The New Mexico State Transportation Commission (STC or Commission) held a regular meeting on August 18, 2016, at the Sky City Hotel and Conference Center, Acoma, New Mexico. Chairman Schmeits called the meeting to order at 8:35 a.m. Commissioner Mathews led meeting attendees in the Pledge of Allegiance.

Approval of the STC Agenda

Chairman Schmeits asked to change the order of the STC agenda by moving item 8 (District Six Presentation) ahead of item 3 (Approval of Minutes); he subsequently requested a motion to approve the STC agenda, as amended; Commissioner Mathews made a motion to so approve; Commissioner White seconded; motion carried unanimously.

District Six Presentation and Employee Recognition

Larry Maynard, P.E., District Six Engineer, NMDOT, gave a presentation regarding District Six activities, during which he discussed the District’s various projects. He also reported on the District’s Employee Recognition Program and acknowledged Ernest Martinez as Employee of the Year; John Council as Supervisor of the Year; the Bridge Crew as Crew of the Year; the Pavement Preservation Crew as 4-peat winners of the first place Chip Seal Quality
Award; and Sheridan Saunders, Connie Mirabal, Rhea Ortiz, and Clayton Garner as Highway Heroes.

Approval of the STC Minutes

Chairman Schmeits asked for a motion to approve the minutes of the regular STC meeting of June 16, 2016; Commissioner White made a motion to so approve; Commissioner Mathews seconded; motion carried unanimously.

Elected Officials and Delegations:

Raymond J. Concho, Jr., 1st Lt. Governor, Pueblo of Acoma
Paulette Sanchez-Montoya, Mayor Pro Tem, Village of Los Lunas
Patty Lundstrom, New Mexico State Representative, District 9, and Executive Director, Greater Gallup Economic Development Corporation

State Transportation Commissioners Present:

Kenneth White, Secretary, District One
David Sepich, Commissioner, District Two (Absent with Notice)
Keith Mortensen, Commissioner, District Three (Absent with Notice)
Ron Schmeits, Chairman, District Four
Butch Mathews, Vice-Chairman, District Five
Jackson Gibson, Commissioner, District Six

NMDOT Staff Present:

Tom Church, Cabinet Secretary
Anthony Lujan, Deputy Secretary
Loren Hatch, Deputy Secretary
NMDOT Staff
Welcoming Remarks

The Honorable Raymond J. Concho, Jr., 1st Lt. Governor, Pueblo of Acoma, welcomed the STC and NMDOT staff to Acoma. He also extended greetings on behalf of the Honorable Kurt Riley, Governor, Pueblo of Acoma. He introduced Martin Chino, Tribal Councilman and David Deutsaw, Interim Director, Planning and Engineering Office, Pueblo of Acoma. He discussed the challenges of finding funds and having a plan in place, and highlighted the Mesa Hill Bridge project as an example.

Presentations by Elected Officials and Delegations

David Deutsaw, Interim Director, Planning and Engineering Office, Pueblo of Acoma, gave a presentation entitled “Acoma Pueblo Transportation Projects.” He discussed past, present and future Pueblo transportation projects.

Patty Lundstrom, Executive Director, Greater Gallup Economic Development Corporation, gave a presentation entitled “Gallup Energy Logistics Park and Carbon Coal Road.” She explained that Carbon Coal Road is the access road off U.S. 491 that feeds into the Energy Logistics Park, provided a description of the project, and thanked the STC and NMDOT staff for their support.

Greg Martin, Village Administrator, and Michael Jaramillo, Public Works Director, Village of Los Lunas, and Kevin Eades, P.E., Vice President, Molzen Corbin, presented an “I-25 Interchange and East and West Corridor Update,” during which they showed a short video.

