

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL
OCTOBER 5, 2012
MINUTES
STATE CAPITAL BUILDING, ROOM 317
SANTA FE, NEW MEXICO**

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

Designees: Ms. Mandi Jones for Mr. Keith Gardner, Office of the Governor
Mr. Michael Marcelli for Mr. Tom Clifford, DFA

1. Call to Order—9:10

Mr. David Abbey, Chair

a. Adoption of Agenda

The clerk called roll noting that Ms. Mandi Jones will serve as designee for Mr. Keith Gardner, Office of the Governor and Mr. Michael Marcelli would serve as designee for Mr. Tom Clifford, DFA.

Mr. Robert Gorrell, PSFA Director, presented the agenda to the Council, noting that the PSCOC reserves the right to change the order of the agenda as deemed necessary.

MOTION: Mr. Raul Burciaga moved for adoption of the agenda as presented. Mr. Paul Aguilar seconded, the motion was adopted.

b. Correspondence

There is no correspondence at this time.

2. Minutes (September 5, 2012)

Upon review by the Council, Mr. Guillen moved for approval of the September 5, 2012 PSCOC minutes, subject to technical corrections. Mr. Aguilar seconded, the motion was adopted.

3. Subcommittee Reports

a. Awards Subcommittee Reports

• **Financial Plan**

Mr. Jeff Eaton referred the Council to the financial plan that was made available in their meeting notebooks that reflects the action taken by the Council at their last meeting regarding projects and adjustments.

Projects and adjustments are listed below:

-- **Capitan ES & HS**

This award is to amend the 2012-2013 award to the Capitan Municipal Schools to award an advance of the local share in the amount of \$500,000 to complete early planning and design, to be repaid within a four year period through passage of a local bond during 2013 or by other district funds and dedication of the necessary proceeds to meeting the required match for the project.

-- **Tierra Amarilla MS/Escalante HS & Tierra Amarilla ES**

This award is to amend the previous 2005-2006 and 2006-2007 awards to the Chama Valley Independent Schools for Tierra Amarilla MS/Escalante HS and Tierra Amarilla ES to provide additional design and construction work to complete renovations to adequacy with an increase to the state share of \$848,716, including adjustment of the remaining balance of the local share advances to a total \$525,000 (waiver of approx. \$2.1million, subject to financial reconciliation), with \$25,000 due immediately from the district as a good faith effort payment, and the balance of \$500,000 to be repaid by passage of the local bond election in February 2014.

-- **Gadsden HS**

This award is to amend the previous 2007-2008 award to Gadsden Independent Schools for Gadsden High School to include out-of-cycle funding for Phase III planning/design and construction funding for Phase III, Part I to renovate the existing facilities to adequacy for 1,850 students, grades 9-12, with an increase to state share amount of \$11,308,300 (88%), contingent upon an additional local share of \$1,542,000 (12%).

Mr. Eaton noted that the SSTB forecast is incorporated into the most the current Sources and Uses. He gave a brief summary of the project and encumbrance schedule as well as the design and construction of various awards by fiscal year.

Mr. Eaton noted that the spreadsheet reflects action taken by the Council at its last meeting for Chama School District that reduces the outstanding balance of the district local match advance.

Mr. Eaton noted that the financial plan includes the Capitan District advance for early design for \$500,000 to be paid within four years.

Mr. Eaton referred the Council to the PSCOC fund project encumbrance schedule that reflects the estimated delivery of projects that will be returning to the Council for future phase funding.

Mr. Abbey noted that the Awards Subcommittee discussed the financial plan at its last meeting and discussed adding a FY-12 actual cost column. He stated that the next Awards Subcommittee meeting will include discussion on the financial plans to assure that the numbers are accurate and to clarify projects that the Council has committed to.

Upon further discussion, the Council requested that Mr. Eaton include a set of policies and procedures and how the financial plan works and present it the Award Subcommittee at a future meeting.

