

**PUBLIC SCHOOL CAPITAL OUTLAY COUNCIL
MINUTES
November 6, 2014
STATE CAPITOL BUILDING, ROOM 317
SANTA FE, NEW MEXICO**

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

Designees: Mr. Michael Marcelli represented the Department of Finance in the absence of Mr. Tom Clifford.

1. Call to Order – Mr. David Abbey

a. Adoption of Agenda — 9:00 AM

Clerk call roll noting that the Council reserves the right to change the order of the agenda as deemed necessary.

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

b. Correspondence

Mr. Gorrell referred the Council to an email in the correspondence section in the meeting notebooks that designates Mr. Michael Marcelli to serve as designee for Mr. Tom Clifford in his absence.

2. Approval of Minutes

Upon review by the council, Mr. Guillen moved for adoption of the October 2, 2014 PSCOC meeting minutes subject to technical corrections. Mr. Marcelli seconded. There being no objection the motion carried.

3. Awards Subcommittee Report

a. Financial Plan

Executive Summary

Project Award Schedule Detail Adjustments—*No Change*

PSCOC Action—Out-of-Cycle, Emergency, Additional Funding

	Previous	Current	Change
Espanola (P-13-005) Los Ninos Kindergarten Phase II Funding <i>To be revised in Awards Sub. for 3 & 4 yr. DD members</i>	\$1,532,318	\$1,943,583	(\$411,265)
Espanola (P13-011) Carlos Vigil Middle School - Extension of Award Contingency Deadline <i>Not awarded by Council removed from financial plan</i>	\$822,298	(\$822,298)	\$822,298
Magdalena (E13-004) Emergency Award Update <i>Tabled by Council</i>	\$300,000	\$300,000	\$0

Roswell (P14-023) Parkview Early Literacy - Out Year Estimate <i>Tabled by the Council</i>	\$6,804,000	\$8,631,374	(\$1,827,374)
Las Vegas City (R14-011) Robertson High School - Additional Funding for the roof award <i>Offset \$39,958; \$0 impact in financial plan</i>	\$0	\$0	\$0
Certification of HB55 Appropriations to PED	\$14,895,000	\$14,895,000	\$0
2014-2015 Lease Assistance Awards – Albuquerque-Robert F. Kennedy Charter School \$129,304; Espanola - Carinos de Los Ninos Charter School \$164,269; Santa Fe - Monte de Sol Charter School \$251,070; Taos - Vista Grande High School \$54,396; Taos - Integrated School for the Arts \$122,832 and the exclusion of the 80/120 phase-in MEM counts.	\$14,360,339	\$14,649,784	(\$289,445)
Total Net Awards			\$30,666,069

PSCOC FUND PROJECT AWARD SCHEDULE DETAIL - PHASE 2 ESTIMATE MODIFICATIONS				
These projects will be presented later in the agenda for potential council action.				
Project	FY	Previous Estimate	Current Estimate	Change inc (dec)
Gallup - P11-005 - Washington Elementary School	15	\$16,290,216	\$18,393,455	\$2,103,239
Gallup - P11-008 - Jefferson Elementary School	15	\$15,849,439	\$17,748,737	\$1,899,298
Farmington - P13-006 - Farmington High School	15	\$32,151,783	\$37,752,748	\$5,600,965
Roswell - P14-023 - Parkview Early Literacy	15	\$8,631,374	\$8,799,515	\$168,141
Espanola - P13-005 - Los Ninos Kindergarten	15	\$1,943,583	\$1,719,308	(\$224,275)
FY15 Subtotal		\$74,866,395	\$84,413,763	\$9,547,368

Financial Plan Assumption and Summary

2014-15 Facility Master Plan awards are estimated at \$700,000 instead of \$400,000 based upon applications received.

Out Year Estimates and Schedule Changes are included in the Financial Plan.

The Financial Plan does not include any potential local match reductions for PH2 funding except for P14-022 Reserve Combined School.

The reversion estimate in the Financial Plan could be less than the current estimate. Remaining reserve for FY15 is \$918,259.00.

Chair Abbey requested clarification on the variance amount presented in the executive summary, as the fund balance has gone up from last month. Ms. Irion stated that she would provide detail on the variance amount at the next meeting.

Mr. McMurray inquired about the status of the Velarde ES project, as it is in the awards schedule detail to return for funding in the current fiscal year. Mr. Gorrell indicated that this project may not move forward and noted that the decision on this project would depend on PED approval of closure. Superintendent Danny Trujillo confirmed that the district school board moved to close Mountain View and Velarde Elementary Schools therefore the funding for the Velarde project will not be used.

This is an informational item, no action required.

b. Out-of-Year Estimate/Schedule Changes

i. Gallup—Washington Elementary School

Executive Summary

PSFA recommends increasing the out-year estimate to Gallup-McKinley County Schools for Washington (Del Norte) ES to a Phase II state share of \$18,393,455 based upon current estimates submitted during the schematic design phase.

