



ALAMOGORDO PUBLIC SCHOOLS BOARD OF EDUCATION
Administrative Complex – 1211 Hawaii Ave., Alamogordo, NM

MINUTES

BOARD WORK SESSION

Tuesday, January 10, 2023 – 5:30 p.m.
APS Board Room

Board Members present were: President Judy V. Rabon
Vice-President Amber Ross
Secretary Carol Teweleit
Member Angela M. Cadwallader
Member Amanda Jewell
Holloman Ex-Officio Col. Nicholas Pederson

Student Ex-Officio Savannah Veith was absent from this meeting (attendance not required).

District staff members present: Dr. Ken Moore, Superintendent
Lisa Patterson, Executive Assistant
Colleen Tagle, Deputy Superintendent
Pamela Renteria, Deputy Superintendent

The work session was called to order at 5:30 p.m. Executive Assistant Lisa Patterson recorded the minutes.

Meeting Objective: Review and Discuss 2023 Bond & Mill Levy Election

Superintendent Moore briefly stated that the purpose of this evening's work session is to begin our discussions of the bond and mill levy missions and processes with facts and to present the Board with two options. Specific projects will not be discussed this evening. Presenting this evening will be Mr. Kurt Morton and Mr. Juan Dorado from Dekker Perich Sabatini Architectural Firm to speak about the two options for capital funding, Board Attorney, Pat Ives will speak about the mechanics of levy and bond elections, Bond Advisor Regina Gaysina from RBC Capital Market, and Mr. Bryan Runyan from K-12 Accounting. This is a board work session so no action will be taken by the Board this evening.

Mr. Kurt Morton – Architect with Dekker Perich Sabatini

Provided an overview of the Capital Project Funding, discussing the facts about funding and providing an overview of current facility conditions.

General Obligation Bonds (GO Bond)

- Bonds allow school districts to borrow funds and take on debt by selling bonds
- School districts sell bonds to investors and have to pay back principal and interest on the bonds
- Voters approve a maximum amount the District is allowed to sell without another election
- The bond dollars are used for projects described in the bond language

There is a 4-year period in which the bonds may be sold following the passage of the bond at an election. If approved by the Board, the next GO Bond election will be held in 2023. Funds generated through GO Bonds may be used to erect, remodel, make additions to, furnish public school buildings, purchase or improve school grounds, purchase computer hardware or software for student use in the classroom, or any combination of these purposes.

Mill Levies (SB-9) (HB-33)

- Allows school districts to set levies on property tax at a defined rate
- This is not debt owed by the District but is a means of financing based on revenue from property taxes
- Tax rates are approved by voters and taxes are levied based on property values
- Mill levies have specific allowable capital expenses tied to them

The last SB-9 passed by Alamogordo voters was in 2019; approval in 2019 did not increase the previous tax rate amounts. Upon approval of the Board, SB-9 will be voted on in 2023 and consolidated with HB-33 to efficiently plan and budget for future district projects.

Funds generated through these levies may be used to remodel, erect, make additions to, provide equipment for, or furnish public school buildings, purchase or improve school grounds, maintain public school buildings/grounds, purchase activity vehicles for transporting students to extracurricular activities, purchase computer software and hardware for student use in public school classrooms.

House Bill 33 (HB-33)

These funds may be used to remodel, erect, make additions to, provide equipment for, or furnish public school buildings, purchase or improve school grounds, purchase activity vehicles to transport students to and from extracurricular activities, administering the projects undertaken pursuant to items above, including expenditures for facility maintenance software, project management software, project oversight and district personnel specifically related to administration of projects funded by the Public School Buildings Act. HB-33 cannot be used for maintenance.

Both of these are voter supported means of financing capital projects for public schools through property taxes.

Funding Allocation Options

Option 1: Accumulate resources and partner with New Mexico Public School Facilities Authority (PSFA) to receive matching funds for large project completion.

Considerations:

- Construction of a new school ensures facility use and longevity for 50+ years
- Variables regarding existing conditions, often in renovation projects, are removed in new construction projects
- Modern new facilities can meet 21st century learning and district design standards
- Funding participation with PSFA requires APS adheres to PSFA State Adequacy Standards for above allowable funding contributions
- Procurement of prospective bidders on a project must follow PSFA requirements –timelines must be managed as a team
- Volatile current construction cost markets provide uncertainty during the design phase, requiring conservative budgeting by APS and negotiation with funding partners.
- Funding the scale of new construction may delay other projects.

Option 2: Support student achievement by modernizing the learning environments with investments of future funding in existing District-wide facility upgrades.

Considerations:

- Procurement methods for smaller projects often has other opportunities through CES, aiding on timelines for contractor and design professional selection
- Funding of projects directly by APS allows District to be the sole owner and decision maker for the project
- Multiple projects could be budgeted for construction simultaneously, promoting opportunity

- for parity among school learning environments
- Maintaining/updating existing campuses often receives positive community support and instills alumni/parent pride.
- Renovation of existing facilities would require upgrade of various systems and exploration of unknown conditions
- There are balances that must be discussed regarding renovation scope, project budget, and remaining building life span.

Patricia Salazar-Ives, Board Attorney

Board Attorney, Patricia Ives, provided an overview of the process of a regular local election and a special election and answered questions posed by the Board. A special election can only be held for the mil levy and bond funding questions that the school board chooses to put on the ballot. There can be no other county or municipality elections being held at the same time as a special election. Voters go to various polling sites for regular local elections, but with special elections, voting is done on mail-in ballots. Regular elections are paid by everyone generally and special elections are paid only by the school district. Many school districts elect to have special elections, especially for mil levy funding because should it fail at a special election, the same mil levy question can be voted on again at a regular local election.

Regina Gaysina, RBC Capital Markets

Regina Gaysina, Bond Advisor, gave the Board an overview on the bond finance plan, tax rates, and the timeline for the sale of the bonds and answered questions posed by the Board. Ms. Gaysina discussed the history of the assessed valuation growth rates.

Election timing:

- Two Mill Levy election occurs every six years, most recently in February, 2019. Next election recommended in November 2023 due to the change in the election law.
- HB-33 Election in 2018. Next election recommended in November 2023 due to change in the election law
- Bond election every four years

Successful GO bond election in November 2019 for \$17 million to be sold over a four-year period or as directed by the district:

- \$4,490,000 sold in 2020
- \$3,830,000 sold in 2021
- \$4,000,000 sold in 2022
- \$4,000,000 to be sold in 2023

Bryan Runyan, K-12 Accounting

Mr. Bryan Runyan provided a breakdown of the current operational expenditures and spoke about expenditures that could potentially be reduced should these bonds fail. Mr. Runyan stated that 82% of the total operational budget is budgeted in salary and benefits and 63% of our operational budget is budgeted in instructional and classroom support.

The meeting adjourned at 7:54 p.m.

Julian V. Rabon 1-19-23
Board President Date

Cowd Lambert 1/19/23
Board Secretary Date