

**MINUTES OF THE MEETING OF
THE REGENTS OF THE UNIVERSITY OF NEW MEXICO**

January 12, 2010
Board of Regents Meeting 9:00 a.m. – 11:30 a.m.
Student Union Ballroom C
Board of Regents Executive Session Luncheon
11:30a.m. – 1:00 p.m.
Sandia Room

Attendance:

Regents present:

Raymond G. Sanchez, President
Jack L. Fortner, Vice President
Carolyn J. Abeita, Secretary-Treasurer
James H. Koch
Don L. Chalmers
J.E. “Gene” Gallegos
Cate Wisdom

President unable to attend:

Dr. David J. Schmidly

Vice Presidents present:

David Harris, Executive Vice President, CFO, COO
Dr. Paul Roth, Executive Vice President, Health Sciences Center
Dr. Richard Holder for Suzanne Trager-Ortega, Executive Vice President, Provost
Eliseo Torres, Vice President, Student Affairs
Julia Fulghum, Vice President, R&D
Steve Beffort, Vice President, Institutional Support Services
Carmen Alvarez Brown, Vice President, Enrollment Management
Josephine DeLeon, Vice President, Equity and Inclusion
Paul Krebs, Vice President, Athletics
Helen Gonzales, Vice President for Human Resources
Ava Lovell, Vice President and Controller
Stephen McKernan, Vice President, Hospital Operations

University Counsel present:

Lee Peifer, Interim University Counsel

Regents’ Advisors present:

Douglas Fields, President, Faculty Senate
Elisha Allen, President, Staff Council
Lissa Knudsen, President, GPSA

Monika Roberts, President, ASUNM
Ruth Schifani, President, Alumni Association, unable to attend
Anne Yegge, Chair, UNM Foundation
Maria Probasco, President, Parent Association
Beulah Woodfin, President, Retiree Association

Regent Sanchez presided over the meeting and called the meeting to order at 9:00 a.m.

I. Confirmation of a Quorum; Adoption of the Agenda. Regent Sanchez
Motion approved unanimously to adopt today's agenda. (1st Koch, 2nd Abeita)

Comments regarding the Regents' book distribution and pdf. version, Regent Sanchez:
In the interests of conserving our resources, we are experimenting with evolving the BOR book into a pdf. format instead of a hard copy. In addition to conserving our resources, we hope it will be a better way of communicating. The BOR book is posted on the Regents' web site. We have had a few glitches and are learning. Please give us your comments.

II. Approval of Summarized Minutes of the November 10, 2009 BOR Meeting and the December 1, 2009 Special Board of Regents Meeting.

Motion approved unanimously to approve the minutes. (1st Chalmers, 2nd Wisdom)

Comments on the passing of Maralyn Budke; Regent Sanchez, Regent Koch and Regent Gallegos on the quality and contributions of Maralyn Budke.
Regent Sanchez asked for a moment of silence in honor of a great lady of New Mexico.

F & F Agenda item 9 was moved up to welcome Dr. Leonard Napolitano. Comments by Regents thanking Dr. Napolitano for his contributions. A standing ovation honored Dr. Napolitano, who expressed thanks and appreciation, noting his years of service.

Approval of Naming Request for the HSC Interdisciplinary Education Center (Phase II) "Leonard M. Napolitano Ph. D. Anatomical Education Center, Dr. Paul Roth.

Motion approved unanimously (1st Koch, 2nd Chalmers).

III. President's Administrative Report.

Regent Sanchez noted that the President was not able to attend or call in due to the timing of Mrs. Schmidly's surgery today. (Attachment #1)

IV. "State of New Mexico Revenue and Economic Outlook" Dr. Tom Clifford, Chief Economist, Legislative Finance Committee (Attachment #2).

Regent Koch expressed concern that an increase in the cigarette tax might decrease demand, thereby decreasing funding for UNMH and the Cancer Center. Dr. Clifford indicated that if the revenue from the cigarette tax went down the general practice is to

change the percentages and hold harmless all the beneficiaries except the general fund. The percentages could be adjusted in other ways.

Also questioned if the new 91 cent per pack tax could be imposed on tribal sales. Dr. Clifford indicated that tribal sales would retain the current exemption from all cigarette sales; the exemption for the new tax could be limited to tribal sales to tribal members.

Also expressed concern that stimulus funds won't support higher Medicaid matching funds and noted that when the stimulus money runs out it will have to be replaced in some way. Dr Clifford responded that some growth is predicted in FY12 that could allow at least at flat budget at that time.

Regent Gallegos asked if it wasn't common for states to require combined corporate reporting. Dr. Clifford responded that the revenue yield is highly uncertain in this type of proposal. At this time the tax department is using an estimate of a 10% increase if this reporting is used.

Regent Sanchez asked what that would equate to in dollars. Dr. Clifford estimated about \$30 million a year.

Regent Chalmers asked what is the consequence of \$1 change in natural gas prices. Dr Clifford said approximately \$100 million, a 10 cent improvement in the price of natural gas results in a \$10 million increase in revenue. The oil multiplier is much less: a \$1 increase in the price of a barrel of oil results in only \$3.5 million.

