NEW MEXICO STATE TRANSPORTATION COMMISSION
MEETING

The Lodge at Santa Fe Hotel
750 North St. Francis Drive
Santa Fe, New Mexico 87501
January 25, 2019

The New Mexico State Transportation Commission (STC or Commission) held a regular meeting on January 25, 2019, at The Lodge at Santa Fe Hotel, Santa Fe, New Mexico. Chairman Schmeits called the meeting to order at 8:30 a.m. Commissioner Mathews led meeting attendees in the Pledge of Allegiance.

Approval of the STC Meeting Agenda

Chairman Schmeits asked for a motion to approve the STC meeting agenda; Commissioner Mathews made a motion to so approve; Commissioner Moore seconded; motion carried unanimously.

Approval of the STC Minutes

Chairman Schmeits asked for a motion to approve the minutes of the STC regular meeting of December 13, 2018; Commissioner White made a motion to so approve; Commissioner Sepich seconded; motion carried unanimously.
Elected Officials and Delegations:

The Honorable Rudy N. Garcia, Santa Fe County Commissioner, District 3

State Transportation Commissioners Present:

Kenneth White, Secretary, District One
David Sepich, Commissioner, District Two
Keith Mortensen, Commissioner, District Three
Ron Schmeits, Chairman, District Four
Butch Mathews, Vice-Chairman, District Five
Billy Moore, Commissioner, District Six

NMDOT Staff Present:

Michael Sandoval, Cabinet Secretary Designate
Kenneth B. Baca, Chief Deputy General Counsel
NMDOT Staff

Welcoming Remarks

Commissioner Schmeits introduced himself and welcomed meeting attendees; the other Commissioners followed with welcoming remarks.

Public Comment

The Honorable Rudy N. Garcia, Santa Fe County Commissioner, introduced himself and commented that he is a newly appointed Commissioner. His District in Santa Fe County is within NMDOT District 5. He looks forward to working with NMDOT.

Mike Beck, Executive Director, Associated Contractors of New Mexico (ACNM), commented on behalf of the membership of ACNM and the contractor community in general. He congratulated and welcomed Michael Sandoval, Cabinet Secretary Designate, NMDOT, to the
executive team. He believes the Governor made a tremendous selection in appointing Mr. Sandoval and looks forward to years of work and collaboration.

Philó Shelton, Public Works Director, Los Alamos County, and President, New Mexico Transit Association, distributed a handout and commented regarding the need for recurring, reliable funding for public transit in New Mexico. He thanked Paul Brasher, P.E., Acting District Five Engineer, NMDOT, and District Five staff for their assistance with the NM 502 project.

**Request for Approval of Governor Michelle Lujan Grisham’s Appointment of Michael R. Sandoval as Secretary of Transportation**

Kenneth Baca, Chief Deputy General Counsel, NMDOT, presented a request for approval of Governor Michelle Lujan Grisham’s appointment of Michael R. Sandoval as Secretary of Transportation, and related STC Resolution No. 2019-01 (JAN). He explained that NMSA 1973, Section 67-3-23, requires the Governor’s appointment of the Secretary of Transportation to be approved by the State Transportation Commission. Additionally, Commission Policy 3, *Approval of Secretary*, provides that upon Governor’s notice to the Commission of a person selected to be appointed as Secretary of Transportation, the Commission shall meet to discuss and vote its approval or disapproval, and immediately following the vote to approve or disapprove the Governor’s selection, the Chairperson shall inform the Governor of the Commission’s decision by letter. Mr. Baca thereafter read the proposed Resolution aloud to the Commission.

Chairman Schmeits asked Cabinet Secretary Designate Sandoval to provide a brief history regarding his work experience, and to discuss his expectations and plans for NMDOT.

All of the STC Commissioners expressed their support for Mr. Sandoval’s appointment.
Secretary Designate Sandoval thanked former Secretary of Transportation, Tom Church, and former Deputy Secretary, Anthony Lujan, for their hard work and everything they did for NMDOT.

Chairman Schmeits asked for a motion to approve Governor Michelle Lujan Grisham’s appointment of Michael R. Sandoval as Secretary of Transportation and to adopt STC Resolution No. 2019-01 (JAN); Commissioner Mathews made a motion to so approve Governor Lujan Grisham’s appointment and to adopt related STC Resolution No. 2019-01 (JAN); Commissioner Moore seconded; motion carried unanimously.

District Five Presentation and Employee Recognition

Paul Brasher, P.E., Acting District Five Engineer, NMDOT, gave a presentation regarding District Five activities, during which he discussed the District’s various projects and maintenance accomplishments. He also reported on the District’s Employee Recognition Program, acknowledged the recent award winners, and introduced other District staff members in attendance at the meeting.

District Two Best Practice Award Presentation

Timothy Parker, P.E., District Two Engineer, NMDOT, presented the District Two Best Practice Award to the Vaughn Patrol for the AB2 Signpost Sequence. A short video about the Best Practice was shown.