Current approved total project cost: \$20,057,142

Pending approval of out-year estimate update:

Estimated total project cost: \$22,531,542

Phase II State Share: \$18,393,455

Total State Share: \$19,151,810

State Share Increase: \$2,103,239

Contributing factors to cost increase:

- Additional costs associated with selection of foundation system

Maintenance Program Status		Recommended District Performance
PM Plan	Current-Due 3-4-2015	1. Address all major/minor findings on FMAR reports through FIMS and/or develop capital planning strategies towards resolution.
Using FIMS (MD, PMD)	2.0-Satisfactory	2. Recommend the district improve their PM Work Order Completion rate of 61% to 90% or better.
Utility Direct (UD)	2.0-Satisfactory	3. Continue to track and improve performance through the Meaningful Maintenance Metrics M3.
FMAR	47%%- Poor	
M3 Metrics Report	Yes	

Award Language Change – November 1, 2012:

Amended the award to allow for, but not require, consolidation with another elementary school. “Planning and design to renovate or replace the existing facilities to adequacy for 204 students, grades K-5. District may combine with another ES school and replace the existing facilities to adequacy, grades K-5, student population to be verified. Prior to start of design, district shall provide district-wide utilization and attendance study of all elementary schools.”

Award Language Change – November 7, 2013:

Amended award to increase design capacity to 450 students, grades K-5, contingent upon approval of the district request to close Juan de Onate ES and Roosevelt ES by the Secretary of the Public Education Department.

Out Year Estimate Update – March 6, 2014:

PSCOC consensus to update out year estimate to \$16,290,216 from \$6,825,195 for an increase of \$9,465,021. This increase was based upon the consolidation of the school with Juan de Onate ES and Roosevelt ES.

Discussion: This item was presented to the Awards Subcommittee. Mr. Gorrell noted that the district is requesting funding for increased foundation costs. He stated that this type of foundation is the most expensive foundation that could be put into a school, however, the soil condition requires that this type of foundation be used. Staff will continue to attempt to keep the project within a reasonable budget.

Mr. Volpato referred the Council to a letter from the Gallup School District that is made available in their meeting notebooks. The letter indicates that the district would like to continue with the piers/grade beams/structural floor standard at Del Norte Elementary and is requesting that the Council participate in the additional costs associated with this design.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the estimated total project cost of the 2010-2011 standards-based award to the Gallup-McKinley County Schools for Washington ES (Del Norte ES). At this time, approval is limited to an adjustment of the financial plan, with an increase to the out-of-cycle state share in the amount of \$2,103,239 (85%), contingent upon an additional local share of \$371,161 (15%). Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

ii. Farmington—Farmington High School

Executive Summary

Farmington's original application request was for \$75,288,165 based on 1,600 students at \$168 square feet per student. An award was made for 1,600 students at \$98 sq. ft. per student (per revised adequacy standards on September 14, 2012) for a total award amount of \$53,701,112. Based upon an educational program and utilization, PSFA is approving 134 square feet per student at the Schematic Design submission.

Estimated project amount at time of award: \$53,701,112

Updated Project Budget (March 6, 2014): \$62,570,606

Scenario A has a total gross square footage to adequacy of 214,400 square feet including a new gym and a remodel of the fine arts area.

Total Project Cost to adequacy: \$69,357,821

Total State Share: \$40,921,114

State Share Increase: \$5,600,965

Scenario B has a total gross square footage to adequacy of 214,400 including a remodel of the existing gym and fine arts area

Total Project Cost to adequacy: \$66,331,725

Total State Share: \$39,135,718

State Share Increase: \$3,815,569

Maintenance Program Status		Recommended District Performance
PM Plan	Current-Due 12/18/2014	1. The district continues to strive for operational excellence and is currently working on their

		PM plan update.
Using FIMS (MD, PMD)	2.5 - Good	
Utility Direct (UD)	2.5 - Good	
FMAR	47%%- Poor	
M3 Metrics Report	Yes	

Out Year Estimate Updated – March 6, 2014

PSCOC Consensus to update out year estimate to \$32,151,783 from \$28,515,290 for an increase of 3,636,493. This increase was based upon construction cost inflation.

Discussion: Mr. Volpato stated that this request is complicated. He stated that the district has completed its schematic design phase. The proposal is based upon estimates that were submitted by the district. Based upon the utilization study and the educational program at the school, the square foot per student adequacy was increased based from 98 sqft per student upon the adjusted adequacy standards approved September 2012 to 134 sqft per student which the current estimate is based upon. The district utilization study is excellent in classroom and education spaces and justify the request for additional square footage which was approved by the PSFA Planning Department.

Mr. Volpato informed the Council that the district wants to keep their existing gym and indicated that no work will be done on it and the district wants to build a new gym. The district is also looking at remodeling the Fine Arts area and grandfathering some space. The project will have some above adequacy and council can only participate in only 214,400 gross square feet. If the district wants to keep the existing gym there are two scenarios for participation as shown above. Scenario A includes a new gym of approximately 20,000 square feet and a remodel of the fine arts area up to the maximum 214,400 gross square feet for the school. Scenario B includes renovation of the existing gym, and the new gym would be considered 100% above adequacy. Scenario A is included in the current financial plan. The district submitted a letter requesting Council participation in square footage above the footprint to adequacy to participate in the new gym and additional square footage that the district feels is justified.

Mr. Ted Lasiewicz, Farmington School District, represented the district, stating that the district is requesting Scenario A with modifications that would include a total gross square footage to adequacy of 214,400 square feet including a new gym and a remodel of the fine arts area. He stated that the district has received documentation from an engineering firm that has determined that there is only a 10-20 year lifespan left in the existing gym and would not make sense to renovate it. At this point the district would continue to use the existing gym for activities such as PE classes, ROTC and so forth. The district does not want to keep it permanently. The goal would be to eventually demolish the old gym and build a new auxiliary gym for these activities.

Mr. Lasiewicz stated that PSFA concluded that renovation would not be allowed under the building code as it presently exists and the district should revisit the intent to use the existing gym. However, based on conclusions of the PSFA, the district sent a

letter to PSFA stating that they would prefer to build a new gym and would forego any activities for the old gym.

