

**NEW MEXICO STATE TRANSPORTATION COMMISSION
MEETING**

**Las Cruces Convention Center
Rooms 1-3
680 East University Avenue
Las Cruces, New Mexico 88001
April 21, 2016**

The New Mexico State Transportation Commission (STC or Commission) held a regular meeting on April 21, 2016, at the Las Cruces Convention Center, Las Cruces, New Mexico. Chairman Schmeits called the meeting to order at 8:30 a.m. Commissioner Mathews led meeting attendees in the Pledge of Allegiance. Chairman Schmeits asked for a moment of silence for Anthony Rivera and David Eggert, two NMDOT employees who were tragically killed in the line of duty in March.

Approval of the STC Agenda

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

Approval of the STC Minutes

Chairman Schmeits asked for a motion to approve the minutes of the regular STC meeting of February 18, 2016; Commissioner White made a motion to so approve; Commissioner Sepich seconded; motion carried unanimously.

Elected Officials and Delegations:

Greg Smith, Mayor Pro Tem, City of Las Cruces
Bill Gomez, New Mexico State Representative, District 34

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
Jackson Gibson, Commissioner, District Six (Absent with Notice)

NMDOT Staff Present:

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

Welcoming Remarks

The Honorable Greg Smith, Mayor Pro Tem, City of Las Cruces, welcomed the STC and NMDOT staff to Las Cruces. He spoke briefly about transportation and infrastructure in Las Cruces.

Bill Gomez, New Mexico State Representative, briefly addressed the Commission regarding the need for more statewide transportation funding.

Presentations by Elected Officials and Delegations

David Armijo, Executive Director, South Central Regional Transit District (SCRTD), gave a presentation entitled “The Challenge of Starting a Transit System,” during which he discussed SCRTD’s service area and routes and various matters including, what is needed to start a transit system, program development, staffing, communications, and funding.

Public Comment

David Smith, Town Marshall, Town of Red River, spoke briefly about Senate Bill 270 - Off-Highway Vehicles on Paved Roads (SB 270), which passed in the 2016 New Mexico Legislative Session, and specifically how it could benefit Red River. Marshall Smith also discussed his understanding of the STC's concerns regarding the safety of off-highway vehicles on paved roads.

District One Presentation and Employee Recognition

Trent Doolittle, P.E., District One Engineer, NMDOT, gave a presentation regarding District One activities, during which he discussed active and upcoming projects as well as maintenance projects. He also reported on the District's Employee Recognition Program and acknowledged the Magdalena Patrol as the Best Maintenance Patrol award winner, the Purchasing Section as the Crew of the Year, and Aaron Chavarria, Technical Support Engineer, as Employee of the Year. In addition, Mr. Doolittle introduced and recognized Henry Olivas and Randy Medina of the Williamsburg Patrol, as highway heroes who assisted at the scene of an accident in February 2016, and, in so doing, saved a life.

National Asphalt Pavement Association (NAPA) Awards Presentation - District One and District Three

Brian Jones, Executive Director, NAPA, presented Trent Doolittle, P.E., District One Engineer, and Kenneth Murphy, P.E., Acting District Three Engineer, with NAPA awards for prize winning projects completed by their respective districts.

Workshop Agenda

Finance Committee

Monthly Financial Report

Ron Baca, Financial Control Director, NMDOT, presented the NMDOT operating budget financial summary for the month ended March 31, 2016. He reported that NMDOT is in good financial standing. The current base budget is \$951 million, including budget adjustment requests (BARs) in the total amount of \$86.9 million. 81% of NMDOT's operating budget has been obligated or expensed, 19% is unobligated, but projected to be expended by the end of the fiscal year.

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 March 31, 2016, the balance in the portfolio was \$123.7 million, a net increase of \$8.5 million from February. The change is attributed to debt service payments of \$348,537, \$1.7 million in draws, plus total earnings of \$18,797, and \$10.5 million in debt service set asides payments. There is 50% in the project account, of which \$2.2 million is in the 2010A bond fund account, \$59 million in the 2014A Highway Infrastructure Fund (HIF) account, 50% in debt service accounts, and less than 1% in the arbitrage rebate account. On March 31, 2016, the 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 April 11, 2016, the amount to exit the

swaps was approximately \$123.3 million. Mr. Lovato also provided a breakdown regarding NMDOT/NMFA outstanding debt service.