Public Comment

Brian Jones, Executive Director, New Mexico Asphalt Pavement Association (APANM), commented regarding APANM current activities and seminars.
Workshop Agenda

Finance Committee

NMDOT Monthly Financial Report

Michael Friel, Accounting Services Director/Chief Financial Officer, NMDOT, presented the NMDOT operating budget and financial report for the month ended July 31, 2016. He reported that NMDOT’s total budget is $867.5 million. The current adjusted budget for Programs and Infrastructure (P562) is $529.9 million, $11.8 million in encumbrances, expenses of $33.6 million, of which approximately 8% has been committed. The current adjusted budget for Highway Operations (P563) is $233.8 million, $30.4 million encumbered, and $10.8 million expensed. The current adjusted budget for Business Support (P564) is $42.2 million, $8.3 million encumbered, and $2.0 million expensed. The current adjusted budget for Modal is $61.7, $8.8 million encumbered, and $.7 million expensed.

New Mexico Finance Authority (NMFA) Monthly Report

Mark Lovato, Investment Manager, NMFA, provided an update regarding NMDOT’s portfolio funds under NMFA management. As of July 31, 2016, the balance in the portfolio was $73.6 million, a net increase of $15.5 million from June. The change is attributed to debt service payments of $293,387, plus total earnings of $20,368, and $15.8 million in debt service set asides payments. There is 77% in the project account, of which $15,037 is in the 2010A bond fund account, $56.6 million in the 2014A Highway Infrastructure Fund (HIF) account, 23% in debt service accounts, and less than 1% in the arbitrage rebate account. On July 31, 2016, the unused balance in the taxable line of credit at RBC was $36 million for collateral needs, and the balance in the taxable line of credit at Wells Fargo was $50 million for the BNSF Escrow
account. As of August 8, 2016, the amount to exit the swaps was approximately $119.1 million.

Mr. Lovato also provided a breakdown regarding NMDOT/NMFA outstanding debt service.

**FY17 Budget Adjustment Request (BAR) No. 5 for P565/Modal/Aviation Division**

Mallery Martinez, Acting Budget Director, NMDOT, presented FY17 BAR No. 5 for the P565/Modal Program. This BAR is required to increase the budget authority for the Aviation Division from fund balance in the amount of $305,000 for a construction project at the state-owned Conchas Lake Airport.

**FY17 BAR No. 6 for P565/Modal/Transit and Rail Division**

Mallery Martinez, Acting Budget Director, NMDOT, presented FY17 BAR No. 6 for the P565/Modal Program, which is required to increase budget authority for the Transit and Rail Division in the amount of $315,800. The funds will be used to provide General Public Vanpool and Rideshare Matching Services in and around four small urban areas in New Mexico.

**FY17 BAR No. 7 for P562/Project Design and Construction (PDC)**

Marcos Trujillo, Policy Director, NMDOT, presented FY17 BAR No. 7 for P562/PDC, which is required to transfer residual balances in the amount of $15,976,032 from completed project funds and Debt Service Funds to the State Road Fund to offset FY17 debt service set asides and Debt Service Funds for SWAP collateral calls.

**NMDOT FY18 Road Fund Forecast**

Laura Bianchini, Economist, NMDOT, presented the FY18 Road Fund Forecast as of July 2016. NMDOT's state revenue sources are: (1) Road Fund - ordinary revenue; (2) Road Fund - extraordinary income; and (3) Restricted Funds, including the Highway Infrastructure Fund, Local Government Road Fund, Aviation Fund, and Transportation Fund. The forecast is one of two annual forecasts of NMDOT revenues. An update will be presented in January 2017,
before the FY18 budget is established. Current expectations for FY17 are generally in line with the January 2016 forecast. The current forecast update increases FY17 Road Fund revenues by 2.5 million, which represents a 0.6% increase. FY18 Road Fund revenues are currently estimated at $410.9 million, which represents 2.7% or $10.7 million in growth from the FY17 budget.