He also asked if those numbers included New Mexico's share of federal royalties. Dr. Clifford indicated that it did.

Regent Sanchez asked if there had been any discussion of eliminating the proposed tuition credits of 6% for in state students and 15% for out of state students.

He also noted that the recommendations include decreasing building renewal and replacement by 50% which is a significant cut that affects the safety and security of the campus.

Regent Sanchez noted if the budget proposals were based on future oil and gas prices and asked Dr. Clifford to explain how the projections were made in prior years, what the actual revenues were and how that led to the budget problems now. Dr. Clifford stated that New Mexico has a significant portion of its recurring operating budget funded by these highly volatile revenue sources. There are very few sources available to use in trying to predict the markets. In past years, cautious forecasting also seemed to lead to unrealistic revenue pictures. Dr. Clifford noted progress has been made in that this revenue is down to 15% of the general fund versus a high of 20%.

V. Approval of Amendment to 403(b) Plan Document, Helen Gonzales, VP Human Resources.

This amendment would allow individuals with elective deferrals of income accounts to take out loans. Loans are limited by the amount an individual has invested in all plans. This change does not involve the university since the individuals each have individual contracts with the vendors. The amount an individual can borrow is based on the investment in all plans and limited by those plans.

Motion approved unanimously (1st Chalmers, 2nd Abeita).

VI. Comments from Regents' Advisors

Faculty Senate, Douglas Fields, President (Attachment #3)

Staff Council, Elisha Allen, President (Attachment #4).

GPSA, Lissa Knudsen, President (Attachment #5)

ASUNM, Monika Roberts, President (report in book)

A brief discussion took place regarding resolutions 4F, make-up work for students absent due to school activities, and 7F, the name for a resource center recommended by the Queer Straight Alliance.

Regent Sanchez issued a reminder for all who wish to go to Santa Fe to lobby the legislature to work with the UNM Government Relations office in order to abide by all rules and regulations for doing so.

Regent Sanchez noted that the resolutions submitted by ASUNM are information items and that all resolutions be vetted through the President's office and appropriate department prior to presentation to the Board. He requested that Resolution 6F be reviewed by Academic Affairs at their next meeting.

Alumni Association, Ruth Schifani, President- unable to attend. (report in book).

UNM Foundation, Anne Yegge, Chair (report in book).

Regent Koch asked that when the Foundation reports the amount of funds raised, they also report how much of that amount is in pledges, and also asked for the report, requested by the Finance and Facilities Committee regarding any employees receiving raises when they transferred from UNM to the Foundation.

Parent Association, Maria Probasco, President (report in book).

Retiree Association, Beulah Woodfin, President (attachment #6).

VII. Comments from Regents

Regent Sanchez noted that the slides from the revenue report presented by Dr. Clifford would be available at <http://govrel.unm.edu/>.

He noted that former University Counsel Patrick Apodaca has left UNM for a position at PNM, and wished him well. Lee Peifer was introduced as Interim University Counsel.

Regent Sanchez and Regent Wisdom commented on the Regents' retreat meeting held on Jan. 6, 2010. At that meeting no actions or votes were taken. Discussions were held regarding the responsibilities of university regents, singularly and as a board.

Regent Sanchez also noted the courteous discourse during the meeting today as we address matters of importance. This is how he has always envisioned it. He commented that respect is necessary in this difficult year. Take as fact that we are all trying to do the best we can. This session will be hard. The Board and all UNM can serve as examples to act in a way that brings resolution, not revolution. I pledge that the Board of Regents will do the best we can. I mean this; I am not just saying it. This is serious. The Board looks forward to moving UNM ahead. We all look forward to working with you as we serve UNM.

VIII. Public Comment-agenda items

None

IX. Regent Committee Reports

Academic/Student Affairs and Research Committee, Regent Carolyn Abeita, Chair

None

Audit Committee, Regent Gene Gallegos, Chair

None

HSC-Health Sciences, Regent Jack Fortner, Chair

A. Approval of appointments to the Sandoval Regional Medical Center Board of Jerry Geist, Richard Mason and Martha McGrew, M.D.

Motion approved unanimously (1st Fortner, 2nd Gallegos)

Finance and Facilities committee, Regent Don Chalmers, Chair.

A. **Consent Agenda** (Finance & Facilities Committee meeting 12/10/09)

1. Disposition of Surplus Property on list dated 11/23/09.
2. Approval of Capital Project: Approval for;
 - 1) Centennial Engineering Center, Nanotechnology and Biotechnology Center
 - 2) Reibsoner Hall 3rd Floor Renovations
 - 3) UNMH Critical Care Wing (CCW) 2 West Anesthesiology Renovation
 - 4) UNMH Renovations and Equipment Replacement for Radiology

3. Approval of;
 - 1) UNMH-Infusion Pump Replacement
 - 2) UNMH-Curastat
 - 3) UNMH-3M Health Information Systems, Inc.
 - 4) UNMH-Precyse Solutions
4. Approval to create a Quasi Endowment Fund and Move Funds to the UNM Foundation.
5. Approval of Amendment to Lease for Center for Development and Disability located at 2300 and 2340 Menaul, NE.

