

THE UNIVERSITY OF NEW MEXICO
Regents' Finance and Facilities Committee
May 7, 2009 – Meeting Summary

Committee Members Present: Regent Mel Eaves; Regent Don Chalmers; Regent James Koch; EVP & Provost Suzanne Ortega; EVP Paul Roth

Committee Members Absent: Mr. Jerry Geist

Non-voting Members Present: Regent Raymond Sanchez

Other Attendees:

Duane Arruti, Human Resources; **Martha Bedard**, UNM Libraries; **Steve Beffort**, Institutional Support Services; **Kara Bobroff**, Native American Community Academy; **Breda Bova**, UNM President's Office; **Loyola Chastain**, Staff Council; **Christine Chavez**, Internal Audit; **Bruce Cherrin**, Purchasing; **Andrew Cullen**, Budget Office; **Gary Cuttrell**, Dental Services; **Ashley Fate**, ASUNM; **Rachel Felix**, EVP Office; **Bob Fondino**, HSC Finance; **Debra Fondino**, University Services; **Julia Fulghum**, VP Research; **Van Gilbert**, Van H. Gilbert Architect; **Bob Goodman**, Sandia Foundation; **Gary Gordon**, UNM Foundation; **Kathy Guimond**, UNMPD; **Tim Gutierrez**, Student Affairs; **David W. Harris**, EVP for Administration, COO and CFO; **Benson Hendrix**, University Communication & Marketing; **Miguel Hidalgo**, Capital Projects; **Michael Hill**, Van H. Gilbert Architect; **Beth Johnson**, Hammond Associates; **Jim Kalvelage**, Opsi Architecture; **Mary Kenney**, Planning & Campus Dev.; **Lisa Kuuttila**, STC.UNM; **Ava Lovell**, Finance; **Lisa Marbury**, Institutional Support Services; **Cenissa Martinez**, EVP Office; **Steve McKernan**, UNMH; **Susan McKinsey**, Communications & Marketing; **Walt Miller**, AVP Student Life; **Kim Murphy**, Real Estate; **Cedric D. Page**, UNM Los Alamos; **Curt Porter**, Provost's Office; **Christopher Ramirez**, GPSA; **Raquel Rodriguez**, UNM Foundation; **Mark Reynolds**, UNM ITS; **Martin Salazar**, Albuquerque Journal; **David J. Schmidly**, UNM President; **Donna Smith**, SRS; **Donald Sollami**, Johnson Center; **Leah Steimel**, HSC VP Office of Community Affairs; **Carol Stephens**, Policy Office; **John Stropp**, UNM Foundation; **Carolyn Thompson**, UNM Strategy; **Jim Todd**, Recreational Services; **Chris Vallejos**, Institutional Support Services; **Harry Weaver**, SOE; **Ellen Wenzel**, Regents' Office; **Fran Wilkinson**, Library; **John Wood**, SOE; **Richard Wood**, Faculty Governance Committee; **Roger Wrolstad**, Recreational Services

Regent Eaves called the meeting to order at 9:03 a.m. in the Roberts Room at Scholes Hall.

COMMENTS:

Christopher Ramirez announced that this would be his last time representing GPSA at F&F meetings. He expressed gratitude for the approval of new money from the Regents' Endowment for the Graduate and Professional students.

Ashley Fate announced that this would be her final meeting as a representative from ASUNM.

ACTION ITEMS:

- 1. Meeting Summary from February 5, 2009. Regent Chalmers moved to approve and Regent Koch seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

