion and Ms. Romero presented this item noting that PSFA has a request for \$6.2 million for FY17. Staff reviewed the budget for FTE funding to allow for adequate funding for the Broadband Deficiency Program. Overall there is a 1% budget increase for the FY16 approval which is a \$61,000 increase.

PSFA requested five term FTE to support Broadband Program, three were approved for the FY16 budget and PSFA would like to request two more FTE for the FY17 budget to include project managers for the Broadband Program. PSFA has determined that it would be cost efficient to take the Attorney position and reclassify to an Administrative Assistant position as PSFA has been paying temporary assistant services that is expensive. With the savings PSFA would have saved to hire the two term Broadband Managers.

Dr. Clifford voiced concern regarding the budget and comparison of statutory guidelines which cannot exceed 5% of the awards budget with the agency budget. He noted that the awards capacity has decreased significantly to about \$100 million per year. Council must downsize sooner than what was previously determined. If the recommendation is approved, Council would be looking at 15-20% cut to stay within the 5% awards budget. In regard to the positions requested, Ms. Irion explained that PSFA have appropriations under SB159 for the Broadband Deficiency Program. These are term positions that are budgeted to meet the appropriation and are not permanent employees that would continue past the program. Based upon the duration of the program, PSFA would adequately reduce the budget accordingly based upon the appropriations during the timeframe. Dr. Clifford is concerned regarding re-proposing \$6 million and stated that the budget needs to be lowered and costs need to be addressed. Mr. Abbey explained that it does comply with the rules for FY17 but in FY18 PSFA would shed five FTE. Mr. Gorrell added that the Law allows up to 5% for core administrative staff and believes the legislature may need to consider changing to the law support and maintain the state investment. Mr. Gorrell indicated that teaching the districts how to take better care of their facilities is a concern. Mr. Guillen noted that PSCOC needs to live within the letter or the law and FTE will have to be cut after the (BDGP) program. Mr. Guillen noted that the workload is the heaviest it has ever been and the quality of service provided to districts has to be taken into consideration. Mr. Aguilar does not feel that additional FTE should be funded and agrees that there will be an issue of funding in the future. Budget has to be paired down and should be cut by 1%. Mr. Aguilar stated that he reviewed the PSFA statute and stated that a number of programs that PSFA has in place and approved by the Council are not under the statutory requirements. He agreed that the request of the budget has to be pared down. Ms. Maestas requested that Mr. Aguilar provide a list of the (non-statutory) programs he indicated are under the PSFA.

Mr. Aguilar informed the Council that he received a text from the attorney that states that the Council is now a defendant in the Zuni capital outlay lawsuit. He suggested that PSCOC is taking an attorney position to create administrative staff for Broadband Deficiency staff when PSCOC may need legal assistance. Taking the lawsuit into consideration, Mr. Abbey indicated that PSFA may need to hire an attorney. Ms. Irion noted that attorney dollars were not added but kept flat and the dollars been reduced and adjusted for the administrative assistant position. Ms. Maestas stated that PSFA is not an executive agency and the full Council needs to meet to further discuss the budget. She also requested that the LESC be updated on the Zuni hearings. Mr. Gorrell indicated that PSFA does not need the two Broadband staff yet but will need them at the beginning of 2016 if the Legislature decides to move forward with the program. PSFA is currently collecting data to bring forth recommendations to the Council. Mr. Gorrell stated that PSFA statutorily can fund five staff from the Broadband budget. He stated that PSFA would have enough funding left of the \$10 million to move forward with the statewide consortium that would pay for only 10% of the cost of all improvements while eliminating costs that districts that would have to invest. Council agreed that the funds set aside for an attorney will be used to fund 1 FTE for the BDGP. Mr. Abbey suggested that two Broadband FTE be removed which would take out 1% with the basis of submitting the budget by September 1, 2015. The Council would then keep working on the budget for submission because currently PSFA is over-funded this year. Mr. Aguilar disagreed stating that PSCOC cannot continue arguing about the budget without discussion as



PSCOC is experiencing a low decline in dollars. Council will discuss this item at their next scheduled meeting.

**MOTION:** Mr. Abbey moved for Council approval that PSFA submit the budget submitted to the Council minus two temporary Broadband FTE with the expectation that AMS will continue to work with staff to determine a favorable budget. Mr. Guillen seconded. Motion passed by a majority vote with Mr. Aguilar voting in the negative.

**d. Construction Cost Escalation**

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

**Discussion:** Staff provided an update and background information on the escalating cost of construction to move forward. Staff does not recommend adding additional funds into the project budgets in the financial plan. The Council has provided staff with square footage recommendations to bring the projects forward within the awarded budgets. The awards have been structured to allow flexibility at the early assessment by an individual who is not performing the design to avoid problems with districts. Dr. Clifford asked staff to address the issues regarding the potential escalation cost related to the recent Supreme Court decision.

Staff reported that a recent decision by the NM Supreme Court to uphold the state statute allowing the wage rates to be determined by the existing collective bargaining rates may result in an increase labor cost to future construction projects. In an article by Susan Montoya Bryan of the AP published June 15, 2015 she states, "The New Mexico Department of Workforce Solutions said the ruling will compromise the right of New Mexicans to have their money spent wisely." Spokeswoman Joy Forehand said in a statement "This is a huge loss for New Mexico taxpayers and a victory for special interests that will grossly inflate the cost of public construction projects, including roads and schools, in New Mexico." The new wage rates have been published by the NM Department of Workforce Solutions.