Regent Chalmers commented that the capital projects in the consent items will not be impacted by legislative funding cuts and are not tied to the recommendation to reduce building renewal and replacement by 50%.

Motion approved unanimously to approve Consent Agenda items 1,2,3,4,5.
(1st Chalmers, 2nd Fortner)

B. Action Items:

6. Approval of Resolution to Reallocate UNM 2005 Bond Proceeds

Andrew Cullen noted that the \$1.4 million is available due to favorable bid conditions and reallocates the funds saved on the Science & Math Learning Center to the Chemistry Building renovation and the Arts and Sciences backfill.

Duane Brown, bond counsel with Modrall Sperling said the reallocation meets all the covenants of the bond resolution.

Motion approved unanimously (1st Chalmers, 2nd Gallegos) (resolution attached #7).

7. Approval of Resolution between UNM and NM Finance Authority for Drinking Water Revolving Loan Fund.

Bond counsel has reviewed changes in the revenue pledge required by the State Board of Finance. The original amount was \$1.5 million, however stimulus money from the American Recovery and Reinvestment Act could raise the amount to \$2 million. 80% of this money is a grant, 20% must be repaid from general system revenue.

Motion approved unanimously (1st Chalmers, 2nd Gallegos) (resolution attached #8)

8. Approval of Recommendations from Lobo Development Corp. on Preliminary Materials for UNM South Campus Housing from American Campus Communities (ACC).
Walter Miller, AVP Student Affairs, Jamie Wilhelm, Exec. VP ACC
Discussion: actual rent costs to students, 9 months vs. 12 months.

Motion approved unanimously (1st Koch, 2nd Chalmers).

9. Moved up to II. in the Agenda.

10. Approval of Equity Investment in UNM Sandoval Regional Medical Center, Inc. in connection with HUD-insured Financing and Approval of Ground Lease to UNM Sandoval Regional Medical Center.
Dr. Paul Roth, EVP, HSC and Steve McKernan, CEO UNM Hospitals.

Discussion centered around the \$16 million required by HUD, the \$46 million needed for working capital for the project, and how bond rating companies would regard removing \$46 million from the UNM balance sheet. These are plant funds generally not included in the university's daily liquid cash and investment position. The medical center will support the expansion of medical school class sizes by 33% and have space for expansion of the College of Nursing and the pharmacology school as well. This investment was approved by the UNMH Board of Trustees contingent on agreement of the UNM Board of Regents and Bernalillo County.

Motion approved unanimously (1st Chalmers, 2nd Koch) (resolution attachment #9).

11. Approval of Permanent Appointments, Reappointments and Expansions of Privileges on list dated 11/6/09, Steve McKernan, CEO UNMH.

Motion approved unanimously (1st Chalmers, 2nd Fortner).

Approval of Permanent Appointments, Reappointments and Expansions of Privileges on lists dated 12/4/09, Steve McKernan, CEO UNMH.

Motion approved unanimously (1st Chalmers, 2nd Fortner).

C: Information Items:

12. Update on FY-10 Budget Rescission & Preview of FY-11, David Harris, CFO & EVP.

Discussion: It was noted that the Report the President made at the 12/10/09 Finance & Facilities meeting is included in the BOR Book as well as posted on the President's Office web site. Regent Sanchez asked EVP Harris to respond to the potential possibility of budget changes. EVP Harris reported the President directed that three budgets be prepared, setting the stage for how we will formulate the budget proposal upon the direction from the NM Legislature.

13. Monthly Consolidated Financial Report (10/31/09) Ava Lovell, VP & Controller

Controller Lovell noted that I & G is \$39 million favorable because all fall tuition (1/2 of the year) has been booked. There has been an increase in F & A revenue but a decrease of \$7 million from last year in state and local appropriations. Expenses are controlled at 30% which is less than 33%,

1/3 of the year. Research Operations are showing a timing effect of \$3.4 million unfavorable due to timing issues and a delay in a cigarette tax payment. The payment was received in November. Clinical Operations is positive right now by \$702,000, but not as positive as last year. Behavioral Health Operations-some areas only receiving ½ as much reimbursement as last year-there is a transition from Value Options to Optim. Public Service is about break-even; \$300,000 unfavorable due to timing issues. Student Aid, although showing favorable currently, will be break-even at year end. Student Fees are very favorable because all fees for fall semester have been booked. Auxiliaries and Athletics: Athletics is \$1.7 million unfavorable. Football season has more expenses while basketball season shows more revenue. By November that \$1.7 million was down to \$981,000. Vice President Krebs has indicated he feels expenses are as controlled as they can be and they are working on the revenue side. Other auxiliaries are doing pretty well. Public Events is always challenged during difficult financial times. The Golf Course is less than \$40,000 unfavorable. The total is net favorable of \$1.5 million at this time. Sponsored programs (Contracts and Grants) are always break-even. Overall university operations as of 10/31/09 are \$42 million favorable, showing we are controlling expenses and watching revenues.

Regent Koch asked how much we could expect from TCU and when it would come in. Ms Lovell indicated that this \$800,000 would be booked in the next couple months and the cash would be received in June.