**NMDOT FY18 Appropriation Request and Strategic Plan for 2016-2019**

Mallery Martinez, Acting Budget Director, NMDOT, presented the NMDOT FY18 Appropriation Request and Strategic Plan for 2016-2019. Overall, the FY18 appropriation request totals $862.8 million, a $4.8 million reduction from the approved FY17 operating budget. This includes $415.9 million from State Road Fund revenues, $39.6 from Restricted Fund revenues, $3.8 million from other state agencies, $2.0 million from State Road Fund balances, and $401.5 million from federal sources. This also includes a $3.2 million decrease to the Project Design and Construction Program, $6.0 million decrease to the Highway Operations Program, no change to Business Support, and a $4.4 million increase to the Modal Program.

**NMDOT Quarterly Debt Portfolio Report**

Christine Choi, Senior Managing Consultant, Public Financial Management (PFM), presented the quarterly Debt Portfolio Report and Debt Management Update, which included detailed information regarding the latest developments in the financial markets, the economy, NMDOT’s current debt and swap portfolio, and potential financing opportunities.
Infrastructure Committee

NMDOT Annual Report to State Auditor Regarding Regional Transit Districts

David Harris, Transit Manager, NMDOT, presented NMDOT’s annual Report to the State Auditor Regarding Regional Transit Districts. He explained that under the provisions of Commission Policy 90, Certification of Regional Transit District (RTD), and NMSA 1978, Section 73-25-15(B), the STC is required to file an annual report with the State Auditor concerning the activities of all active Regional Transit Districts. The report details how many districts have been created, describes their boundaries and specifies the regional transit systems that are being provided and how they are being funded.

Rio Metro Regional Transit District (RMRTD) Annual Report Regarding New Mexico Rail Runner Express (NMRX)

Terry Doyle, Transportation Director, RMRTD, presented the NMRX Annual Report. He explained that the Memorandum of Agreement between NMDOT and RMRTD regarding NMRX management, funding and operation requires RMRTD to provide a report to the STC every year at the STC’s July meeting. The report includes information on the NMRX annual operating and capital budgets, annual service plan, the five-year capital maintenance plan/capital improvement plan, NMRX ridership, and performance targets.

Policy Committee

Town of Red River (Town) Request for Recreational Off-Highway Vehicle (ROV) Routes on Sections of NM 38 and NM 578
Loren Hatch, Deputy Secretary, NMDOT, and Paul Brasher, P.E., Acting District Five Engineer, NMDOT, outlined the Town’s request to designate certain segments of NM 38 and NM 578 for the operation of ROVs. In accordance with the Off-Highway Vehicles Act and NMSA 1978, Sections 67-3-2(D), 66-3-1001.1 and 66-3-1011, and pursuant to the provisions of Commission Policy 71, Recreational Off-Highway Vehicles on Paved State Highways, the Town submitted a ROV route designation request to the STC. The specific state highway segments that the Town requested to be designated as ROV routes are depicted on the map included in the Town’s designation request submission package (Tab 9(c)(1) - August 18, 2016 STC meeting materials) and are more particularly described in proposed STC Resolution No. 2016-03 (AUG) Designating Certain Segments of NM 38 and NM 578 for Operation of Recreational Off-Highway Vehicles (ROVs), to be presented for approval later in the STC meeting.

Deputy Secretary Hatch noted there are still a few of outstanding issues that need to be addressed with respect to the ROV route designation, but he presented the Town’s request at this meeting in effort to avoid delaying the approval process. He also stated that that if the proposed resolution regarding the route designation is approved by the STC, that such approval will be contingent upon the Town’s full compliance with the conditions contained in the resolution.

Commissioner Matthews requested that the Secretary be allowed to authorize use of the designated routes using temporary signage while other contingencies are being met.

David Smith, Marshall, Town of Red River, thanked the STC and NMDOT staff for their assistance with the Town’s ROV route designation request. He stated that the final version of the Town’s Ordinance (2016-09) concerning the operation of ROVs on paved streets and roadways within the Town’s limits will likely be passed at the Town Council Meeting on August 23, 2016.
Regular Meeting Agenda

Staff Briefings

Secretary Report

Tom Church, Cabinet Secretary, NMDOT, reported regarding the State General Fund shortfall. He stated that there presently a need for a 5% budget reduction. NMDOT executive managers met with the Governor’s staff and were given direction to focus on NMDOT’s core functions. Operations, construction and maintenance will therefore continue; however, there will be an immediate reduction in travel and miscellaneous expenses and NMDOT will now keep its personnel vacancy rate at about 10%.

