

**NEW MEXICO STATE TRANSPORTATION COMMISSION
MEETING**

**Best Western Socorro Hotel and Suites Convention Center
1100 N. California Street
Socorro, New Mexico 87801
October 15, 2015**

The New Mexico State Transportation Commission (STC or Commission) held a regular meeting on October 15, 2015, at the Best Western Socorro Hotel and Suites Convention Center, Socorro, 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 Agenda

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

Approval of the Minutes

Chairman Schmeits asked for a motion to approve the minutes of the regular meeting of September 17, 2015; Commissioner Mathews made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.

Elected Officials and Delegations:

Ravi Bhasker, Mayor, City of Socorro
Nick Fleming, City Councilor, City of Socorro

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 Ravi Bhasker, Mayor, City of Socorro, welcomed the STC and NMDOT staff to Socorro. He provided an overview of local events and projects and detailed needed improvements to US 60.

District One Presentation

Trent Doolittle, P.E., District One Engineer, NMDOT, gave a presentation regarding District One activities, during which he discussed various matters, including the I-25 mill and inlay project in Socorro County, which received the 2014 Pavement Smoothness Award; the District's completed, current and future projects; and the NMDOT 2015 Statewide Equipment Road'eo.

Workshop Agenda

Finance Committee

Monthly Financial Report

Bridgette Long, Acting Accounting Services Director, NMDOT, presented the NMDOT operating budget financial summary for the month ending September 30, 2015. She reported that NMDOT's overall budget for FY16 is approximately \$1.196 billion and is currently tracking at \$1.2 billion. As of October 15, 2015, \$169.99 million had been expended. FHWA revenues, which are based on reimbursements, are at \$54.37 million, and are tracking ahead of last year. Road Fund balance reserves are estimated at \$54.64 million. Personnel Services are \$37.46 million, Contractual Services total \$71.73 million, other Operating Costs equal \$23.42 million, and Debt Service is \$37.38 million.

New Mexico Finance Authority (NMFA) Monthly Report

Mark Lovato, Investment Manager, NMFA, provided an update regarding NMDOT portfolio funds under NMFA management. As of September 30, 2015, the balance in the portfolio was \$123.9 million, a net increase of \$6.3 million from August. The change is attributed to debt service payments of \$343,840, \$6.8 million in draws, plus total earnings of \$3,891, and \$13.4 million debt service set asides payments. There is 66% in the project account, of which \$4.8 million is in the 2010A bond fund account, \$76.8 million in the 2014A Highway Infrastructure Fund (HIF) account, 33% in debt service, and 1% in the arbitrage rebate account. On September 30, 2015, the balance in the taxable line of credit at Bank of America was \$45 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 October 6, 2015, the amount to exit the swaps was \$116.6 million. Mr. Lovato also provided a breakdown regarding NMDOT/NMFA outstanding debt service.

STC Taxable Line of Credit Resolution

Marcos B. Trujillo, Policy Director, NMDOT, presented proposed State Transportation Commission Resolution No. 2015-05 (OCT) authorizing and directing the execution of a taxable line of credit in an aggregate principal amount not to exceed \$50 million. The purpose of the line of credit is to provide funds to finance collateral calls that may be required under certain Qualified Exchange Agreements or swap requirements. The line of credit will be issued by RBC, will be a three year facility with the spread above LIBOR set at 53 basis points, and the commitment fee on the unutilized portion set at 15 basis points.

Infrastructure Committee

Statewide Transportation Improvement Plan (STIP) Project Modifications

Armando Armendariz, P.E., State Construction Bureau, NMDOT, and Dolores Gallegos, PINF Finance Bureau Chief, NMDOT, presented an update regarding 2015 STIP modifications. The update was given in response to a request made by the STC at its September 2015 meeting, during which a discussion occurred concerning STIP stabilization.

US 491 Progress Update

Larry Maynard, P.E., District Two Engineer, NMDOT, gave a brief update on the progress of the current US 491 project. The project site is located north of Gallup from mile marker 15.6 to mile marker 37. As of October 1, 2015, project work was tracking ahead of schedule, and it is anticipated that all improvements will be completed by the end of 2016. The total cost of the project is \$83 million, including gross receipts tax. District Engineer Maynard also outlined the particulars of the pavement plan for the project.