The district has is proposing a third scenario, which is a modification to Scenario A, which requests that the Council participate in an additional 8,900 square feet in the new gym which they feel could be considered to adequacy. The third scenario would cost an additional \$466,000. Mr. Lasiewicz stated that the district can absorb any additional costs in Scenario A. He noted that the district has their matching funds. He indicated that if the motion is adopted for Scenario A the district would not come before the Council for additional funding for any scope or design changes, etc.

Mr. Aguilar noted Superintendent Ryan's upcoming retirement, and he acknowledged her lifetime of service to the children of New Mexico and the children of Farmington, and to thank her for service, and to wish her the best on her retirement.

Superintendent Ryan stated that it has been an honor to serve the children of New Mexico for 41 years, and she thanked the Council for taking care of the children of Farmington.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the estimated total project cost of the 2012-2013 standards-based award to the Farmington Municipal Schools for Farmington HS. At this time, approval is limited to an adjustment of the financial plan, with an increase to the out-of-cycle state share in the amount of \$5,600,965 (59%). Since this is a subcommittee recommendation a second is not necessary. There being no objection the motion carried.

c. SSTB Certification

Executive Summary

Two scenarios for the December 2014 SSTB Certification are presented for the committee's review.

Scenario 1--Calculates the certification to include previously awarded projects, adjustments to previous certifications plus the potential FY15 awards.

Scenario 2--Calculates the certification to only include the previously awarded projects and adjustments to previous certifications.

- Historically previous certifications have been greater than the SSTB proceeds thus resulting in a certified but unissued amount.
- Discussion has occurred to not certify for more than what is available to sell in bonds.
- The projected sale for December 2014 is \$114,800,000. This amount will not cover the certified but unissued amount.
- The projected sale for December and June totals \$229,600,000. Based upon this projection for FY15 the total projected shortfall for certifying
- Scenario 1 is (\$53,455,486) and the total projected remaining bond funds for certifying Scenario 2 is \$45,875,252.
- Scenario 1 and 2 are provided to the council review along with their respective resolution.
- Awards Subcommittee recommends Scenario 1.

Discussion: Mr. Abbey noted that the awards were made for planning and design and awards have not been made for construction. The bonds that will be certified for un-awarded construction projects which give the PSFA flexibility when the projects are presented.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to adopt Scenario 1 Certification and Resolution to sell SSTB's subject to review by Secretary Tom Clifford and Chair David Abbey verifying the amounts. Since this is a subcommittee recommendation a second is not required. There being no objection the motion passed.

d. Facility Master Plan Assistance Program Awards

Executive Summary

It is reported that a total of 18 applicants for FMP application for awards were received. Eleven (11) from school districts, six (6) from State Charter Schools and one (1) from a district charter school.

Of the eighteen (18) applicants, staff recommends funding fifteen (15) of the FMP applications.

Staff does not recommend funding for:

- La Academia de Delores Huerta; an incomplete application was received after the deadline.
- The GREAT Academy has not reached its first year of renewal and is not eligible.
- Tierra Encantada Charter School is a district authorized charter school and should be included in the district Facilities Master Plan.

Five (5) of the eighteen (18) applicants applied for waivers;

- Carrizozo - \$26,699
- Chama Valley - \$28,655
- Mountainair - \$15,946
- Vaughn - \$21,615
- Roswell - \$3,732

Total adjusted state share including waivers would be \$549,843

Discussion: Ms. Casias reminded the Council that they had directed PSFA staff to work with PED staff to review waivers for eligibility. Staff has also been working with districts and requested further information for the waiver requests. Staff recommends that Council allow them to continue to work with PED for final recommendations of the waivers.

Mr. Guillen stated that at the last Awards Subcommittee meeting, Mr. Aguilar indicated of all the waiver requests that were received, except Roswell, have emergency supplemental awards for their operational budgets, and it would be practical to allow staff to make this decisions in conjuncture with the PED based on the criteria set aside for financial capability. Mr. Guillen asked that the formula be applied to the waivers. Mr. Gorrell stated that the numbers would have to be worked out. The amounts presented are requests to allow PSFA to go up to the amounts presented as a waiver for the districts. He noted that it would depend on the direction of PED before moving forward.

In regard to Chama, Mr. Gorrell stated that the district needs a plan to pass their bonds. The district held a bond election which failed by 6 votes. Council voiced concern regarding awarding a waiver to a district that has an outstanding balance to PSCOC. The facility master plan is the least costly thing PSFA can provide to get community involvement and determine what is needed for the district. Mr. McMurray asked how urgent the master plan would be now as their highest ranking school is ranked at 234. He stated that due to the low ranking it would be a while they can move forward and would allow the district enough time to pay their outstanding balance of \$500,000 prior to Council considering approval for a waiver. Mr. Gorrell informed the Council that the district's Master Plan expires in 2015 and law requires that district have a 5-year master plan in place. Mr. Abbey also added that besides needing a good financial plan, the district also needs a good maintenance plan.

Mr. Guillen stated that the district is equally accountable for the established criteria and rather than adding special conditions based on previous performance or outstanding loans. they should be complying with the regulations and procedures set forth to qualified for a waiver. The final recommendation will come from PED.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to make 2014-2015 Facilities Master Plan awards to the districts/state charters and up to the amounts specified in the spreadsheet provided in their meeting notebooks. These amounts represent the state share portion of the estimated cost to develop a new or updated facility master plan for each of these districts/state charters to the PSFA guidelines and require a corresponding district match as set forth in the current state/local match formula unless otherwise waived as indicated. Final approval of waivers is conditional upon PSFA staff evaluation of local share reduction request, including verification of the district's Statement of Financial Position and certification that no other funds are available.