14. Capital Projects Monthly Project Status Report, Steve Beffort, VP.(Report in book)
15. CEO UNM Hospitals Monthly Dashboard Report, Steve McKernan, CEO. (Report in book)

X. Public Comment
None

XI. Adjournment

Motion approved unanimously at 11:56 a.m. to adjourn into Executive Session (1st Sanchez, 2nd Gallegos).

XII. Executive Session-Sandia Room

Vote to close the meeting and to proceed in Executive Session.

- A. Discussion and determination where appropriate of limited personnel matters pursuant to Section 10-15-1.H (2), NMSA (1978).
- B. Discussion and determination where appropriate of potential purchase, acquisition or disposal of real property pursuant to Section 10-15-1.H (8) NMSA (1978).

C. Vote to re-open the meeting.

Motion approved unanimously at 1:07 p.m. to reopen the meeting (1st Koch, 2nd Chalmers).

D. Certification that only those matters described in Agenda item XII were discussed in Executive Session and if necessary, ratifications of actions, if any, taken in Executive Session.

Motion approved unanimously certifying that only those matters described in Agenda Item XII were discussed in Executive Session, and that no actions were taken (1st Abeita, 2nd Gallegos).

E. **Motion approved** unanimously at 1:09 p.m. to adjourn the meeting (1st Abeita, 2nd Gallegos).

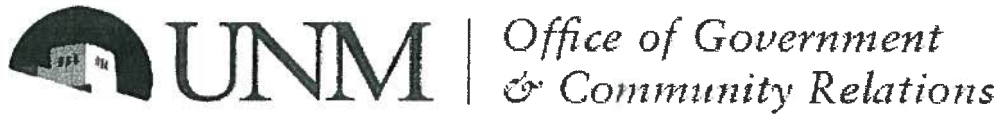
Attachments:

1. President's Administrative Report, Newsletter
2. General Fund Revenue Update & Outlook for 2010 Legislative Session
3. Faculty Senate Report
4. Staff Council Report
5. GPSA Report
6. Retiree Association Report
7. Resolution to Reallocate of UNM 2005 Bond Proceeds
8. Resolution between UNM and NM Finance Authority for Drinking Water Revolving Loan Fund
9. Resolution approving Equity Investment in UNM Sandoval Regional Medical Center

Raymond G. Sanchez
President

Carolyn J. Abeita
Secretary/Treasurer

File: BOR Minutes 1.12.2010



About Government Relations

2010 Legislative Session

The 2010 session begins January 19. [Learn more about UNM's legislative priorities for the session.](#)

[LFC Presentation to UNM Board of Regents](#)



The UNM Office of Government & Community Relations represents the interests of the University of New Mexico by serving as the University's lead advocate with elected and appointed officials, their staffs and government bodies.

Our mission is to build and strengthen relationships with the University's constituencies and encourage investment in and support for UNM, its programs and its initiatives.

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Faculty Senate Report to the
University of New Mexico
Board of Regents
January 12, 2010

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Doug Fields: “President Sanchez, members of the board, first my apologies for not turning something in something before hand, again. I’ll try to get that next time for the next Board of Regents meeting.

I’d like to start off, for a change, by thanking people. I’d like to thank the provost for addressing some of the issues that Faculty Senate has brought to her attention; dealing with grade submission, other little things that the faculty find annoying and that are fixable and I believe that our relationship with the Provost’s office is improving and may also see some movement in that direction with the Board of Regents.

Along that line, I know there’s been a discussion and you’ll be hearing from us pretty soon, the Faculty Senate would like to start inviting the Board of Regents members one at a time, if that’s possible, to come and sit with us, chairs of some of the committees, Governance committee and others, to improve dialog and understanding of each others roles in shared governance. There is a task force that is co-chaired by Richard Wood and David Harris on retirement incentive plans and Faculty Senate is following that very closely. We support the idea in its concept. We do have some reservations about limitations and how funds freed up through retirements should be used, and we’ll be bringing those to the task force.

There’s another task force that I’ve been working on, just got started, had our first meeting last week, and that is the task force on shared governance structures, specifically focusing on the structure of the faculty senate and how we can make Faculty Senate a more productive, easier to address, from both the faculty’s perspective and the administration’s perspective, getting people that will be responsive to your concerns and concerns of the faculty. And that’ll be moving forward, hopefully, pretty quickly this year.

And then finally, of course there’s many things that go along in the faculty senate, operational, that people get very little credit for: Curricular Committee, Undergraduate Committee, Research Policy Committee, all these committees require a lot of work and they’re all done by people who volunteer their time and get very little credit for it.

I would like to make one comment. I’ve already made it in Provost Cabinet and in a President’s Executive Cabinet meeting. There’s been quite a bit of discussion about student fees, both increasing student fees, how student fees are used, where, what they get used for. As somebody who paid quite a bit of attention to the presentation this morning and understands the situation, or at least tries to understand the situation, the university and the finances, I can certainly appreciate the desire to increase our revenue stream. And given that the state takes back tuition increases through the tuition credit, fees seem to be a reasonable way to do that. However, students pay the fees out of their pockets. That isn’t paid out of the lottery scholarship. I know, myself and many of the faculty here struggle to get students to do homework rather than take a job. One of the problems with our graduation rate is that students need money and so they take jobs and so it takes them longer to get through college. I just would like us to keep in mind before we ...”