Resolution Pertaining to the Extension and Revision of Certain STC Revenue Refunding

Index Notes and Related Agreements, Public Financial Management (PFM)

Recommendation and NMDOT Debt Management Update

Marcos B. Trujillo, Policy Director, NMDOT, and Peter Shellenberger, Managing Director, PFM, discussed a NMFA Resolution pertaining to the extension and revision of certain STC revenue refunding index notes and various other agreements concerning the related transactions.

Mr. Shellenberger detailed the specifics of the forthcoming mandatory tender of the indexed notes; considerations related to the transaction, including costs; and PFM's recommendations.

Mr. Shellenberger also presented PFM's updated NMDOT debt management report containing information regarding recent municipal market conditions, the Series 2011A-1, A-2, A-3 notes liquidity solicitation results and conclusive recommendation.

FY17 Operating Budget

Michael S. Friel, Accounting Services Director, NMDOT, outlined the particulars of NMDOT's FY17 Operating Budget in the total amount of \$867,553,000. He indicated that later in the meeting he would be requesting the STC's approval of NMDOT's FY17 Operating Budget, as appropriated by the General Appropriation Act of 2016 and signed by the Governor on February 29, 2016. Mr. Friel also informed the STC that State law requires all state agencies to provide reconciled operating budgets and other required forms to the Department of Finance and Administration by May 2, 2016.

Budget Adjustment Requests (BARs) for P562/Programs & Infrastructure

Michael S. Friel, Accounting Services Director, NMDOT, presented the following BARs for P562/Programs & Infrastructure: (1) BAR No. 6, which establishes additional budget authority for the FY16 Federal Aid Program (#20100) in the contractual services category for the purpose of increasing said services by \$75.1 million (\$64.1 million in federal funds and \$11 million in state road funds); (2) BAR No. 8 - Transit/FTA (#10030), which transfers \$70,000 from Category 400/Other to Category 200/Personal Services and Employee Benefits to cover projected shortfalls.; (3) BAR No. 9 - Aviation Fund (#20500), which transfers \$6,000 from Category 400/Other to Category 200/Personal Services and Employee Benefits to cover projected shortfalls; and (4) BAR No. 11, which establishes additional budget authority for the FY16 Interlock Device Program (#82600) by increasing Category 400/Other by \$200,000, to cover UNM's increased monitoring of service center providers and device manufacturers.

BARs for P563/Highway Operations

Michael S. Friel, Accounting Services Director, NMDOT, presented two BARs for P563/Highway Operations: (1) BAR No. 7, which establishes additional budget authority in the amount of \$3,500,000 for the FY16 US 550 Warranty Program to cover eligible expenditures made by NMDOT in association with the Mesa PDC warranty; and (2) BAR No. 10, which establishes additional budget authority in the amount of \$3 million from State Road Fund balance to cover a projected shortfall in Category 200/Personal Services and Employee Benefits. He explained that prior to the submittal of BAR No. 10, the Budget Section will verify and utilize any Category 200 savings within P562/Programs & Infrastructure and P564/Business Support in order to minimize the impact on the State Road Fund balance.

Infrastructure Committee

Resolution of Support for the Amtrak Southwest Chief and City of Lamar, Colorado

TIGER VIII Grant Application

Frank Sharpless, Transit and Rail Director, NMDOT, introduced a resolution recognizing the importance of the Amtrak Southwest Chief and endorsing and supporting the City of Lamar, Colorado's Tiger VIII Grant application for funds to aid in the continued operation of the Amtrak passenger train service on its current route. He explained that the City of Lamar will be submitting a TIGER VIII grant application this April for the purpose of funding capital maintenance projects on BNSF owned railroad in Colorado and Kansas and NMDOT owned railroad in New Mexico, which is used by Amtrak's Southwest Chief. NMDOT, BNSF, Amtrak, the Colorado Department of Transportation, the Kansas Department of Transportation, and local governments in the three states have pledged local matching funds. The capital projects will ensure continued operation of the Southwest Chief on its current alignment.

Policy Committee

Proposed Amendments to Commission Policy 1- New Mexico State Transportation

Commission Organization and Meetings (CP 1)

Loren Hatch, Deputy Secretary, NMDOT, discussed certain proposed amendments to CP 1, which is the policy that sets forth the guidelines regarding the organization and meetings of the STC. He explained that because of the State's current revenue shortages, there is presently a compelling need to achieve maximum efficiency with limited financial resources. Thus, the STC

and NMDOT have a duty to be as conservative as possible in expending NMDOT funds and staff time. This can be accomplished, in part, by reducing the STC's schedule of monthly meetings, and, instead, holding regular STC meetings every other month, or on an as needed basis. It is therefore recommended that the applicable provisions of CP 1 be amended to include provisions for a revised STC meeting schedule.

