

State of New Mexico
Public School Capital Outlay Council

PSCOC Members

Joe Guillen, NMSBA – Chair
Raúl Burciaga, LCS – Vice Chair
Charles Sallee, LFC
Gwen Perea Warniment, LESC
Antonio Ortiz, PED
Martin Romero, CID
Stewart Ingham, PEC
Mariana Padilla, OG

Public School Facilities Authority

Iris Romero | Executive Director
Ryan Parks | Deputy Director of Capital
Larry Tillotson | Deputy Director of Operations



MEETING MINUTES SUMMARY

PSCOC Full Council Meeting
State Capitol Building, Room 322 – July 23, 2024

*Unofficial notes drafted for the convenience of Council members and subject to revision at member request.
Please note that further details and information regarding the meeting can also be found in the eBook.*

I. Call to order – Joe Guillen, Chair

Chair, Mr. Joe Guillen, called the meeting to order at 9:02 A.M.

a. Approval of Agenda*

Chair Guillen asked if there were any changes to the agenda as presented; as there were no changes, Mr. Burciaga moved to approve the motion and Mr. Ingham seconded the motion. The motion was unanimously approved.

b. Correspondence

No Correspondents.

II. Public Comment

No Public Comment occurred.

III. Finance

A. PSCOC Financial Plan

Ms. Melissa Ortega was welcomed as the new Chief Financial Officer of the PSFA. Mr. Matthew Schimmel, PSFA Deputy Financial Officer, provided a comprehensive presentation of the updated financial plan and executive summary. Mr. Schimmel addressed changes to the SSTB Notes on lines 2-3 of Sources and Uses sheet, based on conversations with the Board of Finance. Additionally, Mr. Schimmel provided an overview on the four out-of-cycle project updates, detailing projects for Tularosa, Raton, Zuni, and Gadsden school districts. The Awards Year to D net change for the four presented projects was decrease of \$2.0m. This was due to the adjusted estimated construction cost for Raton being less than originally estimated. Also noted, the Raton Longfellow ES project saw an adjustment in the out-year potential local match reduction, decreasing from \$51,670,047 to \$44,251,052, a change that was documented on line 35 of the Sources & Uses Detail. Mr. Schimmel also noted the uncommitted balance projections for future years and discussed the monthly variance changes. Pages 13 and 14 of the eBook were reviewed, although the members raised no inquiries.

IV. Consent Agenda*

All of the Consent Agenda items were approved in a single motion.

A. June 12, 2024 PSCOC Meeting Minutes*	
Council approval of the June 12, 2024 PSCOC Meeting Minutes.	
MOTION: Mr. Ingham moved for Council approval of the Consent Agenda. Mr. Burciaga seconded the motion. As there was no opposition, the motion was unanimously approved.	APPROVED

V. Out-of-Cycle Awards

A. S22-009 Tularosa IS (Tularosa) – Additional Funding Request*

At the Council meeting, Ms. Perea-Warniment presented the motion to amend the 2021-2022 Systems-based award for Tularosa Intermediate School to provide additional construction phase funding. This funding was allocated for the replacement of HVAC units within the existing facilities. The district representative was unable to attend, and no significant questions were raised regarding the motion. No further discussion occurred.

MOTION: Mr. Guillen moved for Council approval to amend the 2021-2022 Systems-based award to Tularosa Municipal Schools (TMS) for Tularosa Intermediate School to include additional Construction Phase funding totaling \$508,897, with a state match of \$340,961 (67%), and a local match of \$167,936 (33%), for the replacement of the HVAC units at the existing facilities to the maximum allowable gross square footage of 39,133. As there was no opposition, the motion was unanimously approved.	APPROVED
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B. S22-001 Longfellow ES (Raton) – Award Language Change*

Ms. Perea-Warniment presented the motion to convert the existing Systems-based award for Longfellow Elementary School to a Standards-based award to consolidate Raton Public Schools' three schools into a single facility for 824 students. This initial award is for design phase funding. The maximum allowable gross square footage was set at 120,156, with an estimated total project cost of \$6,055,862, split between state and local matches. Upon completion of the design phase, the district will request construction phase funding. The current enrollment stood at 830 students. Superintendent Kristie Medina was present to advocate for the project, noting the community's support and the need for modernization. The district's bond advisor clarified the process for voter authorization and bond sales. Mr. Ingham questioned the district's desire to retain the existing gym, which the district justified as a central community asset. The space availability for the new facility was to be determined in the design phase. The item discussion concluded with the item being approved as presented.