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

-- **Albuquerque -- Sandia HS -- Phase II Plan**

Mr. Rocky Kearney, PSFA Regional Manager, introduced Dr. Brad Winter, Ms. Karen Alarid, and Mr. Don Moya.

Mr. Rocky Kearney informed the Council that the project is out to bid and explained that the original project was for Phase I. Phase II was not funded in the district's Master Plan. Phase I included two facilities for Science and Math, and a library. The PSCOC and PSFA staff recommended that the district complete the entire project in two phases, but the district does not find this feasible.

Ms. Alarid presented the Council with the Sandia HS Campus re-development plan stating that Phase I includes the relocation of the softball fields, tennis courts and outdoor basketball courts. The new construction is for their new Science Academy, new library and new softball field. She explained that Phase II was not funded in their current FMP. The revised FMP will include demolition of the existing science building which will make room for the 9th grade academy and the new humanities building. She went on to describe what would be included in phases three through six.

Ms. Alarid indicated that the on-going issues at Sandia HS include circulation issues and proximity issues of distances between classes. The district has determined that, due to the cost, it would not be feasible to use portables.

Dr. Winters stated that the district has gone through a reconciliation of their capital funds and they have approximately \$3 billion in assessed needs in the district. If the district goes through with the second phase of Sandia HS, the result would leave some projects behind. The district has \$22 million for Phase I; however, they are requesting a \$10 million match that will be put it into Phase I and the district will reprioritize their projects. There is a possibility that the district will come before the Council for future funding.

The Council requests that the district submit a report by January 2013 on how the district will address their projects.

The Awards Subcommittee reviewed this request and recommend approval.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to acknowledge receipt of the phasing plan submitted by the Albuquerque Public Schools and release the state share of the construction funds for the 2012-2013 Award for Phase I of Sandia High School in the amount of \$10,697,386. The Council is not committed to future phases of the project plan; the improvements will be recorded and the school will be re-ranked in the Facility Assessment Database. Since this is a subcommittee motion, a second is not necessary. There being no objection, the motion was adopted.

-- **Belen – Family School – Out-of-Cycle Design Award**

The district is requesting design funds to provide instructional space to adequacy to a maximum equivalent of 82 part-time students serving grades 1-8. Utilization and efficiency shall be maximized and co-location with an existing facility shall be considered. This request is for 4 classrooms and additional spaces to adequacy.

Mr. George Perea, Business Manager, Mr. Eloy Mendosa, Head of Construction, represented the Belen School District. The district recognizes that the Awards Subcommittee has issues regarding the usage and attempted to address the problem.

Upon reviewing the space and use of part-time students, the request has been reduced from 4 classrooms to 2 classrooms, based upon adequacy and utilization of space. Staff recommends approval of additional state funds totaling \$9,152 (69%) as submitted to complete the design to adequacy. The district has its required match in place totaling \$4,112 (31%).

Mr. Aguilar voiced concern regarding younger students and older students sharing two classrooms. He noted that by this may cause learning, as well as safety issues. He requested that the Council consider approval of four classrooms as opposed to two classrooms or ask the district to develop a strategy where they may have a three classroom scenario to resolve safety and learning issues.

Mr. Perea stated that the utilization factor is of concern and currently the school is looking at various options. They have looked at holding classes five days a week and the tutoring program is an important part of the grading system.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the previous 2011-2012 award to the Belen Consolidated Schools for the Belen Family School to provide design funds to provide 2 classrooms and other facility areas, including storage to adequacy serving grades 1-8 with an increase to the state share of \$9,152 (69%) contingent upon an additional local share of \$4,112 (31%). The balance of the funding may be requested out-of-cycle upon completion of construction documents. Since this is a subcommittee motion, a second is not necessary. The motion passed with a majority vote with Mr. Aguilar voting in the negative.

