

Quarterly Update as of June 2018
Outstanding Local Capital Outlay Appropriations
\$300,000 to \$999,999

BACKGROUND

- The LFC tracks local capital projects funded by \$300,000 but less than \$1 million with data derived from the Capital Project Monitoring System (CPMS) operated and maintained by the Department of Finance and Administration (DFA).
- “Local” capital projects are sponsored by individual legislators or the governor and funded with allocations set aside for these types of projects. In some years, individual legislators may also support funding for state-owned facilities such as museums and universities.
- Grantees responsible for oversight of the project are required to update CPMS monthly; state agencies are required to update quarterly.
- There continues to be a number of discrepancies and contradictions between the entity and agency updates. Twenty-one did not have current updates to CPMS as required by executed grant agreements, down from 30 projects last quarter. (See red-bordered items on Attachment B). Agencies had not provided updates for eight projects, local updates were lacking for 14 projects, and one project was not updated by either the agency or local entity.

REPORTS

- **Attachment A** is a summary “by county” for all 799 outstanding local projects authorized between 2014 and 2017. Outstanding balances total \$60.7 million, 47.1 percent of the appropriation total.
- Twenty-two outstanding local projects are multiple-county or statewide projects. Outstanding balances total \$3.2 million, or 60.3 percent of the appropriation total.
- Counties highlighted in “red” have a high percentage of unspent funds, which total 8.4 percent of 2014 funding, 53.3 percent of 2015 funding, 58.5 percent of 2016 funding, and 77.4 percent of 2017 funding.
- Of funds authorized in 2014, only one county had at least 60 percent unspent: Mora, with 99 percent unspent. Of funds authorized in 2015, two counties had at least 75 percent unspent: Lea and Taos. Of funds authorized in 2016, six counties had at least 85 percent unspent: Catron, Cibola, Eddy, Los Alamos, Luna, and Union. Of funds authorized in 2017, six counties had at least 95 percent unspent: Catron, Eddy, Lincoln, Otero, San Juan, and Valencia.
 - In addition, four multiple-county projects have 100 percent of funds unspent: three projects in Bernalillo and Sandoval counties (authorized in 2015, 2016, and 2017), and one project in Rio Arriba and Santa Fe counties (authorized in 2017).
- Of the 80 local projects funded for more than \$300 thousand but less than \$1 million, about \$16.3 million is unexpended; 18 projects are coded red due to no activity or because the bonds have not sold and 14 projects are coded yellow, indicating the projects are behind schedule or have little activity.
- Since the March 2018 quarterly report, 29 projects funded for more than \$300 thousand but less than \$1 million closed with more than \$7.5 million expended or reverted. These figures include seven projects that were not fully expended, but closed due to reauthorization during the 2018 legislative session; these reauthorized projects had balances totaling almost \$1.9 million as of March 2018.

MAJOR PROJECTS COMPLETED WITHIN THE LAST QUARTER

➤ Los Lunas Silvery Minnow Refugium Production Facility (2014 STB)	\$900,000
➤ Willard Sewer System Improvements (2014 STB)	\$840,000
➤ Power Lake Dam Improvements (2014 STB)	\$800,000
➤ Las Cruces Septic Systems Replacement (2016 STB)	\$540,000
➤ Ramah Chapter Mountain View Water System Improvements (2014 STB)	\$500,000

HIGHLIGHTS OF SELECT PROJECTS

Las Cruces Traffic Signal Management Control Center (14-1913)

- **Line 27**, \$725,000 (2014 STB) this project was in construction and overall 92 percent complete when reauthorization caused work to be halted in March. Although a new grant agreement was executed in June, this delay impacted the project's schedule and scope, as it was being completed in coordination with a New Mexico Department of Transportation project that could not accommodate the delay. It also caused some cost increases due to the inconvenience caused to the contractor. At the time the project was frozen it was on track to complete by mid-April, but Las Cruces was not certain the project would meet that timeline when it submitted the reauthorization request.

Willard Sewer System Improvements (14-1734)

- **Line 74**, \$840,000 (2014 STB) last quarter this project still had a balance of \$562 thousand and was set to expire at the end of FY18, but it was able to complete this quarter. Although the project completed work on its existing contract, the grant still had a balance of about \$90 thousand. These funds could have been used for additional work on the sewer system within the scope of the grant, but there was insufficient time to do so and the balance reverted at the end of FY18. Unlike the Las Cruces Traffic Signal Management Control Center project (above), this project might have benefitted from a reauthorization that would have allowed it to fully expend those funds.

National Hispanic Cultural Center Information & Welcome Center (14-1339)

- **Line 12**, \$564,000 (2014 STB) an RFP was issued for this project, but bids significantly exceeded the project's maximum allowable construction cost. The Department of Cultural Affairs reduced the project scope by 1,000 square feet, but this only reduced the estimated cost by \$250 thousand. This fits into a larger pattern of bids for state projects coming in significantly over budget due to rising construction costs. The project was reauthorized in 2018, so it should have time to complete once the department has determined what can be completed within the budget.

Las Cruces Public Schools Field of Dreams Lighting/Irrigation/Bleachers (16A4036)

- **Line 36**, \$339,000 (2016 STB) the district completed the project with its own funds but failed to comply with the process for obligating funds. The district did not succeed in getting the funds reauthorized, and the entire grant amount reverted at the end of FY18.

Cloudcroft Water Treatment/Recycling Facility (16A2278)

- **Line 54**, \$582,000 (2016 STB) while construction on the wastewater treatment plant component of the project is near completion, construction on the water treatment plant (WTP) has yet to begin. The WTP was originally scheduled to go out for bid by mid-March, but the project is currently still waiting for the engineer to prepare the WTP bid packet. This work is a component of the Cloudcroft PURE project, which was originally funded in 2004 and scheduled for completion in June 2006.