AMENDED MOTION: Mr. Abbey moved to exclude Chama until they are current on their outstanding balance. Mr. McMurray seconded. Mr. Heitz, Mr. Guillen, Ms. Maestas, Mr. Aguilar, Mr. Gant, Mr. Burciaga, and Mr. Marcelli voted in the negative. Motion failed.

The original motion was adopted by a majority vote with Mr. Abbey and Mr. McMurray voting in the negative.

e. Gadsden—Chaparral ES (P14-012) Award Language Change
Executive Summary

The district indicates there will not be an increase in the budget and GSF footprint will not increase.

Current Award Language:

Planning & Design to add a new classroom addition to replace WWII barracks and portables and to renovate existing school to adequacy for 550 students grades K-6. The wNMCI of the existing school will be 34.69% following removal of overcrowding with the construction of a new school.

Staff recommended Award Language change:

Planning & Design to add a new multipurpose room, program space and kitchen, removal of the WWII barracks and renovation of existing school to adequacy including classrooms for 550 students grades K-6. The wNMCI of the existing school will be 34.69% following removal of overcrowding with the construction of a new school.

Discussion: Ms. Casias noted that the change in language will not increase the budget or the gross square footage. The original language included new classroom additions to replace a World War 2 barracks and renovate the existing school. The district would like to have a new multipurpose room for program space and kitchen while still removing the barracks and renovate the existing space and fit the classrooms into the existing footprint of the school.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation amend the 2013-2014 standards-based award to the Gadsden Independent Schools for Chaparral ES to: planning & design to add a new multi-purpose room and kitchen, removal of the WWII barracks and renovation of existing school to adequacy for 550 students grades K-6. The NMCI of the existing school will be 34.69% following removal of overcrowding with the construction of a new school. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

f. Gallup—Jefferson ES (P11-008) Award Language Change/Out-Year Estimate Update Executive Summary

PSFA recommends an increase in the number of students from 425 to 455; an increase of 26 visually impaired students and four 3 & 4 year old DD's. Per the district facility Master plan update, Jefferson ES is now a magnet school for Visually Impaired Students.

Current approved project cost: \$19,800,000

Estimated project cost: \$22,034,468

Estimated total state share: \$18,729,298

State Share Increase: \$1,899,298

Contributing factors to cost increase:

- Addition of Visually Impaired and 3&4-year-old DD Students (\$1,130,250)
- Additional costs association with selection of foundation system, increased earthwork due to site selection, higher estimated cost of demolition from contractor, and construction cost inflation based upon pricing of similar projects in the area (\$1,104,218)

Maintenance Program Status		Recommended District Performance
PM Plan	Current-Due 3/4/2014	1. Address all major/minor findings on FMAR reports through FIMS and/or develop capital planning strategies towards resolution.
Using FIMS (MD, PMD)	2.0 - Satisfactory	2. Recommend the district improve their PM Work Order Completion rate of 61% to 90% or better.
Utility Direct (UD)	2.0 Satisfactory	3. Continue to track and improve performance through the Meaningful Maintenance Metrics -M3
FMAR	47% Poor	
M3 Metrics Report	Yes	

Award Language Change – November 1, 2012:

Amended the award to allow for, but not require, consolidation with another elementary school. "Planning and design to renovate or replace the existing facilities to adequacy for 282 students, grades K-5 which population may be increased if this school is combined with another ES school. If combination option is exercised, the student population is to be verified and approved by PSFA prior to design. Additional funding award may be requested. Due to uncertainties remaining as to this school or Lincoln ES being of greatest benefit to the district to move forward first, and that this decision will be resolved by early planning studies, the district may swap this school for Lincoln ES and with the same combining with another ES award conditions. Prior to start of design, district shall provide district-wide utilization and attendance study of all elementary schools."

Out Year Estimate Update – March 6, 2014:

PSCOC consensus to update out year estimate to \$15,849,439 from \$8,825,050 for an increase of \$7,024,389 state share. Estimate increase due to consolidation with Juan de Onate ES and Roosevelt ES.

Discussion: Ms. Casias informed the Council that the district submitted an inclusion of an update of their facility master plan that reflects Jefferson ES as a magnet school for visually impaired students. Ms. Casias also stated that there was also discussion with Ms. Linda Lyle, School for the Blind, regarding how they would participate and support this magnet school. Ms. Lyle is working with teachers at the school to train them to be prepared for the visually impaired students. Currently there are 26 students housed in the existing facility.

Mr. Volpato state that there is a cost increase for additional square footage in the amount of \$1.1 million. Secondly, the foundation system is more costly as well as the dirt fill and will cost an additional \$1.1 million. Mr. Volpato noted that the estimates are based upon CMAR.

In the previous design did not recognize the space these students would need. These students were not counted in the students to adequacy and were not included in the square footage and the space needed for the students has increased. Ms. Kelly Jernigan, PSFA Regional Manager for the district, stated that due to the equipment needed for the students there would also be a need for storage. The district wants the school to have standard type classrooms and areas needed to teach the students. The district changed their facility master plan with school board approval so Jefferson ES would house the students.