END OF SIDE ONE OF TAPE

Side two starts with Staff Council.

The Legislative season is here, and New Mexico is faced with difficult decisions. With a state budget falling from \$6 billion to \$5 billion, it's unlikely that UNM will emerge untouched. To the legislators and everyone at UNM working to preserve the integrity of higher education in the state of New Mexico, thank you. While hard times require some sacrifices, these can be mitigated by creativity and compromise. The UNM Staff Council's priority is to preserve the services the university offers by protecting the workforce vital to providing them.

- **Accessible and affordable services** – Staff work year round supporting the university's education, research, and patient care missions. State mandated tuition credits force UNM to shoulder more than its fair share of the burden and negatively impact its mission. Staff and UNM legislative priorities seek to avoid the use of tuition credits to balance the state budget. The university may have to bear cuts or raise tuition, but these increases should be kept to a minimum and not be mandated by a tuition credit.
- **High quality program priorities** – Mandatory across-the-board cuts limit the flexibility to make strategic spending decisions to protect the quality of our programs. UNM Regents and Administrators, in consultation with Student, Faculty, and Staff leadership, should determine how to best meet budget shortages in ways that minimize the impact to core academic, research and patient care services.
- **Protect the Workforce** – Quality services depend on staff to perform them. The hiring pause has helped to avoid layoffs, but has depleted a workforce that did not have redundancy to begin with. Without adequate staff, class scheduling, student advisement, facility maintenance, and faculty and student support, among other services cannot happen. Ultimately, teaching and learning suffers. Further staff cuts impact services needed by students, patients, and the state's long term economic recovery.
- **No furloughs or salary reductions** – Forced furloughs and salary reductions are unnecessary. New Mexico can balance its budget through revenue enhancement strategies, prudent use of one-time funds, and project prioritization. As we move into an additional year without a COLA increase, all strategies should hold harmless low- and middle-income staff.
- **Protect Retirement** – The security of employees' retirement is an essential benefit for recruiting and retaining quality faculty and staff. The Staff Council supports a .75% legislative increase to the ERB and opposes de facto salary reductions caused by increasing employee contribution percentages. Employee contribution increases pose another hardship to staff that is coping with additional duties and flat wages in tough budgetary times.
- **Maintain Facilities** – 2010 GO Bond legislation for higher education teaching facilities and full formula funding for utilities and facility maintenance are important for a safe and effective work and learning environment.

Successfully weathering this recession requires some sacrifices. However, harm to the staff and the institution can be minimized by a strategic budgetary process focusing on realistic use of staff and dollar resources combined with project prioritization to protect core functions.

Graduate and Professional Students Association Report to the
University of New Mexico
Board of Regents
January 12, 2010

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Lissa Knudsen: "Good morning, President and Board of Regents.

As we get ready for the legislative session, I just wanted to share with you the work that the GPSA is doing with regard to our legislative priorities and supporting the university. We are opposing the tuition increase and/or the tuition credit. However, we are also very opposed to increasing fees and if given a choice between the two, much like the faculty, we would prefer to have a tuition increase because that does affect low income students, not quite the same way that fees do, since they have to pay those out of pocket.

We've also heard talk of removal of the tax-free holiday that happens in August, prior to the start of fall semester, and at this time we haven't had a chance to vote on it at council, but among the executive board we are actually in support of that. We believe that it's probably about \$20 a person that is saved, but it is about \$2.7 million for the state and understand that everybody needs to give a little.

We're also supporting the protection of some special projects that are directly related to student services, including the ethnic centers, Women's Resource Center, and then the Graduate Research Development Grant that we specifically manage and support and are appreciative of. We also are going to be coming out in support of Senator Keller's bill to appropriate 5% of the lottery scholarship funds to graduate students who have graduated from New Mexico high schools so that we can begin to affect the brain drain that occurs in this state.

We'd like to move forward with the change in the CYFD rule that excludes income eligible students from receiving child care subsidies. This is a project we've been working on for a couple of years now, and we believe we have enough data from across the state to support that it won't be that large of an income impact.

And then on January 30th, we have two resolutions before the GPSA Council that we expect will pass, in support of domestic partnership and some funding for a resource center for the LGDPQ community here on campus.

Finally, we are getting ready for the student fee review board process. Hearings will begin on the 22nd of January, they'll go the 22nd, 23rd and 24th up at the law school. We will be holding Town Halls the week after that in the Centennial Engineering building, the law school and Zimmerman Library. And then, finally, our deliberations will begin February 5th.

And then again we also appreciate the feedback and now that I understand better how much money we make on natural gas, I think I'm going to recommend that we all pray for cold weather in the east."