General Office Awards Presentation

Cabinet Secretary Designate Sandoval presented the General Office Section of the Year Award to the Information Technology (IT) Applications Bureau.
Bruce Oakeley, Chief Information Officer, NMDOT, praised IT Applications Bureau staff members and introduced them to the STC.

Mr. Sandoval subsequently presented the General Office Employee of the Year Award to Jeremy Lujan of the North Region Design group.

**Staff Briefings**

**Secretary Report**

Cabinet Secretary Designate Sandoval reported regarding the 2019 Legislative Session. He informed the STC there is a Governor’s budget that recommends NMDOT receive $300 million for projects, and that the Legislative Finance Committee (LFC) budget is currently $400 million. NMDOT will meet with LFC on January 28, 2019, to start negotiating the final dollar amount and which projects will ultimately be funded with the money NMDOT receives. One of the Secretary Designate’s goals is to try to get recurring revenue to NMDOT, which he believes will be a challenge. He then discussed the gas tax bill that has been introduced in the Legislative Session.

**Finance Reports**

**NMDOT Monthly Financial Report**

Mallery Manzanares, Budget Director and Acting ASD Director, NMDOT, presented the NMDOT operating budget and financial report as of January 2, 2019. Current program vacancy rates are as follows: District One, 13.3%; District Two, 22.2%; District Three, 20.3%; District Four, 22.6%; District Five, 18.9%; District Six, 15%. The current adjusted budget for Project
Design and Construction (P562) is $536.6 million; Highway Operations (P563), $247.6 million; Business Operations (P564), $42.7 million; and Modal (P565), $71.2 million. Mrs. Manzanares also briefly discussed NMDOT cash balances and restricted fund balances.

**New Mexico Finance Authority (NMFA) Monthly Report**

Mark Lovato, Investment Manager, NMFA, provided an update regarding NMDOT’s investment portfolio funds under NMFA management and NMDOT/NMFA’s outstanding bond debt service. In December 2018, NMDOT made a set aside payment in the amount of $14.7 million, plus interest in the amount of $140,000. The total amount presently in the debt service fund is $63,269,379. The next bond payment in the amount $120 million is due on June 15, 2019. Currently, there is $224,673 is in the arbitrage rebate account, and $8,120,713 in the project account. On December 31, 2018, the balance in NMDOT’s taxable line of credit at Wells Fargo was $50 million for the BNSF requirement. The line of credit will expire at the end of the fiscal year on June 30, 2019, but will be renewed. The existing terms will not change. Commitment fees paid to date are $517,500, which amounts to about $100,000 per year. The total outstanding debt after the December 15, 2018 bond payment was approximately $1.8 million.

**Request for Approval of Authorizing Resolution No. 2019-02 (JAN) - Extension of $50 Million Line of Credit for BNSF Requirement**

Marcos B. Trujillo, Project Oversight Division Director, NMDOT, presented and requested approval of STC Resolution No. 2019-02 (JAN). This Resolution authorizes the execution of certain amendments to extend the termination date of NMDOT’s $50 million Taxable Line of Credit at Wells Fargo Bank, from June 30, 2019 to June 30, 2022.

January 25, 2019
Chairman Schmeits asked for a motion to approve STC Resolution No. 2019-02 (JAN) authorizing the execution of certain amendments to extend the termination date of NMDOT’s $50 million Line of Credit at Wells Fargo Bank, for the BNSF requirement; Commissioner Moore made a motion to so approve; Commissioner Mathews seconded; motion carried unanimously.

Policy Reports

Annual Determination of Notice Provisions for Open and Closed State Transportation Commission Meetings

Kenneth Baca, Chief Deputy General Counsel, NMDOT, presented and requested approval of the annual determination of notice provisions for open and closed State Transportation Commission meetings pursuant to NMSA 1978, Section 10-15-1(D) of the Open Meetings Act. He explained that every public body in the State that holds public meetings is required to determine annually in a public meeting what is reasonable notice for their open and closed meetings. Commission Policy 1, New Mexico State Transportation Commission Organization and Meetings (CP 1), sets forth the notice requirements for open and closed meetings of the STC. He also explained that the STC is required to take action at this time to determine the specific notice provisions for its open and closed public meetings. He requested that the STC reaffirm its current notice provisions contained in CP 1.

Chairman Schmeits asked for a motion to approve the annual determination of notice provisions for open and closed State Transportation Commission Meetings; Commissioner Mathews made a motion to so approve the annual determination of notice provisions for
open and closed State Transportation Commission meetings; Commissioner White seconded; motion carried unanimously.

Adjournment

Chairman Schmeits asked for a motion to adjourn the regular meeting at 11:05 a.m.; Commissioner Sepich made a motion to so adjourn; Commissioner White seconded; motion carried unanimously.

Chairman

Secretary