

Minutes of the Special Meeting of the Board of Regents of the University of New Mexico
October 29, 2014
Roberts Room, Scholes Hall

Members present

James H. Koch (in person), Jack L. Fortner (by phone), Suzanne Quillen (by phone), J.E. 'Gene' Gallegos (by phone), Heidi Overton (by phone), Conrad D. James (by phone), Bradley C. Hosmer (by phone)

Administration present

Robert G. Frank, President; David Harris, EVP of Administration, CFO, COO

Others in attendance

Andrew Cullen, AVP Planning, Budget and Analysis; Erik Harrigan and Paul Cassidy, RBC Capital Markets; Katherine Creagan and Duane Brown, Modrall Sperling law firm; John Archuleta, George K. Baum & Co.; George Williford (by phone), First Southwest and UNM's financial advisor; Jason Hughes and Erick Macha, First Southwest; Mark Valenzuela, George K. Baum & Co.; Kim Bell, Deputy University Counsel; Dianne Anderson, Dir. University Communications

CALL TO ORDER

Regent Jamie Koch called the meeting to order at 12:02 PM. Other members attended the meeting by phone. A roll call of members confirmed a quorum. The motion to adopt the agenda was unanimously approved (1st Hosmer, 2nd Fortner).

APPROVAL OF THE PRICING RESOLUTION FOR THE UNM SERIES 2014A AND 2014B BONDS

Andrew Cullen addressed the Regents. The Regents approved, at the August 8, 2014 Board of Regents, the paramaters resolution for the refunding of the bonds. Today, the Regents are being asked to approve the pricing resolution for the refunding of the 2003 Series (A, B, & C) bonds which has a tax-exempt (A & B) and a taxable (C) component. As shown in Exhibit A, the final pricing of the bonds, which took place on October 28, 2014, will give a total savings of 3.9 million, a present value savings of almost \$3.0 million, and a present value savings as a percentage of the refunded amount of just under 18%, which is exceptional. Experts in this field say that a net present value savings of over 4% is good. There was discussion and confirmation that the noted savings is net of all costs of issuance. There was discussion about a 2-year decrease in the coupon rate for the 2014A bonds during 2030 and 2031. George Williford explained that the investors who buy the bonds want a certain coupon rate, there is a slight decrease in the coupon rate for the years 2030 and 2031, but the yield to maturity for the whole issuance follows an upward trend. Currently, there are plans to bring to the Regents for approval in November the pricing resolution for the refunding of the 2005 Series bonds.

The motion to approve the pricing resolution for the UNM Series 2014A and 2014B bonds passed by unanimous vote (1st Gallegos, 2nd Hosmer).

APPROVAL OF INNOVATE ABQ, INC. BOARD OF DIRECTORS

Regent Fortner said the Board of Regents approved, after closed session of the October 10, 2014 meeting and contingent upon each person's acceptance, the board of directors for Innovate ABQ, Inc,. Those approved were: Richard Larson, David Harris, Sherman McCorkle, Gig Brummell, Chuck Wellborn, Terry Laudick and the City of Albuquerque's appointee. Regent Fortner said Gig Brummell did not accept a board position. Pat Vincent-Collawn, CEO of PNM Resources, Inc. was put forward as the seventh member. The Regents agreed they needed more time to consider the seventh member.

Regent Fortner made a motion to approve R.J. Berry, David Harris, Richard Larson, Terry Laudick, Sherman McCorkle and Chuck Wellborn as 6 of the 7 members of the Innovate ABQ, Inc. board of directors. Regent Koch seconded the motion. All were in favor. The motion passed.

There was further discussion about Innovate ABQ, Inc. and confirmation that it will be incorporated as a 501(c)3 research park corporation.

VOTE TO ADJOURN

The motion to adjourn the meeting passed by unanimous vote (1st Fortner, 2nd Hosmer).


The meeting adjourned at 12:21 pm.

Approved:

Attest:



Jack L. Fortner, President



Bradley C. Hosmer, Secretary/Treasure

Minutes originated and finalized by: Mallory Reviere