-- Estancia – Reconsideration of Non-Award for Van Stone ES Roof

PSFA received a letter from the Estancia School District requesting that the Council reconsider the re-roofing project for the Van Stone building. The district indicated that in overall discussion of the FMP, Van Stone is an important facility to the residents of their community and serves a valuable purpose in housing younger grades and the building is well suited to fill that need. The district's goal is a reduction in the overall square footage within the district. There have been discussions with no definite decision in the elimination of the Lower Elementary facility with specifics to be approved by their Board of Education.

Representing the district is Ms. Carol Gonzales, Business Manager. Mr. Rico Volpato, PSFA staff, advised that this is a non-award due to the capacity on the site. The Council had requested that staff go back to further investigate this issue and bring back a recommendation based upon the district FMP information. Future plans for the school and the entire campus was part of their FMP included demolishing the Lower Elementary. Based on that request, the district is requesting that the Council reconsider awarding Van Stone ES roof with the understanding that the district would reduce their square footage as the schools come up in the ranking.

Mr. Aguilar asked if the district has provided a timeline for demolishing the Lower Elementary School. Mr. Volpato explained that the district has three options in their master plan and is based on their bond election and the facilities

moving up on the ranking to be available for PSCOC funding for the schools. However, the district estimates that it will be a five-year timeline based on the master plan.

Mr. Aguilar indicated that over time the district's enrollment does not support the available space. He stated that the district should either close the school or demolish it. Ms. Gonzales indicated that, at the moment, there is not sufficient bonding capacity for at least another five years because the district is preparing to tear down the middle school in June.

Mr. Gorrell stated that this project will require some work at the Upper Elementary School to make the project work. The district is aware of the under-capacity in the current project, and the district will be reducing their footprint significantly.

Mr. Aguilar asked what Van Stone will be used for in term of academics. Mr. Volpato responded that based on their master plan, when they demolish the Lower ES facility, Van Stone will be used for Pre-K and Kindergarten students.

Mr. Abbey noted that the district would not be eligible for an award on a combined basis and asked why the schools are combined when they are separate for school size adjustment. Mr. Berry noted that previously the facilities were assessed separately but because of the way they are administered, with one principal that oversees the three schools, the district was given an award to combine the schools and the district declined the award. Part of the action of the Council in that regard, the Council directed the staff to combine the facilities as far as the facilities assessment database goes. The combined project will come before the Council at a future date.

Mr. Abbey reiterated that there is only one principal and noted that the district qualifies for small school size adjustment. Mr. Aguilar stated that the district has been allowed to operate as three separate schools; however, PED can't undertake a study until the new funding formula is released. Many schools need to be re-evaluated.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2012-2013 non-award to Estancia Municipal Schools for Van Stone Elementary School to include funding to replace the entire roof, with a state share amount of \$192,525 (68%), contingent upon a local match of \$90,600 (32%) and a commitment from the district to adopt one of the options as outlined in their Facility Master Plan, which includes demolition of the Lower Elementary. District shall continue to advance use of FIMS working with PSFA staff to develop and implement meaningful measures helpful to enhancing maintenance at the district to ensure a Facility Maintenance Assessment Report (FMAR) score of satisfactory (70.1% or better) at each school. Since this is a subcommittee motion, a second is not necessary. There being no objection, the motion was adopted.

-- **West Las Vegas – Out-of-Cycle Design Award**

The district is requesting funding to continue Planning & Design to supplement initial planning award of \$60,000. Educational Specifications have been completed and approved and will serve as the basis for the completion of planning and design of the Family Partnership MHS. Estimated costs for planning and design are at 10% of the total project budget.

Mr. Karl Sitzberger, PSFA Regional Manager, introduced Mr. Gene Parson, Superintendent, and the district's Board President.

Mr. McMurray noted that this project has been ongoing for some time. The PSFA has evaluated the facility where the school is currently located. As the team was looking at other facilities that the school may move to, they recognized the tech building at the middle school as a possibility. At that point, the district's administration was using that facility and was against changing use of the facility. The team began looking at other buildings for the possibility of utilizing them for the school. The administration later changed and agreed that it would be a better solution to use the tech building to house the Family Partnership. The building is cost effective and allows for the remodeling of the middle school project that will begin in the near future.