Proposed Amendments to the 2016 STC Meeting Schedule

Loren Hatch, Deputy Secretary, NMDOT, outlined the proposed amended 2016 STC meeting schedule discussed above. The new schedule reflects that the remaining 2016 STC meetings will now take place every other month. Per the proposed revisions, the STC's May 19, 2016, July 21, 2016 and November 17, 2016 meetings have been eliminated, leaving STC meetings to take place on June 16, 2016, August 18, 2016 and October 6, 2016. A special meeting may need to be scheduled in December 2016 in order to allow for the STC's approval of NMDOT's Annual Report; a 3-day advance notice will be required for that meeting.

Development of a New Commission Policy Relating to Senate Bill 270 - Off-Highway

Vehicles on Paved Roads (SB 270)

Loren Hatch, Deputy Secretary, NMDOT, discussed the development of a new Commission Policy relating to SB 270 - Off-Highway Vehicles on Paved Roads. SB 270 was passed by the New Mexico Legislature in the 2016 legislative session and subsequently signed by the Governor. It adds provisions to NMSA 1978, 66-3-1011, part of the Off-Highway Motor Vehicle Act, to allow use of off-highway vehicles (OHVs) on streets, roads and highways under certain conditions. A new paragraph C allows OHVs to operate only if authorized by ordinance or resolution of a local authority or the STC on a paved street or highway owned or controlled by the authorizing entity. A new paragraph D provides that, by ordinance or resolution, a local

authority or the STC may establish separate speed limits and operating restrictions for OHVs where they are allowed pursuant to paragraph C.

Regular Meeting Agenda

Staff Briefings

Secretary Report

Tom Church, Cabinet Secretary, NMDOT, thanked Anthony Lujan, Deputy Secretary, NMDOT and David Trujillo, P.E., District Four Engineer, NMDOT, for assistance they provided to the families of the two District Four employees, who were tragically killed while performing highway work last month.

FHWA Report

J. Don Martinez, Division Administrator, FHWA, briefly discussed Executive Dashboard Metrics for the time period of October through December 2015. He outlined certain statistics concerning statewide and district change orders; physical project completion dates vs. final payment dates, as identified in the SHARE accounting system; inactive obligations; STIP obligations and letting; the Tribal/Local Public Agency (T/LPA) project summary by Metropolitan Planning Organization (MPO)/Rural Tribal Planning Organization (RTPO), and the Highway Safety Improvement Program (HSIP).

Action Items

Approval of Resolution Pertaining to the Extension and Revision of Certain STC Revenue

Refunding Index Notes and Related Agreements

Marcos Trujillo, Policy Director, NMDOT, requested the STC's approval of the resolution pertaining to the extension and revision of certain STC revenue refunding index notes and various other agreements concerning the related transactions.

Chairman Schmeits asked for a motion to approve the resolution pertaining to the extension and revision of certain STC revenue refunding index notes and agreements concerning the related transactions; Commissioner Mathews made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.

Approval of STC's Official Recognition of the Importance of the Amtrak Southwest Chief

and Its Endorsement and Support of the City of Lamar, Colorado's TIGER VIII Grant

Application for Funds to Aid in the Continued Operation of the Amtrak Passenger Train

Service on its Current Route

Loren Hatch, Deputy Secretary, NMDOT, requested the STC's approval of its official recognition of the importance of the Amtrak Southwest Chief and its endorsement and support to the City of Lamar, Colorado's TIGER VIII Grant Application for funds to aid in the continued operation of the Amtrak passenger train service on its current route.

Chairman Schmeits asked for a motion for approval of the STC's official recognition of the importance of the Amtrak Southwest Chief and its endorsement and support to the City of Lamar, Colorado's TIGER VIII Grant application for funds to aid in the continued operation of the Amtrak passenger train service on its current route;

Commissioner White made a motion to so approve; Commissioner Mathews seconded; motion carried unanimously.

Approval of NMDOT FY17 Operating Budget

Michael S. Friel, Accounting Services Director, NMDOT, requested the STC's approval of the NMDOT FY17 operating budget.

Chairman Schmeits asked for a motion to approve the NMDOT FY17 operating budget; Commissioner Mathews made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.