FHWA Report

J. Don Martinez, Division Administrator, FHWA, briefly discussed the NMDOT/FHWA Executive Dashboard Metrics for the time period of April through June 2016. He outlined certain statistics concerning statewide and district change orders; claims; project physical completion dates vs. final payment dates, as identified in the SHARE accounting system; HSI; inactive obligations; New Mexico Federal-Aid Program Financials as of August 2016; and FFY 2016 STIP obligations.
Action Items

Approval of Town of Red River (Town) Request for ROV Routes on Sections of NM 38 and NM 578 (ROV Route Designation Request)

Loren Hatch, Deputy Secretary, NMDOT, requested the STC’s approval of the Town’s ROV Route Designation Request and STC Resolution No. 2016-03 (AUG) Designating Certain Segments of NM 38 and NM 578 for Operation of Recreational Off-Highway Vehicles (ROVs), with certain contingencies and the amendment proposed by Commissioner Mathews earlier in the STC meeting, allowing the Secretary of NMDOT to authorize the use of the designated routes utilizing temporary traffic control devices while the contingencies are being completed.

Chairman Schmeits asked for a motion to approve the Town’s ROV Route Designation Request, as amended; Commissioner White made a motion to so approve; Commissioner Mathews seconded; motion carried unanimously.

Approval of FY17 Budget Adjustment Request (BAR) No. 5 for P565-Modal/Aviation Division

Mallory Martinez, Acting Budget Director, NMDOT, requested the STC’s approval of FY17 BAR No. 5 for P565-Modal/Aviation Division.

Chairman Schmeits asked for a motion to approve FY17 BAR No. 5 for P565-Modal/Aviation Division; Commissioner Mathews made a motion to so approve; Commissioner Gibson seconded; motion carried unanimously.
Approval of FY17 BAR No. 6 for P565-Modal/Transit and Rail Division

Mallery Martinez, Acting Budget Director, NMDOT, requested the STC’s approval of FY17 BAR No. 6 for P565-Modal/Transit and Rail Division.

Chairman Schmeits asked for a motion to approve FY17 BAR No. 6 for P565-Modal/Transit and Rail Division; Commissioner Mathews made a motion to so approve; Commissioner Gibson seconded; motion carried unanimously.

Approval of FY17 BAR No. 7 for P562/Project Design and Construction (PDC)

Marcos Trujillo, Policy Director, NMDOT, requested the STC’s approval of FY17 BAR No. 7 for P562/PDC.

Chairman Schmeits asked for a motion to approve FY17 BAR No. 7 for P562/PDC; Commissioner Mathews made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.

Approval of NMDOT FY18 Appropriation Request and Strategic Plan for 2016-2019

Mallery Martinez, Acting Budget Director, NMDOT, requested the STC’s approval of FY18 Appropriation Request and Strategic Plan for 2016-2019.

Chairman Schmeits asked for a motion to approve the FY18 Appropriation Request and Strategic Plan for 2016-2019; Commissioner Mathews made a motion to so approve; Commissioner Gibson seconded; motion carried unanimously.
**Commissioner Comments**

Commissioner White expressed his appreciation to the Pueblo of Acoma for its hospitality and stated that it was an informative meeting.

Commissioner Mathews also thanked Pueblo of Acoma for its hospitality.

Commissioner Gibson extended his thanks to the Pueblo Acoma and NMDOT District Six.

Chairman Schmeits thanked the Pueblo of Acoma for hosting the meeting.

*Chairman Schmeits asked for a motion to adjourn the regular meeting at 12:45 p.m.; Commissioner Mathews made a motion to so adjourn; Commissioner Mathews seconded; motion carried unanimously.*

Chairman

Ronald Schmeits

Secretary

Kenneth R. White