PSFA staff recommends that the PSCOC approve the state funding request totaling \$159,390 (76%) as requested to complete planning and design of this project to adequacy. The district has their required additional funding amount totaling \$50,334 (24%). The Awards Subcommittee has reviewed this request and recommends approval.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2011-2012 award to the West Las Vegas Public Schools for the Family Partnership MHS to include out-of-cycle design funding to relocate the school and remodel the existing Tech Building at WLV Middle School to adequacy for 80 students, grades 6-12, with an increase to state share amount of \$159,390 (76%), contingent upon an additional local share of \$50,334 (24%). Since this is a subcommittee motion, a second is not necessary. There being no objection, the motion was adopted.

- **Pre-K Applications Received**

Mr. Berry presented this item to the Council noting the after the previous awards for Pre- K at the July PSCOC meeting, there was some funds remaining from the original \$2.5 million appropriation taken from cash balances from monies that are being reverted from previous projects. Staff was directed to solicit another round of applications. He directed the Council to the spreadsheet made available to them in their meeting notebook that reflect 6 applications that include 3 projects that were previously awarded and these districts are returning for additional classrooms due to the popularity of their Pre-K program. The districts include Farmington, Hatch, and Rio Rancho. A new application was received from a charter school in Albuquerque, as well as one from Deming. All have current Pre-K programs and the last application is from Alamogordo which will potentially be part of the awarded PSCOC Standards-Based project for the Yucca Elementary School, but they are currently not funded through the state funded Pre-K program for operations. PSFA staff will

conduct site visits, analyze the applications and bring back recommendations for potential awards to the Council at their scheduled November 2012 PSCOC meeting.

Mr. Aguilar noted that there is a decline in enrollment at some of the facilities and if the site visits will include this issue. Mr. Berry answered in the affirmative stating that the enrollment would be part of the evaluation.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to authorize PSFA to assist those districts that have submitted Pre-K applications and perform site visits as appropriate to gather additional information on behalf of the Council. The project scopes and projected costs shall be verified by PSFA staff and award recommendations brought back to the PSCOC at the November 1, 2012 meeting. There being no objection, the motion was adopted.

- **NMSD & NMSBVI Proposed Projects (as reflected below)**

Ms. Martica Casias presented these items to the Council. Dr. Linda Lyle represented the NMSBVI. This request is for planning and design only so the projects may move forward. Based on the Master Plans that have been completed, the above items are the school's highest priorities. The special schools may be returning to the Council for Phase II funding once the scope is identified.

Dr. Lyle stated that there are deficiencies in 12 separate buildings and noted that the site improvement of the project is vital. She stated that as the project is phased in, the construction can be completed summer 2013 when students are not on campus. Dr. Lyle also noted that the majority of the work is on internal??? don't anticipate having issues with the design of other portions of the projects.

Mr. Abbey noted that these projects are imperative as both schools have projects that are not eligible for Standard-Based funding. He commented that funding issues need to be resolved and hopes that the schools can acquire non-educational funding. The special schools should consider going before the legislature to acquire these funds. Dr. Lyle informed the Council that the NMSBVI has begun the process and their venue is the higher education process. They have submitted their information to LFC with the beginning projects of the facility master plan.

Mr. Abbey noted that under the current rule, both special schools are ineligible for Standard-Based funding. Staff was directed to look at the current rules to determine if they cover non-educational spaces.

Dr. Lyle noted that she attended the Higher Education meeting and it was asked where the PSFA stands as far as funding the special schools. She thanked the Council for their support.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to make supplemental 2012-2013 standards-based awards to the NM School for the Blind & Visually Impaired, due to delays in adopting standards for the special schools and recent completion of the district Facility Master Plan:

NMSBVI – Critical Infrastructure Site Improvements Phase 1

\$297,236 for planning and design of infrastructure site improvements including sewer replacement, tunnel repairs, site utilities and electrical distribution based on an

estimated project cost of \$2,972,360. The local match share (50% - \$148,618) shall be advanced contingent on review of available district finances. The district shall request funding from the 2013 NM Legislature to accommodate the local share of the total estimated project cost. The balance of the funding may be requested out-of-cycle upon completion of construction documents.