Approval of FY16 BAR No. 6 for Programs & Infrastructure - Federal Aid Program

Michael S. Friel, Accounting Services Director, NMDOT, requested the STC's approval of FY16 BAR No. 6 for Programs & Infrastructure - Federal Aid Program.

Chairman Schmeits asked for a motion to approve FY16 BAR No. 6 for Programs & Infrastructure - Federal Aid Program; Commissioner Mathews made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.

Approval of FY16 BAR No. 8 for Programs & Infrastructure - Transit FTA

Michael S. Friel, Accounting Services Director, NMDOT, requested the STC's approval of FY16 BAR No. 8 for Programs & Infrastructure - Transit FTA.

Chairman Schmeits asked for a motion to approve FY16 BAR No. 8 for Programs & Infrastructure - Transit FTA; Commissioner Sepich made a motion to so approve; Commissioner White seconded; motion carried unanimously.

Approval of FY16 BAR No. 9 for Programs & Infrastructure - Aviation Fund

Michael S. Friel, Accounting Services Director, NMDOT, requested the STC's approval of FY16 BAR No. 9 for Programs & Infrastructure - Aviation Fund.

Chairman Schmeits asked for a motion to approve FY16 BAR No. 9 for Programs & Infrastructure - Aviation Fund; Commissioner Mathews made a motion to so approve; Commission Sepich seconded; motion carried unanimously.

Approval of FY16 BAR No. 11 for Programs & Infrastructure - Interlock Device Fund

Michael S. Friel, Accounting Services Director, NMDOT, requested the STC's approval of FY16 BAR No. 11 for Programs & Infrastructure - Interlock Device Fund.

Chairman Schmeits asked for a motion to approve FY16 BAR No. 11 for Programs & Infrastructure - Interlock Device Fund; Commissioner Mathews made a motion to so approve; Commission White seconded; motion carried unanimously.

Approval of FY16 BAR No. 7 for Highway Operations - US 550 Warranty Program

Michael S. Friel, Accounting Services Director, NMDOT, requested the STC's approval of FY16 BAR No. 7 for Highway Operations - US 550 Warranty Program.

Chairman Schmeits asked for a motion to approve FY16 BAR No. 7 for Highway Operations - US 550 Warranty Program; Commissioner Mathews made a motion to so approve; Commission White seconded; motion carried unanimously.

Approval of FY16 BAR No. 10 for Highway Operations - Category 200/Personal Services and Employee Benefits

Michael S. Friel, Accounting Services Director, NMDOT, requested the STC's approval of FY16 BAR No.10 for Highway Operations/Category 200/Personal Services and Employee Benefits.

Chairman Schmeits asked for a motion to approve FY16 BAR No. 10 for Highway Operations/Category 200/Personal Services and Employee Benefits; Commissioner Mathews made a motion to so approve; Commission Mortensen seconded; motion carried unanimously.

Approval of Proposed Amendments to Commission Policy 1 - New Mexico State

Transportation Commission Organization and Meetings (CP 1)

Loren Hatch, Deputy Secretary, NMDOT, requested the STC's approval of the proposed amendments to CP 1.

Chairman Schmeits asked for a motion to approve the proposed amendments to CP 1; Commissioner Sepich made a motion to so approve; Commission White seconded; motion carried unanimously.

Approval of Amended 2016 STC Meeting Schedule

Loren Hatch, Deputy Secretary, NMDOT, requested the STC's approval of the amended 2016 STC meeting schedule.

Chairman Schmeits asked for a motion to approve the amended 2016 STC meeting schedule; Commissioner White made a motion to so approve; Commission Mortensen seconded; motion carried unanimously.

Commissioner Comments

Commissioner White extended his thanks to everyone who attended the meeting and the Engineers Conference in Las Cruces.


Commissioner Sepich thanked the City of Las Cruces for hosting the meeting and acknowledged the NMDOT staff for meeting related work.

Commissioner Mortensen expressed his appreciation to Las Cruces and stated he was pleased that NMDOT acknowledged highway heroes Henry Olivas and Randy Medina for assisting at the scene of an automobile accident.

Commissioner Mathews extended his thanks to the City of Las Cruces and shared his thoughts concerning off-highway vehicle issues.

Chairman Schmeits thanked to the City of Las Cruces.

Chairman Schmeits asked for a motion to adjourn the regular meeting at 11:45 a.m.; Commissioner Mathews made a motion to so adjourn; Commissioner Sepich seconded; motion carried unanimously.



Chairman

Ronald Schmeits



Secretary

Kenneth R. White