UNM Retiree Association

Board of Regents Meeting –January 12, 2010

The Board of Directors of UNMRA has met twice since the last meeting of the UNM Regents – December 1 and January 5. Notable reports:

- **Presidential Scholarship** – The association reports success in fully funding the scholarship for the current year.
- **Membership** – We have met our goal for new members and have passed last year's total membership (over 500). Growth will require attention to retention of members from the previous years. A three-question survey passed out at the Holiday Party in December elicited suggestions for activities and for recruiting tools: more activities and emphasis on our activities defending pension and health benefits.
- **Program** – The main event in the interim was the Annual Holiday Party, held this year at the UNM Continuing Education center. About 140 members and guests attended. For the rest of this academic year, we have scheduled a fitness presentation at Johnson Gym (this afternoon), a lecture by V.B. Price on February 16 and a guided walk along ditchbanks in the bosque in April. Details of a March event had not been finalized at the time. The annual meeting will be held in May.
- **Communications** – The bimonthly newsletter will go out before the end of the month.
- **Benefits** – The committee is taking a deep breath following the open enrollment period for health insurance. The legislative session will be monitored for possible changes in the Educational Retirement Act. We are developing a comprehensive list of educational and entertainment benefits available to our members.

Development of a budgeting process has been successful and is helping in planning for the future.

Beulah Woodfin, President

**THE REGENTS OF THE UNIVERSITY OF NEW MEXICO
RESOLUTION RELATING TO DESIGNATING
OF PROCEEDS FROM 2005 REVENUE BONDS**

AMENDING A RESOLUTION OF THE REGENTS OF THE UNIVERSITY OF NEW MEXICO ADOPTED ON JUNE 14, 2005 AUTHORIZING THE ISSUANCE AND SALE OF SUBORDINATE LIEN SYSTEM IMPROVEMENT REVENUE BONDS, SERIES 2005, OF THE REGENTS OF THE UNIVERSITY OF NEW MEXICO; PROVIDING FOR THE SCHEDULED DISTRIBUTION OF BONDS PROCEEDS TO BE REVISED SO THAT A PORTION OF THE PROCEEDS ORIGINALLY DESIGNATED FOR THE SCIENCE AND MATH LEARNING CENTER BE USED FOR CHEMISTRY BUILDING UPGRADES AND FOR SCHOOL OF ARTS AND SCIENCES FACILITIES UPGRADES; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE AMENDMENT TO RESOLUTION.

WHEREAS, the University of New Mexico, at Albuquerque, New Mexico (the "University"), is declared to be and is confirmed as a state educational institution by Section 11 of Article XII of the Constitution of the State of New Mexico (the "State"), as amended; and

WHEREAS, the Regents of the University of New Mexico (the "Regents") are a body corporate in which is vested the management and control of the University; and

WHEREAS, the Regents adopted a Resolution on June 14, 2005 (the "Bond Resolution") authorizing the issuance of the Regents' Subordinate Lien System Improvement Revenue Bonds, Series 2005 (the "Series 2005 Bonds" or "Bonds"); and

WHEREAS, the Series 2005 Bonds were issued on August 24, 2005 in the aggregate principal amount of \$125,575,000 for multiple capital improvement projects within the University (the "Project"); and

WHEREAS, the Regents have identified \$1,400,000 of the \$16,000,000 Bonds proceeds originally designated for Science and Math Learning Center construction, due to construction completed under budget, as available funds to be redesignated for Chemistry Building upgrades and Arts and Sciences facilities upgrades; and

WHEREAS, the Bond Resolution may be amended without the consent of the owners of the Series 2005 Bonds to make any changes that, in the judgment of the Regents, in reliance on the opinion of nationally recognized bond counsel, do not have a material adverse affect on the rights of the owners of the Series 2005 Bonds; and

WHEREAS, the Regents intend that all other provisions of the Bond Resolution remain effective unless amended herein.

NOW, THEREFORE, BE IT RESOLVED BY THE REGENTS OF THE UNIVERSITY OF NEW MEXICO, AS FOLLOWS:

Section 1 Ratification. All action heretofore taken (not inconsistent with the provisions of this Resolution and the Bond Resolution) by the Regents and officers of the University directed toward the issuance of the Series 2005 Bonds and expenditure of proceeds from the Series 2005 Bonds is hereby ratified, approved and confirmed.

Section 2 Amendment of the Bond Resolution. Exhibit C to the Bond Resolution is hereby amended to provide that \$1,400,000 of the \$16,000,000 Bonds proceeds originally designated for Science and Math Learning Center construction shall be redesignated as follows: \$930,000 shall be used for Chemistry Building upgrades; and \$470,000 shall be used for Arts and Sciences facilities upgrades. The upgrades shall be long-term capital improvements to the building and facilities and ownership and use of the upgrades will comply with covenants contained in the Bond Resolution. Other than as provided in this Section 2 of this Resolution, Exhibit C to the Bond Resolution remains as approved by the Regents on June 14, 2005.

Section 3 Amendment Compliance. In reliance on the opinion of nationally recognized bond counsel, the Regents conclude that (i) this Resolution is in compliance with Section 10.01 of the Bond Resolution related to limitations on amendments; (ii) the amendments to the Bond Resolution contained herein do not have a material adverse affect on the rights of the owners of the Series 2005 Bonds; and (iii) are consistent with the purpose of the Series 2005 Bonds as identified in the Bond Resolution.