Policy Committee

Proposed Amendments to Commission Policy No. 21 – Annual Report (CP 21)

Loren Hatch, Deputy Secretary, NMDOT, discussed proposed amendments to CP 21. CP 21 is the policy that directs the Secretary of Transportation to submit the Annual Report required under Section 67-3-22, NMSA 1978, to the STC for approval prior to its submission to the Governor.

Commission Policy No. 27 – Disadvantaged Business Enterprise (DBE) Program (CP 27)

Loren Hatch, Deputy Secretary, NMDOT, discussed CP 27, which is the policy that encourages and supports a DBE Program and authorizes the Secretary of Transportation, within the Office of Equal Opportunity Programs, to develop and administer a DBE Program as required by federal law. The STC Policy Committee, at its September 2015 meeting, reviewed and discussed CP 27. At that time, NMDOT staff recommended allowing CP 27 to expire because it is not needed. The DBE program is required as part as the Federal Highway Administration Program and will continue with or without CP 27.

Proposed 2016 STC Meeting Schedule

Anthony Lujan, Deputy Secretary, NMDOT, presented the proposed 2016 STC meeting schedule. The STC requested its October 2016 meeting to be held during NMDOT's annual Statewide Equipment Road'eo so the Commissioners may attend the Road'eo events. Accordingly, that meeting will be held on Thursday, October 6, 2016 in Roswell. Because the meeting will occur at the beginning of the month, it was requested that the September 2016 and October 2016 STC meetings be combined. The next regular meeting of the STC will occur in November 2016.

Regular Meeting Agenda

Staff Briefings

Secretary Report

Tom Church, Cabinet Secretary, NMDOT, provided a brief report to the STC. He discussed NMDOT performance measures, public transportation, construction, fatalities, highway operations, pavement miles preserved, rest areas, work zones, payments, salaries, and vacancy percentages in all programs. He also reported that the 2015 Statewide Equipment Road'eo was very successful, a significant number of employees participated, and District Four took home the cup.

FHWA Report

J. Don Martinez, Division Administrator, NMDOT, provided a brief report to the STC. He identified successful practices under current NMDOT leadership to include planning, environment, right of way, Highway Beautification Act oversight, project oversight, construction, implementation of every day counts, communications protocol, and STIP delivery and obligation.

Action Items

Approval of Proposed Amendments to Commission Policy No. 30 (CP 30), Office of

Inspector General

David Stevens, Assistant General Counsel, NMDOT, requested the STC's approval of proposed amendments to CP 30.

Chairman Schmeits asked for a motion to approve the proposed amendments to CP 30; Commissioner White made a motion to so approve; Commissioner Mathews seconded; motion carried unanimously.

Approval of Proposed 2016 STC Meeting Schedule

Anthony Lujan, Deputy Secretary, NMDOT, requested the STC's approval of the proposed 2016 STC meeting schedule.

Chairman Schmeits asked for a motion to approve the proposed 2016 STC meeting schedule; Commissioner Sepich made a motion; Commissioner Mathews seconded; motion carried unanimously.

Approval of STC Taxable Line of Credit Resolution

Marcos B. Trujillo, Policy Director, NMDOT, requested the STC's approval of State Transportation Commission Resolution No. 2015-05 (OCT) authorizing and directing execution of a taxable line of credit in an aggregate principal amount not to exceed \$50 million.

Chairman Schmeits asked for a motion to approve the STC taxable line of credit resolution; Commissioner Mathews made a motion to so approve; Commissioner Sepich seconded; motion carried unanimously.

Commissioner Comments

Commissioner White thanked the City of Socorro. He stated that he thought the meeting was successful and that he enjoyed interacting with members of the community.

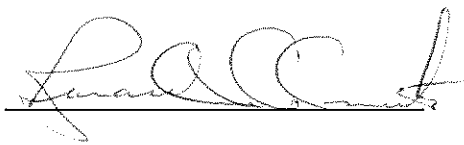
Commissioner Sepich thanked the City Socorro and expressed his appreciation for its hospitality. He also complimented Secretary Church and NMDOT staff.

Commissioner Mortensen also extended his thanks to the City of Socorro.

Commissioner Mathews expressed his appreciation to NMDOT staff and thanked the City of Socorro.

Chairman Schmeits also thanked the City of Socorro and expressed his appreciation to NMDOT staff.

Chairman Schmeits asked for a motion to adjourn the regular meeting at 10:45 a.m.; Commissioner Mortensen made a motion to so adjourn; Commissioner Mathews seconded; motion carried unanimously.



Chairman

Ronald Schmeits



Secretary

Kenneth R. White