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 Jefferson Elementary School to increase design capacity from 425 students to 455 students, including 26 visually impaired students and 4 3&4-year-old DDs. Approval includes an adjustment of the financial plan, with an increase to the out-of-cycle state share in the amount of \$1,899,298 (85%), contingent upon an additional local share of \$335,170 (15%). Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

g. Reserve—Combined School (P14-022) Phase I Additional Funding Executive Summary

Reserve Independent Schools is requesting additional funding in the amount of \$80,247 state share (16%) contingent upon a local match of \$421,298 for a total award increase of \$501,500 for Reserve Combined School to complete design to adequacy as a result of the increased scope of the reserve project. This would increase the design award to a total of \$1,371,545 to adequacy, which is 10% of the current estimated project cost.

Estimated project amount at time of award: \$8,700,000
 Updated project budget (September 4, 2014): \$15,594,465
 Current DP Estimate to adequacy: \$13,715,452

Total State Share: \$2,130,792
 Anticipated Waiver: \$9,184,660
 Total state share including anticipated waiver: \$11,315,452

PSCOC Awarded Design funds on January 3, 2014:

District Share: \$688,800
 State Share: \$131,200
 Total: \$820,000

Maintenance Program Status		Recommended District Performance
PM Plan	Being updated Due 11-1-2014	1. Update PM plan to meet statutory requirements.
Using FIMS (MD, PMD)	1.5--Marginal	2. Continue to do self-inspection FMARs until the new school is constructed.
Utility Direct (UD)	2.0 Satisfactory	3. Continue to develop work order system to support new school when it comes online
FMAR	21% - Poor	4. Work with PSFA to develop automated PM program in FIMS for the new school prior to completion.
M3 Metrics Report	No	

Out Year Estimate Update – September 4, 2014

PSCOC consensus to update out year estimate to \$11,315,452 from \$9,057,037 for a total increase in the state share of \$2,258,415. The increase was based upon the schematic design which included a track and an auxiliary gym.

Discussion: Staff noted that the additional funding is due to increased scope and subsequent increased design funds. PSFA staff recommends that the PSCOC approve the state funding request totaling \$80,247 as requested to complete the construction to adequacy. The district has in place their required funding amount match totaling \$421,298.

Mr. Volpato reminded the Council that they approved an update to the out-year estimate for this project at their September 2014 PSCOC meeting to a total budget of \$13.7 million. The request is for additional funds to complete design under the adjusted budget, which will bring Phase I funding at 10% of that estimated project cost. The state share is \$80,247. In addition to this request, the district is asking the Council to defer the offset to the Phase II construction where it can be applied at the same time. This will allow the district to budget its own funds for the above adequacy items presented to the Council which include the auxiliary gym discussed at the September meeting. There are also a few items for educational purposes and technology that the Council does not participate in to

adequacy and the district would be responsible for the costs. The district is compiling a list of the items that would fall under the definition of prudent use of funds for staff review. There may also be some unforeseen items such as ground source heat pumps selected for the school. These items are currently being reviewed by staff to explore options to minimize the costs and increase to the district budget including putting this project out to bid and separate the cost on what Council will or will not accept.

Superintendent Bill Green represented the district and provided the Council with an update of the district budget. He noted that the district has cut several thousand square feet off the building project. The auxiliary gym also serves as the elementary PE program and multipurpose area. There is not a library or cafeteria and the district will use their multipurpose hallways for these purposes.

Mr. Aguilar voiced concern regarding the district using multipurpose hallways for the purpose of a cafeteria and library. He asked if space in the old gym (which is also classroom space) would be considered as adequacy. Mr. Volpato stated the difficulty for the district is that the large gym is being grandfathered into the project which offsets the spaces that are being considered. He stated that a new gym would be more costly, but would be smaller than the existing gym. Mr. Volpato noted that the existing gym is taking all the square footage to adequacy and the Council is participating in the entire gym.

In regard to the ground source heat pumps, Mr. Aguilar asked if it would be more high-tech to maintain. Mr. Volpato stated that this system is closed-unit system. If one pump were to fail, they would remove it and insert a replacement pump. The failed pump would be sent for repair. Mr. Green stated that the district was directed by PSFA to review the new Anton Chico elementary school and much of the plans developed have been based upon the concept of the system and are trying to do the project at less cost. He stated that if the heating system were to change, the district would have to go back and redesign the school which that would include a new roof system to hold 27 units and the district would be starting again from ground one.

Mr. Green stated that the district is comfortable with the cuts they have made and configuring the auxiliary gym to tie in with the main system and also feel that auxiliary gym should be counted as adequacy as there is not elementary space.

Mr. Green realizes that the district owes \$200,000 to PSCOC on past projects that need to be paid. He stated that the a bond balance of \$1.6million is close to having enough funds to pay for the above adequacy identified items, mainly the auxiliary gym and are concerned whether or not they can afford to pay their part. The gym remodel would include bringing locker rooms up to standards and making the seating and walkways legal and meet ADA standards. This project and the shop will be put as alternates if needed but will cut their program down to an outside building somewhere in the district.

Mr. Green stated that the district plans to go out for bid in Mid-January or February with an estimate for this Phase II construction funding. The Council will review the new estimate in January for approval.

Mr. Gorrell pointed out that Council supported HVAC for Anton Chico which is intended for low maintenance and the units are also replaceable. The remainder of school is

reliable and easy to maintain as well as cost effective. In regard to the auxiliary gym, the important issues are health and safety issues. He reminded the Council that at the June presentation the district provided information regarding an auxiliary gym to assure safety for students involved in the athletic program which is related to health/safety in relation to late hours.