NMSBVI – Health Services and Jack Hall Building Renovation

\$83,752 for planning and design to relocate the Health Services to Jack Hall (currently ES classrooms), and to renovate Health Services to accommodate Library based on an estimated project cost of \$837,519 to adequacy. The local match share (50% - \$41,876) shall be advanced contingent on review of available district finances. The district shall 1 request funding from the 2013 NM Legislature to accommodate the local share of the total estimated project cost. The balance of the funding may be requested out-of-cycle upon completion of construction documents.

Since this is a subcommittee motion, a second is not necessary. There being no objection, the motion was adopted.

b. Administration, Maintenance & Standards Subcommittee Reports

- **Las Vegas City Schools/Sierra Vista ES – Appeal of Revised NMCI Ranking**
Ms. Casias presented this item to the Council referring them to the correspondence from the Las Vegas City School District that was made available to them in the meeting notebooks.

Ms. Casias reminded the Council that the district was appealing their ranking and requested that the Council revisit this issue. The staff responded with a letter dated July 17, 2012, informing the district about the ranking based on the facility in the PSFA system. The PSFA met with Sheryl McNellis-Martinez, Superintendent, and she indicated that she feels that she has a better understanding of the ranking and the PSFA system. PSFA will meet with the district again on October 23, 2012 so the district can get a better understanding of the PSCOC/PSFA process.

PSFA then received a letter from Ms. McNellis-Martinez, Superintendent, dated October 1, 2012 that reads “Please consider this correspondence as a letter of repeal of our protest and request for reconsideration of the recent ranking reassessment of the facilities at Sierra Vista Elementary. I met with Ms. Casias, Ms. Ivashkova, and Mr. Chris Aguilar from the PSFA on the afternoon of September 25th, and we discussed at length the process for ranking schools, various factors in our particular case, and have decided to forego the applicant process for the latest funding cycle. We have scheduled site visits for some of our schools for which we will request amended ranking assessment. I send my apologies for the tardiness of the notification, however my meeting with the PSFA clarified many concerns, and I feel confident we will have a positive and productive relationship.”

- **2013-2014 Standards-Based Capital Outlay Award Cycle**
-- **2013-2014 Draft NMCI Ranking**

This item was reviewed by both subcommittees and approval is recommended.

MOTION: Mr. Burciaga moved for Council approval of the Administration, Maintenance & Standards Subcommittee recommendation to release the Draft

NMCI Rankings, including charter schools that have been reassessed based on programmatic needs after completing at least one renewal period, for the 2013-2014 Standards-Based Award cycle based on criteria and weightings previously adopted by the Council. Districts are encouraged to review and provide feedback to the PSFA based on technical corrections to the data in order for a Preliminary NMCI Ranking to be released by the PSFA in December and subsequent release of the application which is tentatively scheduled for early March 2013. The being no objection the motion was adopted.

-- 2013-2014 Proposed Workplan/Timeline

Mr. Berry presented this item to the Council, noting that both subcommittees have reviewed the workplan/timeline. He highlighted various changes in the timeline noting that it is subject to change.

- **Adequacy Planning Guide**

Mr. Chris Aguilar presented this item to the Council referring them to a spreadsheet that was made available in the meeting notebooks.

It was noted that by reducing the APG GSF per student, every project may be challenged with regards to space utilization efficiency. The revised APG are intended to functionally support all of a school's educational programs, yet to encourage multi-use spaces and other utilization maximizing strategies that will reduce facility size. It is however recommended that guideline maximums be allowed to be challenged first to the PSFA on a case-by-case and educational program-by-program basis. If agreement cannot be reached, districts should be allowed to appeal any PSFA decision to the PSCOC. Appeals to the PSCOC should be required to be in writing and no later than 20 days prior to the next PSCOC meeting.