MOTION: Mr. Guillen moved Council approval to convert the current Systems-based award to a Standards-based award to Raton Public Schools (RPS) for Longfellow ES to include Design phase funding for the consolidation of the district into a single combined facility/campus for 824 students, grades Pre-K-12 at 120,156 GSF, totaling \$6,055,862 with a state match of \$2,725,138 (45%) and a local match of \$3,330,724 (55%). Upon completion of the design phase work, the district may return to the PSCOC for out-of-cycle construction phase funding. As there was no opposition, the motion was unanimously approved.	APPROVED
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C. P21-001 Twin Buttes HS Zuni HS Zuni MS (Zuni) – Request for Early Work Package Funding*

During the item's discussion, Awards Chair Ms. Perea-Warniment reviewed the motion. Mr. Scott Ficklin (PSFA Senior Project Manager) introduced Martin Romine, Zuni Public Schools' Chief Financial Officer. Mr. Romine updated the Council on the district's Impact Aid and discussed the implications of House Bill 6 on the district's budget process. Clarification was sought by Ms. Perea-Warniment regarding the district's use of Impact Aid, to which Mr. Romine emphasized the need for proper fund tracking, leading to the reallocation of funds. Mr. Ortiz raised a statutory requirement for a formal letter documenting the transfer of funds, which Mr. Romine acknowledged, noting the funds were allocated for capital construction, not operational costs. The Council considered the financial viability of the project, with Mr. Sallee noting the district's sufficient cash balance. Mr. Sallee stated that during the Awards Subcommittee's discussion, it was noted that the district had a surplus of funds for its regular operations, which allowed funds to be redirected towards Capital Outlay. Mr. Sallee mentioned the certification from PED and noted that the district had sufficient operational funds. Mr. Sallee also suggested that a significant portion of the funds were redirected towards a school building that exceeded minimum requirements. In response, Mr. Romine clarified that the funds budgeted for the project were not meant for the day-to-day operations of the school district. He also mentioned that for the past three years, the district had maintained a 25% funding level with their Impact Aid. Mr. Sallee then asked Mr. Romine if he would agree that the operational budget was sufficient and whether it was unnecessary to divert some of the Impact Aid to the operational budget, to which Mr. Romine agreed. Additionally, Mr. Sallee emphasized the need for PED to certify the use of district funds to determine whether it could be used for construction. Mr. Guillen confirmed that the motion

included the condition of PED’s certification. Discussions also touched on the cost per unit for this project, and the potential cost-effectiveness of manufactured homes versus traditional construction. Mr. Romine stated that the district preferred traditional construction due to the durability houses and ability to maintain them, Ultimately, the Council unanimously approved the motion, with Mr. Ortiz tasked to coordinate with PED for prompt certification.

<p>MOTION: Mr. Guillen moved Council approval to amend the current Standards-based awards to Zuni Public Schools (ZPS) for Twin Buttes HS, Zuni HS and Zuni MS, grade levels 6th -12th to include construction phase funding (Teacher Housing, Site work for the school, early work package and demolition of the existing field) state match funding of \$11,951,786. Upon completion of the design phase, the district may return to the PSCOC for out-of-cycle construction phase funding. Contingent on approval from the Public Education Department (PED) for use of their Impact Aid operational dollars. As there was no opposition, the motion was unanimously approved.</p>	<p>APPROVED</p>
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D. P22-001 Gadsden MS (Gadsden) – Construction Funding Request*

Ms. Perea-Warniment conducted a review of the motion recommended by the Awards subcommittee. Jessica Cadena, Associate Superintendent, Nancy Vela, Director of Energy Management and Construction represented the district, and Marines, Lunym Martinez, Chief Financial Officer, presented their local financial contribution. Questions were raised by Mr. Sallee regarding whether the district had obtained PED approval to use cash balance for capital expenditure, to which the district confirmed compliance. Further inquiries about the sufficiency of their operational budget and bonding capacity were also affirmed by the district. Mr. Sallee inquired whether the district's operational funding was sufficient for their day-to-day educational needs. The district confirmed agreement with Mr. Sallee's inquiry. Mr. Burciaga questioned PSFA staff's decision to adopt lower enrollment projections. Mr. John Valdez, PSFA Master Planner explained that the enrollment projection was supported by the facilities master plan. The motion was passed without opposition.

<p>MOTION: Mr. Guillen moved Council approval to amend the 2021-2022 Standards-based award to Gadsden Independent School District (GISD) for Gadsden MS to include construction phase funding totaling \$67,217,113 with a state match of \$47,051,979 (70%) and a local match of \$20,165,134 (30%). For a replacement facility with a design enrollment of 1005 students, grades 6th-8th, up to the maximum allowable gross square footage of 111,194 GSF. Contingent on the Public Education Department (PED) certification and bonding capacity information. As there was no opposition, the motion was unanimously approved.</p>	<p>APPROVED</p>
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VI. Other Business

A. Recertification of SSTBs*

Ms. Perea-Warniment presented the potential motion for the item. Ms. Romero, PSFA Executive Director, noted that the certification was a low amount due to accurate projections and estimates on the financial plan. The Council approved the motion as presented. No further discussion occurred.

<p>MOTION: Mr. Guillen moved for Council approval for adoption of the Resolution, Notification, Certification and Reconciliation of unexpended bond proceeds as follows: SSTB24SB 0001 in the amount of \$1,317,903 to be used for PSCOC awarded projects. As there was no opposition, the motion was unanimously approved.</p>	<p>APPROVED</p>
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VII. Next PSCOC Meeting – August 13, 2024

VIII. Adjourn

There being no further business to come before the Council, Chair Guillen moved to adjourn the meeting, with no opposition from the Council, the meeting was adjourned at 10:12 P.M.



Chair

8/16/2024

Date

*Please Note: Italic in motions indicate amendments.
* Denotes Action Items on the Agenda*