Mr. Green mentioned that PED is assessing the situation and may allow the district to maintain the Glenwood elementary for the community. He stated if the district is allowed to keep an educational program at the school they would also need a portable building. The district is informed that PSCOC has portable buildings that are available to school districts.

Mr. Aguilar stated that the district is not sure whether or not to apply for a waiver based on life/health/safety issues due to students traveling. He stated that due to the small amount of students in the districts, this is a district that may possibly be taken over by the Silver School District to avoid the travel through the mountains.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to amend the 2013-2014 standards-based award to the Reserve Independent Schools for Reserve Combined School to include phase 1 planning and design additional funding to renovate/replace various facilities to adequacy for 140 students, grades K-12, with an increase in the state share amount of \$80,247 (16%), contingent upon an additional local share of \$421,298 (84%). Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

**h. Zuni—Application for Emergency Funding - High School HVAC
Executive Summary**

Zuni Public Schools is requesting emergency funding to repair/renovate the existing HVAC system at Zuni High School. Zuni Public Schools declared this situation an emergency at its regular school board meeting on October 14, 2014.

According to the application MOU Section 2 Project Schedule, design began 9/1/2013 and construction began 4/1/14. This project is scheduled to be completed on 12/31/14.

The following MOU sections were not complied with:

Section 3: Expenditures mutually agreed to in advance.

Section 5: Contracts on standard PSFA forms and approved by PSFA prior to starting any work. Jointly participate in selection of design professionals.

Section 8: District will submit a Request for Approval of School Construction (RASC)

Section 9: District will provide a performance assurance contractor (PAC) for the HVAC system. A 3-year maintenance contract on all HVAC systems and controls will be included in the agreement or budget.

Discussion: Mr. Jeremy Jerge, PSFA Regional Manager for Zuni School District, and Mr. Martin Romine represented the district. Mr. Romine stated that the original intent on the project was not to seek emergency funding for the Council as it is currently being funded by the district. The decision was changed after a traffic study was completed regarding the construction of the new school. The cost is above adequacy because it is offsite, with

a large part of which the district would be required to shoulder the cost if the state does not fund this project.

Mr. Gant asked why the district waited so long to request funding for the project. He voiced concern that the project began in September 2013 and the district is only at the point of beginning construction in May 2014. Mr. Gant stated that the district knew it was a real emergency and knew it was not working for years and suddenly the project is not done when it should have been done in the summertime. Mr. Romine responded that part of the issue was that the district had to go through the system to figure out what pieces and parts were needed and by the time this was complete it was wintertime. Many frozen lines needed to be replaced before wintertime and some of the stock items had to be manufactured. In regard to the period of time for this project, Mr. Romine stated that there were pieces and parts of the system that have worked. He indicated that in the past 6-years the district has had 3 service directors and the district had to figure out what was going on with the project. It has not come to the point where it needs to be fixed.

Mr. Gant asked if the district's board members have been informed of the issues. Mr. Romine answered in the affirmative.

Mr. Gorrell explained that the process includes the district proving that they have no available funding for the project in coordination with PED. However, if they receive an advance and the district cannot pay it, then it may well come Council back before the council if a waiver is needed.

Mr. Aguilar clarified that most of the project is complete but the district used the funds they had set aside for other project. The district will work with the Department of Transportation for egress and other work. If the funds are given to the district they may not need the entire amount requested.

In regard to the HVAC, Mr. Gorrell reminded the Council that they have put in the 3 Year Maintenance program so districts can call their original installing contractor for 3 years to assure that the system works and to train other staff.

It was stated that there were issues in previous years with a roofing contractor. There was a warranty but the contractor refused to review the project and the contractor was not qualified to do the work. It is not clear what took place with this contractor. The Council directed staff to provide any information available.

Mr. McMurray voiced concern regarding the information submitted by the district. He indicated that the HVAC system never worked properly yet the district began this project with their own funds. The solution was making 3 systems work and the final completed project may not be the solution and could cost the district more money.

MOTION: Mr. Guillen moved for Council approval of the Awards Subcommittee recommendation to make an emergency award in the form of an advance to the Zuni Public Schools to complete renovations/repairs to the HVAC system at Zuni High School in an amount up to \$900,000. Approval is contingent upon compliance with the relevant PSCOC Emergency MOU sections 6, 8 & 9. The final amount of the emergency advance will be determined by the prudent and necessary cost of the offsite work required for the

new Zuni Elementary School. Since this is a subcommittee recommendation a second is not required. There being no objection the motion carried.

4. Administration, Maintenance & Standards Subcommittee Report

a. Ben Lujan Maintenance Achievement Awards

The New Mexico Public School Facilities Authority recognized 14 school districts, and District Superintendents recognized their own personnel with the Ben Lujan Maintenance Achievement Awards, presented in Albuquerque during the CES Facility Managers Training Workshop at a luncheon ceremony on Monday, October 20, 2014.