2. **Disposition of Surplus Property on Lists dated February 18, March 18 and April 21, 2009.** Bruce Cherrin made the presentation. **Regent Chalmers moved to approve and Regent Koch seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
3. **Approval of Contracts:**
 - a) **UNMH – Stryker Orthopedics.** Steve McKernan made the presentation. This contract provides implants for joints, knees and hips. The cost is \$2.5 million per year. In response to Regent inquiry, UNMH keeps an inventory of implants.
 - b) **UNMH – Delta Dental of New Mexico.** Steve McKernan made the presentation. This contract will provide dental insurance benefits for hospital employees. Total cost is \$1.5 million. In response to Regent inquiry, the contract is an administrative-only contract.
 - c) **UNMH – Cisco Systems and American Power Corporation.** Steve McKernan made the presentation. This contract allows for the installation of a new digitized telephone system in the Bradbury building. Total cost is \$1.1 million.
 - d) **UNMH – Office Systems Installation “OSI.”** Steve McKernan made the presentation. This contract provides moving expenses and new purchases for equipment to Bradbury building. In response to Regent inquiry, the contractors are selected by competitive bidding.
 - e) **UNMH – Cerner Corporation (cost - \$583,057).** Steve McKernan made the presentation. This purchases large screen technology, which will display vital signs of patients in intensive care units at UNMH.
 - f) **UNMH – Cerner Corporation (cost - \$500,000).** Steve McKernan made the presentation. Cerner will provide half-price consulting services at the discretion of UNM.

Paul Roth moved to approve items 3a-3f and Regent Chalmers seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.

- g) **Network IT Equipment and Installation.** Bruce Cherrin made the presentation. This contract provides for the consolidation of networking IT equipment and installations, including IT equipment for 933 Bradbury. **Suzanne Ortega moved to approve and Regent Koch seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**
4. **Approval of Capital Projects and Architect Selection:**
 - a) **Clean Room Upgrades: Phase IV (MTTC).** Miguel Hidalgo made the presentation. This request for approval includes capital expenditures and improvements to the Manufacturing Technology Training Center (MTTC), located next to the Science and Technology Park. The MTTC building was constructed in 1997. This facility is not only used by undergraduate and graduate students, but is also shared by CNM students and local high school students. When the building was constructed, there were approximately 6,000 sq. ft. of shell space provided for clean room modifications. Over the years, Director John Wood has been able to secure a significant amount of equipment, and there have been major modifications to this building. This particular phase will make infrastructure modifications to the clean room facilities. Total project budget is \$1,270,000, funded by the 2008 Federal Economic Development Administration Grant and a 2007 New Mexico General Fund Appropriation. **Suzanne Ortega moved to approve and Regent Koch seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**

- b) **UNM – Los Alamos Lecture Hall.** Miguel Hidalgo made the presentation. This facility will be utilized at the Los Alamos branch for lecture purposes. This project provides a 1500 sq. ft. addition to Building 5. The lecture hall will seat approximately 150 students, and will be utilized within the existing facilities along with some common spaces. Total project budget is \$312,500, funded by 2006 State General Obligation Bonds and UNM-Los Alamos Plant Funds from Student Fees. **Regent Eaves moved to approve and Regent Koch seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**

 - c) **UNM – Los Alamos General Building Upgrades.** Miguel Hidalgo made the presentation. This improvement addresses capital renewal and deferred maintenance needs at the UNM Los Alamos branch campus. The improvements will be applied to buildings 5 and 6. The project includes significant interior improvements, restroom improvements, re-roofing, and other general building upgrades. Total project budget is \$500,000, funded by 2008 Severance Tax Bonds and UNM Los Alamos Plant Funds from Student Fees. In response to Regent inquiry, the low bidding opportunities have been taken into consideration. **Regent Chalmers moved to approve and Regent Koch seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**

 - d) **UNM – Taos Construction Completion of Early Childhood Care Center.** Miguel Hidalgo made the presentation. This is a request for approval to construct an addition of 3000 sq. ft. to the existing Taos Child Care facility. The addition includes: two pre-kindergarten classrooms, bathrooms and associated facilities. Total project budget is \$1,500,000, funded by a 2008 Federal HUD Grant, Taos County Gross Receipts Tax, and 2009 NM Severance Tax Bonds. In response to Regent inquiry, design and build is required when the project cost is over \$400,000 and under \$10 million. **Regent Chalmers moved to approve and Regent Koch seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**