Section 4 Bond Resolution Irrepealable. Except with respect to the amendments as provided herein and other amendments hereafter approved consistent with Article X of the Bond Resolution, the Bond Resolution shall be and remain irrepealable until the Bonds, the interest thereon and amounts due to the provider of a Subordinate Lien Parity Bonds Reserve Fund Surety Bond (as defined in the Bond Resolution) shall be fully paid, canceled and discharged, or there has been defeasance, as provided in the Bond Resolution.

Section 5 Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 6 Repealer Clause. All bylaws, orders and resolutions of the Regents or the University, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order or resolution, or part thereof, heretofore repealed.

Section 7 Governing Law. This Resolution shall be governed by the laws of the State of New Mexico without reference to choice of law principles.

Section 8 Effective Date. This resolution shall take immediate effect.

ADOPTED AND APPROVED this 12th day of January, 2010.

THE REGENTS OF THE UNIVERSITY OF NEW
MEXICO

[SEAL]

By 
President

Attest:

By


Secretary



[Form of Summary of Resolution for Publication.]

**THE REGENTS OF THE UNIVERSITY OF NEW MEXICO
Notice of Adoption of Resolution**

Notice is hereby given of the title and of a general summary of the subject matter contained in a Resolution duly adopted and approved by the Regents of the University of New Mexico (the "University"), on January 12, 2010. Complete copies of the Resolution are available for public inspection during normal and regular business hours in the office of the Associate Vice President of Planning, Budget and Analysis, Scholes Hall, at the University of New Mexico in Albuquerque, New Mexico.

The title of the Resolution is:

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT ("LOAN AGREEMENT") BY AND BETWEEN THE REGENTS OF THE UNIVERSITY OF NEW MEXICO AND THE NEW MEXICO FINANCE AUTHORITY, EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE UNIVERSITY OF NEW MEXICO TO PAY A PRINCIPAL AMOUNT OF NO MORE THAN FOUR HUNDRED THOUSAND DOLLARS (\$400,000), TOGETHER WITH INTEREST, COSTS OF ISSUANCE AND ADMINISTRATIVE FEES THEREON, AND TO ACCEPT A LOAN SUBSIDY OF NO MORE THAN ONE MILLION SIX HUNDRED THOUSAND DOLLARS (\$1,600,000), FOR THE PURPOSE OF FINANCING THE COSTS OF UPGRADES TO THE UNIVERSITY OF NEW MEXICO'S WATER UTILITY SYSTEM; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL OF, ADMINISTRATIVE FEES AND INTEREST DUE UNDER THE LOAN AGREEMENT SOLELY FROM PLEDGED REVENUES; SETTING A MAXIMUM INTEREST RATE FOR THE LOAN; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT.

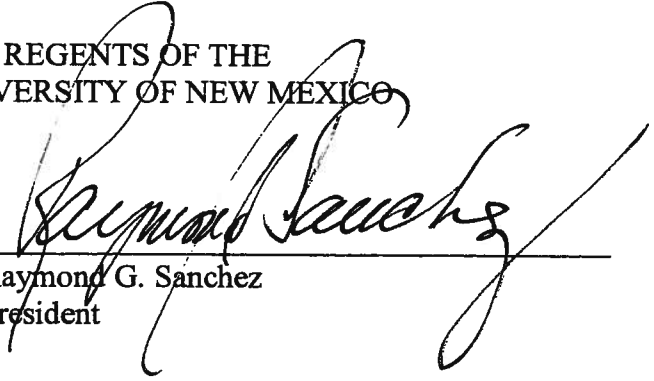
The title sets forth a general summary of the subject matter contained in the Resolution.

This notice constitutes compliance with Section 6-14-6, NMSA 1978.

[End of Form of Summary for Publication.]

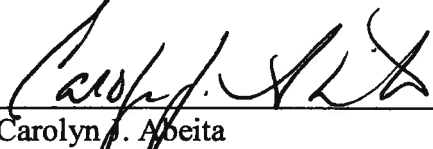
PASSED, APPROVED AND ADOPTED THIS 12TH DAY OF JANUARY, 2010.

THE REGENTS OF THE
UNIVERSITY OF NEW MEXICO

By 
Raymond G. Sanchez
President

[SEAL]

ATTEST:

By 
Carolyn J. Abeita
Secretary and Treasurer

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**RESOLUTIONS AUTHORIZING TRANSFERS OF MONIES WITHIN
UNM HOSPITAL CAPITAL INITIATIVES FUND AND
UNM HEALTH SCIENCES CENTER
RESERVE FUNDS FOR CAPITAL CONTRIBUTION TO
UNM SANDOVAL REGIONAL MEDICAL CENTER, INC.
AND APPROVING GROUND LEASE OF LAND TO
UNM SANDOVAL REGIONAL MEDICAL CENTER, INC.**

WHEREAS, the University of New Mexico Health Sciences Center ("UNMHSC"), together with UNM Hospital ("UNMH"), developed a strategic plan to improve access to health care at UNMH for Bernalillo County residents, which included, without limitation, the development, construction, and operation of hospital and other healthcare facilities in Sandoval County, New Mexico;