Awards were given in the following two categories based on the district FMAR scores:

Highest Achievers —*Previous award recipients who demonstrate continuous and sustained performance. Solely based on the FMAR score averages and compared to schools of similar size by NMAA Classification (1A through 6A). Districts had to inform PSFA of their intent to participate in this category by Sept 6th.*

Most Improved —*Results are measured between previous FMAR (at least one year old) and a current inspection (September 1st through -October, 13, 2014). Districts had to inform PSFA of their intent to participate in this category by Sept 6th.*

Individuals and/or groups were nominated solely by their district superintendent:

1. Clovis Maintenance Team
2. Farmington-Kim Philips
3. Lordsburg-Don Smith
4. Lordsburg- Rebecca Artiaga
5. Lordsburg- Baltazar Dominguez
6. Lordsburg- Benny Artiaga
7. Lordsburg- Frances Rosales
8. Lordsburg- Abraham DeLaGarza
9. Los Aamos- Ted Galvez
10. Pojoaque-Pojoaque Team
11. Rio Rancho- Dave Kasten
12. Rio Rancho- Rich Baker
13. Rio Rancho- Chris Elwood
14. Rio Rancho- Wayne Myers
15. Rio Rancho- Luis Melendez
16. Rio Rancho- John Anderson
17. Roswell-Edward Pharis
18. Roswell-Edward Herrera
19. Ruidoso-Maintenance Team
20. Tucumcari-Cody Ryen
21. Tucumcari-Patrick Gonzales
22. Wagon Mound-John Romero
23. Wagon Mound-Mike Arrelin
24. Zuni-Maintenance Team

Most Improved District Awards

- 2A – Logan

- 3A – Lordsburg
- 4A – Socorro
- 6A - Hobbs

Continued Achievement District Awards

- 1A Winner- Wagon Mound
- 2A Winner-Elida
- 3A Winner-Tucumcari
- 4A Winner-Pojoaque
- 5A-2nd Runner up-Los Alamos
- 5A – 1st Runner up-Farmington
- 5A Winner –Roswell
- 6A 2nd Runner up -Las Cruces
- 6A 1st Runner up –Clovis
- 6A Winner-Rio Rancho

The Council commended the districts and encouraged them to keep up the good work.

This is an informational item, no action required.

b. Espanola Districtwide Capacity

District Wide Capacity

- with portables = 1,795 empty seats
- without portables = 1,003

Elementary School Capacity

- with portables= 1,042empty seats
- without portables = 470

Middle School & High School Capacity

- with portables = 753 empty seats
- without portables = 533

It is noted that there are 1,795 empty seats district wide (without the “old middle school” capacity included in total) and 1,042 empty elementary seats (without the “old middle school” capacity included in total).

Espanola Public Schools Enrollment Trends:

- In 2003-2004 SY the District had 4,932 students with no charter schools and classrooms were better utilized.
- In 2013-2014 SY the District had 4,039 students with 3 charter schools and empty classrooms.
- The District lost 893 students since 2003-2004 SY.
- The Elementary Schools lost 213 students in the last 2 years and 475 students in the last 10 years

Discussion: Mr. Abbey noted that this report shows excess capacity but also shows how the district is attempting to move forward. Dr. Trujillo stated that the district is taking assertive steps in looking at their facilities and improving education.

Mr. Abbey noted that there is an excess capacity for portables, he asked if the district they plan to remove the portables that are costly to maintain. Dr. Trujillo stated that the district is attempting to remove the portables and he closed all the portables last year and moved everything Mountain View Elementary. The district is working at removing as many portables as possible.

This is an informational item, no action required.

c. Personnel Actions—Update

Executive Summary

940 Personnel/Position Summary

- FY15: PSFA currently has 47 employees, 2 Student Interns and 6 vacancies. The vacancies include 3 with approval to advertise and hire.
- PSFA currently has a 6.48% annualized turnover rate. There have not been any terminations since the last September Personnel/Position Summary.
- PSFA is at an 11% vacancy rate for October and 14% for an annualized vacancy rate.
- Summary of Positions:
 - Positions to maintain vacancy savings:
 - Regional Manager (position 00052663)
 - Communications Specialist (position 00052862)
 - Attorney (position 10109146)
 - Positions approved for hire:
 - T Business Process Manager- Advertisement has closed and interviews are being scheduled.
 - Technical Coordinator- Advertisement has closed and interviews are being scheduled.
 - Regional Manager (Las Cruces and surrounding regions) - Advertisement has closed and interviews are being scheduled.
 - Pending requests to the Department of Finance:
 - Regional Manager II (position 00052644) - Reclassify and promote to IT Manager to support the BDCP.
 - IT Manager (position 10109170) - Reclassify to Regional Manager II [Term] to replace Regional Manager for Albuquerque region.
 - Admin. Assistant II (position # TBD) - Create term Project Coordinator position to support the BDCP.

Discussion: Ms. Romero presented this item noting that Mr. Ovidiu Viorica has been promoted to Manager of Broadband Deficiencies Correction Program. PSFA is requesting to reclassify the Broadband Manager position from term to permanent, and reclassifying the existing permanent Regional Manager position to a term position for Regional Manager. There is no budget impact with the change.

Ms. Romero noted that there is approximately \$30,000 for the remainder of this fiscal year. With the Administrative Assistant position for the Broadband Deficiencies Correction Program, PSFA will still not require a BAR at this time and are still favorable in \$110,000 in personnel because of vacancies.

PSFA staff thanked the Council for their support.

This is an informational item, no action required.