 - e) **Architect Selection for UNM – Taos Library/Learning Center.** Miguel Hidalgo made the presentation. This project includes basic programming and conceptual design. The selection committee used a qualification-based selection process to recommend Spears Architects from Santa Fe, NM. Programming and Planning budget is \$50,000 funded by Taos County Gross Receipts Tax. In response to Regent inquiry, state guidelines have been followed in negotiating architect's fees, which are based on approximately 6-7% of construction fees. The Regents suggested exploring options to establish University guidelines that would allow competitive negotiation for architect fees based on the best interest of the University. **Regent Chalmers moved to approve and Regent Koch seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**
5. **Approval of Capital Project for HSC Division of Dental Services, Dental Residency Clinic.** Mary Kenney made the presentation. This is a request of approval for the architect selection for the dental residency project. A new clinic will be created for teaching purposes on North Campus. The current clinic is housed in 5400 sq. ft. of leased space located on Louisiana Blvd. The proposed facility will be a minimum 12,500 sq. ft., and there is a possibility that the square footage will increase to 20,000 based on the current

bidding climate. This proposed facility will create opportunities for dental hygienist training, operating rooms, and will double the residence programs. The architect recommendation is based on qualifications and fee. In response to Regent inquiry, the architects are required to submit a proposed fee, which ranged from 6.5-7.5% of project cost. As the scope, justification, schedule and funding sources and maximum allowable are described, criteria is weighed based on score points, and the fee is part of that. The fee is based on what's included in the fees. Regent Eaves stressed the importance of creating a more competitive process for fee proposals. **Regent Chalmers moved to approve and Paul Roth seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**

6. **Approval of Ground Lease to the Native American Community Academy Charter School on UNM-Owned Land, South Campus.** Kim Murphy and Kara Bobroff made the presentation. The UNM Real Estate Office and the Native American Community Academy (NACA) have coordinated with Campus Planning and the development group, Dekker Parish Sabbatini, to identify a possible site for the NACA facility. Negotiations have yet to be finalized; however, this item requests a concept approval that would allow negotiations to move forward for the site identification with respect to the campus master plan and the athletics facilities master plan. The details of this negotiation would then be brought back to the Regents for formal approval. In response to Regent inquiry, program collaboration between NACA and UNM exists in several areas: the provision of a school-based health center, which may evolve into a community clinic that would serve the larger urban Native population; UNM student teachers are housed at NACA on an annual basis; UNM work study students volunteer to serve as role models in an after school program to raise interest in higher education; and a large percentage of NACA students will be attending UNM through a dual enrollment process. Students will be coming from four school districts to attend NACA, and the proximity to the University and program collaborations have been considered in the planning process for this site. Paul Roth commented on his recent tour of NACA. He noted how remarkable the students were, and how the school is significant as a pipeline program for Native Americans to attend UNM. The new facility will allow the school to expand opportunities and partnership. In response to Regent inquiry, there has been substantial review of various sites on both UNM lands and other land. This location fits in with the overall master plan and athletics master plan. Regent Koch expressed concern that the Regents have not had the opportunity to see the recommendations from Hunt, the lowest bidder for development of South Campus. In response to Regent inquiry, the value of the land is \$4.50 per sq. ft. Regent Chalmers expressed his support of the facility as an opportunity for the University to admit Native Americans, which is part of the University's mission. **Regent Koch moved to proceed with negotiations subject to final site approval, and for the item to be brought back to the Committee for final approval after further negotiations have been completed. Regent Sanchez seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**

7. **Approval of Naming Requests:**

- a) **Professorships for the School of Medicine.** Breda Bova made the presentation. The Uhlenhuth Family Research Professorship in Psychiatry will benefit the Department of Psychiatry through funding support of the designated faculty members' salary. The Dr. A. Earl and Agnes M. Walker Professorship in Neurosurgery will honor the Walkers and their contribution to neurosciences. The Walker fund will be used to support teaching and research, which also upholds the department's educational, clinical and research missions. Both professorships have reached and exceeded the minimum requirements established by the UNM Foundation. **Paul Roth moved to approve and Suzanne Ortega**

seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.