MOTION: Mr. Burciaga moved for Council approval of the Administration, Maintenance & Standards Subcommittee recommendation to continue studying a potential reduction in the maximum gross square footage per student (Appendix A) of the Adequacy Planning Guide to be brought back to a future meeting for consideration of approval prior to the release of the 2013-2014 Standards-Based application. The being no objection the motion was adopted.

4. Director's Report

a. PSCOC Project Status Reports

Mr. McMurray presented the Project Status Report to the Council, noting that the report was reviewed by the Administration, Maintenance & Standards Subcommittee.

Mr. McMurray highlighted the various projects in the report along with the projects that are moving forward and projects that are behind schedule.

There may be possible reversion of funds/awards from various districts that will be presented to the Council at its next scheduled meeting.

This report is for informational purposes only.

b. Master Plan Project Status Report

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

PSFA has been in contact with the districts that are currently behind schedule on their projects.

This report is for informational purposes only.

c. Lease Assistance Report (previous year awards)

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

PSFA will be in contact with the districts/charter schools that have not drawn down on their awards.

This report is for informational purposes only.

5. Other Business

a. PSCOC/PSFA Newsletter

Upon discussion, the staff is encouraged to distribute a newsletter to keep districts informed on concerns in their buildings. The AMS will overlook this process. The staff reminded the Council that PSFA currently has a news digest that is released every day to districts and other interested entities. The Council's concerns and actions may be incorporated into the news digest.

b. District Update

• Chama

Mr. Gorrell presented this item to the Council noting that the soffit portions of the project have been completed. Although the roof has not leaked, there are still a few issues that remain to be resolved. The mechanical coils have proved to be difficult in resolving but staff has found a way to work around it, at least for the winter. He stated that the district may have to go to CID to request waivers because there is a gap in their ability to maintain the systems.

With regard to the Tierra Amarilla Elementary School, there are issues with icing on the roof, the material has been changed but this will be repaired within the next few weeks.

The district has a 3-year maintenance agreement with the contractor but they have not been able to get the contractor back to the district to resolve this issue. PSFA is assisting the district to identify the problems and how to make the contractor perform the work necessary. Staff anticipates that this issue will be resolved in the next few weeks.

• Questa Update

Mr. Aguilar noted that, at the AMS Subcommittee meeting, he has requested that staff provide an update on the Questa School District projects. PSFA staff has gone to

the district to analyze what is going on with the boiler issue. Mr. Gorrell noted that the district may need to come back before the Council as an emergency issue.

Mr. Martinez noted that while visiting the district, some of the documents provided through previous leadership, is a factor of what is affecting the district. There is no stability or policies and procedures in place. Specifically around contractor oversight, the staff is working with the Superintendent on these issues. Staff has also made a recommendation for the district to procure a third-party contractor from the area that had already provided a proposal to the district and move forward.

c. Election of Chair and Vice-Chair

Mr. Guillen moved to re-elect Mr. Abbey to serve as PSCOC Chair. Mr. Aguilar seconded. There being no objection the motion was adopted.

Mr. Aguilar nominated Mr. Gene Gant to serve as PSCOC Vice-Chair. Mr. Dennis seconded. There being no objection the motion was adopted.

PSCOC Subcommittees assignments are as follows:

Awards Subcommittee

Joe Guillen, Chair
Paul Aguilar
Tom Clifford
Frances Maestas

Administration, Maintenance & Standards Subcommittee

J. Dee Dennis, Chair
Raul Burciaga
Keith Gardner
Gene Gant

Mr. David Abbey will not serve on a subcommittee but will serve as a designee in the event that a quorum is needed.

d. Next PSCOC Meeting –Proposed for November 1, 2012


After discussion the Council unanimously agreed to hold its next PSCOC meeting on November 1, 2012.

Public Comments

There is no public comment at this time.

Adjourn

There being no further business to come before the Council, the meeting adjourned at 11:05 AM.



11/1/12

Chair

Date