5, Directors Report

a. PSCOC Project Status Report

Executive Summary

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

- 1 Project in the development of Educational Specifications
- 40 Projects in the planning & design Phase
- 37 Projects in Construction

Of the 32 projects that are running behind in their current phase, the below are of concern:

1. P14-024 – Aldo Leopold Charter School – District has delayed due to difficulty meeting award contingencies (providing evidence of inadequate capacity at Silver Consolidated Schools)
2. D09-001 – Central – Teacherage Demolition – Delayed due to expiration of lease with BIE
3. P14-006 – Central – Newcomb HS – Intentionally delayed by district to stagger projects
4. P07-005 – Deming High School – Delayed due to delays in RFP approval but project is moving forward
5. P12-006 – Espanola – Velarde ES – Delayed due to district decision
6. P12-008 – Espanola – E.T.S. Fairview ES – Delayed due to interpretation of fire suppression design requirements by the DP
7. P13-006 – Farmington HS – Delayed due to change in DP
8. P10-007 – Las Cruces – Loma Heights – Delays due to additional work requested by district at the end of the project
9. P14-017 – Lordsburg HS – Delayed due to reissuance of RFP
10. P11-013 – Los Alamos MS – Main building is complete and occupied, project is delayed due to construction of gym
11. P13-008 – NMSD Santa Fe Site – Demolition of Old Laundry and Sosoya Buildings added to the scope of work

There are 3 roofing projects running behind schedule. Of those three, only R10-002 (Albuquerque – MacArthur) will not meet the award deadline. This is an offset with no state participation that has been incorporated into the P12-001 MacArthur ES renovation.

There are 13 standards based projects and 5 roofing projects that are late in their current phase because they are awaiting financial closeout. PSFA Staff is currently working to close out these projects.

This is an informational item, no action required.

b. Master Plan Project Status Report

Executive Summary

- 17 Facilities Master Plans working towards completion
- \$391,128.00 awarded
- \$353,489.00 committed
- \$78,383.18 expended
- \$37,639.00 balance

This is an informational item, no action required.

c. Lease Assistance Status Report

Executive Summary

Ninety seven (97) Lease Assistance Awards totaling \$14.6 million; \$612 thousand disbursed to date.

This is an informational item, no action required.

d. Maintenance Program Status Report

Executive Summary

The New Mexico PSCOC maintenance program has three major functions or components

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

The current status across New Mexico Schools

- FIMS usage -72.16 of district use FIMS effectively up 2 percentage points from last quarter 70.03 %
- PM plan currency-53.85% of the districts have a current PM plan down 12 percentage points from last quarter (65.93%)
- FMAR average score – 59.14% (where 70% is 'passing') no change.
- Total FMARs completed to date –646, up from 631. This is 88% of the total 734 school building baseline

This is an informational item, no action required.

e. Broadband Deficiencies Correction Program Status Report

Executive Summary

Ms. Kendra Karp, PSFA staff, noted that staff is making progress in the development of the project, with assistance and support from partner agencies PED and DoIT, and from school districts.

Staff is nearing completion of the pre-contract phase for the planning and data collection. Planning is the most important step, and cannot be skimped if we are to have a successful project. Staff believes that they will be in contract with a primary vendor by mid-November and begin Phase 1 (1A, 1B, 1C and 1D) immediately after.

Phase I encompasses the collection of detailed information that will establish the baseline of existing conditions of schools' and districts' Wide Area Networks, Local Area Networks and Wireless Local Area Networks. Based on this data, staff will learn about deficiencies both within the school networks, and beyond the broadband's point of demarcation, on the Internet Service Provider side.

The schedule is aggressive, as the access to schools and networks will be constrained by school schedules that include on-line testing, as well as the availability of school district IT personnel that are already overextended.

Prior to the 2016 legislature, the PSFA will bring to the PSCOC and PSCOOTF a variety of options for infrastructure repairs and the associated ongoing costs of operations. The range of choices will be from 100 kbps/student & staff to 1,000 kbps/student & staff. The State Educational Technology Association (SETA) predicts that access speeds needed for a quality education will be in the upper range prior to the year 2018.

The Estancia School District has agreed to be the Phase 1-A pilot district and plan to begin assessments there within 60 days. The Estancia campus has several individual school types (ES, MS & HS), is rural, is close to Albuquerque, has good and available IT records, and has a good working relationship with PSFA. This pilot will be developed collaboratively with partner vendors, the PSFA IT Advisory Group (ITAG) - whose members are the districts IT Directors, DoIT, and PED.

Phase 1-B will expand the pilot to an anticipated 30 additional schools, varying in location and type (ES, MS and HS). This phase will hone the validation and assessment tools and the method of collection and use for the data, to create recommendations for correction of broadband deficiencies. Next, under Phase 1-C, staff will visit and collect data from the rest of the schools state-wide, and from all available broadband providers. Phase 1-D overlaps the data collection phase (Phase 1-C) and represents the compilation of data and the preparation of reports about options and cost of the upgrade for the PSCOC and PSCOOTF.

Phase II will be the correction phase. Staff expects that comments or direction from the 2016 Legislature will define the scope and scale of the corrections. It cannot be said enough that decisions on the corrections/upgrades must include the out-year recurring costs that will be required to keep the IT systems operational. The BDCP study will provide estimates regarding these projected recurring costs as well.

Staff are currently in the process of selecting a Project Coordinator for the program and will advertise for the Project Manager and Network Engineer positions shortly.

This is an informational item, no action required.

f. 2015-2016 Proposed Work Plan/Timeline

Executive Summary

This report was reviewed by the AMS and the Awards Subcommittee and is for informational purposes. Staff will revise as deemed necessary.

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

6. Next PSCOC Meeting—Proposed for December 11, 2014

Upon discussion the council agreed to hold their next PSCOC meeting on December 11, 2014.

7. Public Comment

There is no public comment at this time.

8. Adjourn

There being no further action to come before the council the Mr. Burciaga moved to adjourn the meeting. Ms. Maestas seconded. MOTION carried

David Alky Chair
12/15/14 Date