- b) **Tamarind Institute for Capital Campaign Named Space Proposal.** Item was presented as an Information Item. No vote was required.
8. **Approval of Reappointments to the STC.UNM Board of Directors.** Lisa Kuuttila made the presentation. Reappointments include: Dr. Joseph Cecchi; Dr. Gregg L. Mayer; Dr. James, D. Cramer; Dr. Robert H. Fisher; Ms. Terri L. Cole; Dr. Gabriel P. Lopez; and Dr. Pope Moseley. **Suzanne Ortega moved to approve and Paul Roth seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**
9. **Approval of Resolution, Notification and Certification for State 2009 Severance Tax Bonds.** Andrew Cullen made the presentation. The University has included three projects in this state bond issue: \$2 million for the Nanotechnology and Biotechnology Center, \$4 million for the Film and Digital Media Center, and \$800,000 for the Taos Early Childhood Care Center. This certifies that the University will spend 5% of the proceeds of the bond sale in six months, and spend 85% of the bond proceeds within three years. This action indicates that the University is ready to proceed with the project and authorizes the bonds to be issued. **Paul Roth moved to approve and Regent Koch seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**
10. **Approval of Use of Regents' Endowment Funds for FY 09/10.** Andrew Cullen made the presentation. The use of the Regents' Endowment Funds in the amount of \$4,545,878 was approved as part of the 09/10 Budget submission. The amount includes the Regents' Endowment, the Winrock Endowment, and the Woodward Endowment. The specific allocations are included in a spreadsheet with an explanation of the use of those funds. No motion was required, as the item was previously approved as part of the 09/10 Budget Summit.

INFORMATION ITEM:

18. **UNM Endowment FY 08/09 Investment Performance.** John Stropp, Gary Gordon, and Beth Johnson made the presentation.

ACTION ITEMS (continued):

15. **Approval of the Foundation Request for an Increase in the Administrative Allocation from the Consolidated Investment Fund.** John Stropp, Gary Gordon and Beth Johnson made the presentation. It involves a request to increase the administrative allocation from the endowment fund. It is currently at 115 basis points. The Foundation asked for an increase from 115 basis points to 185 basis points. The Foundation board discussed the need to increase the administrative fee to maintain the revenue stream. A memorandum of agreement has been issued to review the situation and reduce this fee as the state of the economy and the endowment improve. It is difficult to predict when the basis points will be reduced. If the allocation is not made, the development efforts will lose momentum. The administrative fee leverages not only management expertise and stewardship of existing assets, but also tries to drive annual donations and endowment dollars into the endowment corpus. Looking at the entire picture, this helps the Foundation to maintain the status quo. Regent Eaves expressed concern that the sources from which this fee is being taken are vital to the University, where the need is only increasing. When the basis points are increased, it is funded from money that is important to the entire University. The obligation

to the University community must also be considered, while the success of the Foundation is also vital. Paul Roth suggested that a reporting system be established so that the Foundation is accountable to both the EVPs and the deans. In response to Paul Roth's inquiry, the source of funding for the basis points is a calculation of the endowments market value, which would affect the University's spendable amounts in the future. **Regent Eaves moved to approve, with the caveat that this decision is brought back quarterly for review. Regent Chalmers seconded. The motion passed with a quorum of Committee members present and voting. Not voting was Regent Jamie Koch.**