A report by Johnathon Allen states that "Due to strong growth in 2013, construction prices rose above the long-term trend line in 2014, repeating long-term cyclical patterns. Recent tightening of fiscal and monetary policy, and slower growth in some regions should ease escalation rates. Looking ahead at 2015, expect a stabilizing of costs consistent with a declining quantitative easing program, as government spending reductions and reduced monetary stimulus temper price escalation. The rate of construction employment should be sustainable, while capital construction price increases will continue at around 4 to 8 percent depending on location."

Mr. Gorrell indicated that wage determinations are assigned to every project so the wages do not change. Mr. Kearney explained that the wage were determined by; MACC (maximum allowable construction cost), TPC (Total Project Cost), and Linear MACC (maximum allowable construction cost). Staff noted that a rough estimates were made for new construction, renovations, site work, road work, and other projects. Staff estimates that there will be approximately an 8.1% escalation in construction.

Mr. Gorrell informed the Council that staff keeps track of square footage costs projects by project. Projects from March 2012-June 2013 are new projects and renovations were not included and many have additional site work. The 3-year average of maximum construction cost increase approximately 13.87%. Council agrees staff must continue analyzing this issue and report their findings. Council would like to maintain the cost of the projects to keep the inflation from happening. Mr. Gorrell noted that this is how staff is approaching this issue and are attempting to achieve.

*This is an informational item.*

## **6. Director's Report**

### **a. Broadband Deficiencies Correction Program (BDCP) Status Report & 2014-2015 Appropriation Projected Expenditures**

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

**Discussion:** Mr. Abbey noted that he requested that this item come before the Council as an action item to give them current approvals. Staff will come back before the Council with a more robust amount. Staff reported that the program is still on schedule. The FCC visited New Mexico and noted that there is a great deal of potential in New Mexico because of structure and agency collaboration. Ms. Karp stated that FCC want to be long-time partners with the New Mexico supporting cost effective and upgradable broadband to schools and libraries.

Given the workload, staff still needs an Administrative/Coordinator position for the BDCP. Mr. Abbey reminded the Council that they had initially approved \$10 million for the BDCP. The action was for expenditures up to \$2.5 million leaving an unapproved amount of approximately \$7.5 million. Staff is requesting an additional \$1.5 million for expenditures and will bring recommendations for the balance to the Council at their October PSCOC meeting.

**MOTION:** Mr. Abbey moved for Council approval of \$1.5 million to fund Broadband Correction Program. Ms. Maestas seconded. There being no objection, the motion carried.

### **b. PSCOC Project Status Report**

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

*This is an informational item.*

### **c. Master Plan Project Status Report**

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

Staff reported that in addition to Mountainair Schools shown in the executive summary, the Gilbert S. Sena Facilities Master Plan is complete.

*This is an informational item.*

**d. Lease Assistance Status Report**

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

*This is an informational item.*

**e. Maintenance Program Status Report**

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

**Discussion:** Mr. Gorrell noted that the impact of maintenance effectiveness has increased and currently reflected in the baseline at a 16% completion rate. Ms. Maestas asked if the status of district maintenance is considered during emergency funding requests. He indicated that emergency funding requests, maintenance has not been reviewed, and often maintenance is the cause of emergencies. Mr. Tillotson, PSFA staff agreed that it is a concern and raises a red flag in the maintenance program, and staff would call the district and request an updated preventive maintenance plan. Mr. Larry Tillotson, PSFA staff, noted that Master Plan staff need to share their information with the Maintenance staff to resolve the red flag issues. Often this is the cause of emergencies for maintenance.

*This is an informational item.*

**f. 2016-2017 Proposed Work Plan/Timeline**

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

Council members indicated that there are conflicts of schedules in the timeline. Staff will propose new dates/time and work around Council members schedules.

*This is an informational item.*

7. **MOTION:** Mr. Burciaga moved for 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 PSFA Director Performance Evaluation

**Roll Call**

Mr. Aguilar—Yes	Dr. Clifford—Yes	Mr. Burciaga—Yes
Mr. Peralta—Yes	Ms. Gonzales—Yes	Mr. McMurray—Yes
Mr. Guillen—Yes	Ms. Maestas—Yes	Chair Abbey—Yes

8. **MOTION:** Mr. Guillen moved for Council approval to reconvene from Executive Session pursuant to the Open Meetings Act NMSA 1978, § 10-15-1 (H) (2) for the stated the purpose of discussing limited personnel matters. Council took no action and discussion was limited to the Executive Director's evaluation.

**Roll Call**

Mr. Aguilar—Yes	Dr. Clifford—Yes	Mr. Burciaga—Yes
Mr. Peralta—Yes	Ms. Gonzales—Yes	Mr. McMurray—Yes
Mr. Guillen—Yes	Ms. Maestas—Yes	Chair Abbey—Yes

Mr. Peralta seconded. Motion carried.

**9. Director Performance Evaluation**

Council reconvened noting that no action was taken in the Executive Session at this time. Only the above-referenced item was discussed.

Dr. Clifford summarized that Council received a number of excellent comments from the members of the Council regarding Mr. Gorrell's evaluation and performance. Overall the comments are positive with a number of suggestions that have been provided to Mr. Gorrell in terms of areas of strengths and opportunities that he will be able to utilize in terms of understanding the goals and hopes of the Council for the direction of the enterprise. Overall the assessment indicates that Mr. Gorrell exceeds expectations and Council is satisfied with his performance.

**10. Public Comments**

There is no public comment at this time.

**11. Adjourn**

There being no further business to come before the Council, Mr. Burciaga moved to adjourn. Mr. McMurray seconded. Motion carried. Meeting adjourned at 12:22 PM.

David Abbey Chair  
9/3/15 Date