WHEREAS, the UNMHSC, with the approval, authority, and direction of the Regents of the University of New Mexico (the "Regents"), formed UNM Sandoval Regional Medical Center, Inc. ("UNM SRMC") as a New Mexico non-profit and University Research Park and Economic Development Act corporation, to develop, construct, and operate an community teaching hospital and related medical office building (the "New Hospital Project") to be located on land owned by the University in the City of Rio Rancho, Sandoval County, New Mexico (the "UNM Rio Rancho Land");

WHEREAS, to finance the construction of the New Hospital Project, UNM SRMC and its management have determined that it is in the best business and economic interest of UNM SRMC and the University for UNM SRMC to seek HUD 242 Mortgage Insurance to assist with the debt financing for the New Hospital Project (the "HUD Insurance Financing");

WHEREAS, UNM SRMC has determined that to be in a position to obtain the HUD Insurance Financing, UNM SRMC must have on hand on or prior to the initial endorsement of the HUD Insurance Financing and thereafter, of up to approximately \$46 million in unencumbered cash;

WHEREAS, management of UNMHSC has determined that the development and operation of the New Hospital Project by UNM SRMC will be a very important and necessary step to address and improve inpatient and outpatient access to health care services within the integrated health care delivery system operated by the UNM HSC, including inpatient and outpatient health care services at UNMH, as well as contribute significantly to the health education and research missions of the UNMHSC, which are central to the strategic initiatives and plan of the University of New Mexico;

WHEREAS, the Board of Trustees of UNMH (the "UNMH BOT") approved and recommended to the Regents that the latter approve use of \$23 million from the UNMH Hospital Capital Initiatives Fund at the Health Sciences Center to be transferred to UNM SRMC as a capital contribution by the University to UNM SRMC;

WHEREAS, management of the UNMHSC has recommended to the Regents that the latter approve use of \$23 million from the reserve balances of the UNMHSC (the "UNMHSC Fund Balances") to be transferred to UNM SRMC as a capital contribution by the University to UNM SRMC;

WHEREAS, management of the UNMHSC has recommended to the Regents that the latter approve a ground lease of approximately 20 acres of the UNM Rio Rancho Land (the "UNM SRMC Hospital Land") out of the approximately 61 acres of the UNM Rio Rancho Land previously dedicated to the UNMHSC, at a rate of \$1.00 per year for a period not less than 50 years (the "Ground Lease");

WHEREAS, the Regents, having been briefed and informed of the nature, extent, and financial feasibility of the New Hospital Project, having considered the patient care capacity issues facing UNMH, determine that approving and recommending for approval the use of \$23 million from the UNMH Hospital Capital Initiatives Fund at the Health Sciences Center to be transferred to UNM SRMC as a capital contribution by the University to UNM SRMC, is consistent with the strategic plan adopted by the UNMHSC and UNMH and is in the best interest of the UNMHSC and of UNMH, subject to satisfaction of the following conditions: (a) receipt by UNMH of written consent of the FHA Commissioner and/or Wells Fargo Bank, N.A., as Indenture Trustee, to the use of the UNMH Hospital Capital Initiatives Fund for the purposes outlined in these Resolutions (the "FHA Consent"); and (b) receipt by UNMH of written consent of the Bernalillo County Board of County Commissioners to the use of the UNMH Hospital Capital Initiatives Fund for the purposes outlined in these Resolutions (the "Bernalillo County Consent"). Additionally, the Regents determine that use of \$23 million from the UNM HSC Fund Balances to be transferred to UNM SRMC as a capital contribution by the University to the UNM SRMC is in the best interest of the UNM HSC;

WHEREAS, in light of the increased access to patient care created by opening and operating the New Hospital Project and the substantially enhanced teaching, education and research opportunities presented by the New Hospital Project, the Regents find and determine that the terms and conditions under which the aggregate of \$46 million will be transferred to UNM SRMC as an equity investment by the University in UNM SRMC and under which the UNM SRMC Hospital Land will be leased to UNM SRMC pursuant to the Ground Lease, are fair, just and reasonable to the University.

NOW, THEREFORE, BE IT RESOLVED:

1. For the purpose of providing financial assistance and support for the New Hospital Project, the Regents hereby approve, authorize and direct the use of \$23 million from the UNMH Hospital Capital Initiatives Fund at the Health Sciences Center to be transferred to UNM SRMC as an equity investment by the University in UNM SRMC, subject to receipt by UNMH of the FHA Consent and the Bernalillo County Consent.
2. For the purpose of providing financial assistance and support for the New Hospital Project, the Regents hereby approve, authorize and direct the use of up to \$23 million from the UNMHSC Fund Balances to be transferred to UNM SRMC as an equity investment by the University in UNM SRMC.
3. For the purpose of providing financial assistance and support for the New Hospital Project, the Regents hereby approve, and hereby authorize and direct the UNM HSC to enter into the Ground Lease in respect of UNM SRMC Hospital Land on the terms set forth in these Resolutions.

PASSED, APPROVED, AND ADOPTED BY VOTE OF THE BOARD OF REGENTS AT A REGULAR MEETING OF THE REGENTS HELD ON JANUARY 12, 2010.

By: _____


Raymond G. Sanchez, President of
the Board of Regents