12. **Approval of Appointment for the UNMH Board of Trustees.** Steve McKernan made the presentation. This request for approval includes the new appointment of Mr. Michael Olguin to the UNMH Board of Trustees. **Regent Eaves moved to approve and Regent Koch seconded. The motion passed with a quorum of Committee members present and voting.**
13. **Approval of Appointment for the Carrie Tingley Hospital Advisory Board.** Steve McKernan made the presentation. This request for approval includes the re-appointment of Eleanor Bratton to the Carrie Tingley Hospital Advisory Board. **Regent Koch moved to approve and Regent Eaves seconded. The motion passed with a quorum of Committee members present and voting.**
14. **Approval of Memorandum of Understanding between the Board of County Commissioners of the County of Bernalillo.** Steve McKernan made the presentation. Pathways program related to the Mill Levy. Funding from the hospital. **Regent Chalmers moved to approve and Regent Eaves seconded. The motion passed with a quorum of Committee members present and voting.**
11. **Approval to Proceed with Planning and for Site Approval – Student Recreational Center.** Ashley Fate and Christopher Ramirez made the presentation. The planning committee for this project began about 2 years ago in response to a survey of student needs. The proposed Student Recreational Center would supplement the existing Johnson Facility, and accommodate wellness needs for the growing student population. Compared to peer institutions, UNM is lacking in recreational amenities offered to students. Surveys and focus group responses indicate that both undergraduate and graduate students are engaged and interested in the planning process; they are also committed and willing to pay additional student fees for the proposed facility. The proposed 129,000 sq. ft. facility is expected to enhance student recruitment and retaining efforts by making recreational activities more accessible, increase student employment, increase the time students spend on campus, and make living on campus more desirable. The proposed location for the Recreational Center is on the corner of Central and Stanford, immediately east of George Pearl Hall, with a walkway connected to Johnson Center. The central location and the see-and-be-seen design would facilitate interaction with the community and also attract customers for local businesses. Adequate amenities at Johnson Center will not be duplicated, and the proposed recreational center would supplement only the amenities that are not currently offered or accessible, such as: multi-activity courts, leisure pools, an indoor running track, additional cardio and weight equipment, and healthy eating options. In response to Regent inquiry, gym memberships would be limited to students. The proposed budget is \$48 million. Student fees will encompass all the costs including maintenance, construction, and the debt service. Revenue expenses are projected to balance out each year. **Regent Koch moved to approve and Regent Chalmers seconded. The motion passed with a quorum of Committee members present and voting.**

16. **Monthly Financial Report and Approval of Fiscal Watch Report.** Ava Lovell made the presentation. **Regent Koch moved to approve and Suzanne Ortega seconded. The motion passed with a quorum of Committee members present and voting.**
17. **Recommendations for Consent Agenda Items on full Board of Regents Agenda.** Regent Eaves recommended items 1-9, 12, and 13 to be placed on the Consent Agenda.

INFORMATION ITEMS:

19. **Contract Information:**
 - Steve McKernan and Bruce Cherrin made the presentation.
 - a) **UNMH – Novartis Vaccines.**
 - b) **UNMH – C.R. Bard/Bard Peripheral.**
 - c) **UNMH – US Post Office.**
 - d) **UNMH – IT.**
 - e) **Budget Office – Investment Advisory Services/Public Financial Management Group.**
 - f) **Recruitment Services – Brainworks Design Group**
20. **Real Estate Department Information:**
 - Kim Murphy made the presentations.
 - a) **LOBO Development Corporation: Student Housing Project Update.**
 - b) **The MIND Research Network: New Building Site @ STP.**
21. **Capital Projects Status Report.** Steve Beffort made the presentation.
22. **Vacancy Balances for FY 08/09.** Andrew Cullen made the presentation.

EXECUTIVE SESSION:

- A. **Vote to close the meeting and to proceed in executive session.**
- B. **Discussion and determination where appropriate of limited personnel matters pursuant to Section 10-15-1H (2), NMSA (1978), relating to consideration of Medical Staff appointments, re-appointments and privileges.**
- C. **Discussion and determination where appropriate of potential purchase, acquisition or disposal of real property pursuant to Section 10-15-1H (8), NMSA (1978).**
- D. **Discussion and determination where appropriate of strategic and long-range business plans of public hospital boards pursuant to Section 10-15-1.H (9), NMSA (1978).**
- E. **Vote to re-open the meeting.**
- F. **Certification that only those matters described in paragraphs above were discussed in executive session, and if necessary, ratification of actions, if any, taken in executive session.**

Regent Eaves moved to adjourn at 1:00 p.m., and Regent Chalmers seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.