

**Minutes of the Special Meeting of the
Board of Regents of the University of New Mexico
June 17, 2019
Roberts Room, Scholes Hall, Main Campus**

Members present

Douglas M. Brown, President; Kim Sanchez Rael, Vice President; Sandra K. Begay, Secretary Treasurer (telephonically); Rob Dougherty; Melissa Henry; Marron Lee; Robert Schwartz

Administration present

Garnett S. Stokes, President; Paul Roth, EVP and Chancellor for Health Sciences Center; Loretta Martinez, Chief Legal Counsel; Richard Larson, Executive Vice Chancellor for HSC; Eddie Nuñez, Athletics Director; Dana Allen, VP Alumni Relations; Terry Babbitt, President's Chief of Staff; and others

Presenters in attendance

Bonnie Leigh Reifsteck, Interim Director of the Policy Office; Tom Neale, Director of the Real Estate Office; Bonnie White, UNM Hospitals CFO

Others in attendance

Members of administration, faculty, staff, students, the media and others.

CALL TO ORDER, CONFIRMATION OF A QUORUM, ADOPTION OF THE AGENDA

Regent President Douglas M. Brown called the meeting to order at 9:03 AM and confirmed a quorum. Six members were present in person; Regent Sandra Begay attended telephonically.

The motion to adopt the agenda passed with a unanimous vote in favor (1st Lee; 2nd Schwartz).

PUBLIC COMMENT (no comments)

APPROVAL OF REGENTS' POLICY MANUAL (RPM) REVISIONS:

- A. Revised/Consolidated Policy RPM 2.3 ("Equal Opportunity; Affirmative Action, Anti-Harassment, and Anti-Retaliation")
[To replace RPM 2.3 ("Equal Opportunity & Affirmative Action for Employees & Students"), and to replace and rescind RPM 2.4 ("Diversity and Campus Climate") and RPM 2.5 ("Sexual Harassment")]
- B. Revised Policy RPM 3.7 ("Health Sciences Center Institutional Compliance Program")
- C. New Policy RPM 3.8 ("Institutional HIPAA Compliance Program")

Bonnie Leigh Reifsteck presented the item. Chief Legal Counsel, Loretta Martinez and Chancellor Roth were available to answer questions. The revisions are part of a full set of proposed Regents' Policy Manual (RPM) revisions, but these particular policies and revisions have more urgent timing requirements for approval as they relate to accreditation or national compliance regulations. Regents' Policy 3.8 regarding HIIPA was discussed at the most recent Regents' Audit and Compliance Committee meeting. Dr. Roth added the policies, being Regents' Policies, apply to the whole university. During the site visit for the School of Medicine's accreditation, it was pointed out that the Regents' Policy on anti-discrimination did not include gender identities, so these changes add that as another category.

Regent Brown asked for one motion to approve all of the proposed revisions.

The motion to approve the three proposed Regents' Policy Manual revisions passed with a unanimous vote (1st Schwartz; 2nd Henry).

APPROVAL OF PROPERTY ACQUISITION FROM DONOR

Tom Neale presented the item. In 2016, the administration, dean of the school of architecture and planning, and Antoine Predock, negotiated a donation of a vast amount of archival material as well as a bargain sale for a complex of his residential properties and his office and studio. In May 2017, the Regents were briefed and approved the naming rights for the facility, but there is no record of Regents' approval of the acquisition. This came up when UNM went to HED to request capital project approval, for the studio and office complex, that had been approved by the Board of Regents at its November 2018 meeting. From a real estate perspective, it was a good transaction. The Foundation paid \$700K for \$1.675 million worth of real property. The Foundation sold the balance of the properties and deeded to UNM in 2017 what has become the Predock Center for Design and Research. The request is for official Board of Regents' approval on the property donation that occurred in 2017.

Regent Marron Lee explained that this was not an oversight, because this came to Finance and Facilities Committee about two years ago, and the understanding at the time was that the Regents did not have to approve the acquisition because it was a project that was going to go through the Foundation. Mr. Neale confirmed the original acquisition was done by the Foundation, then the Foundation, after selling some of the properties, deeded the remaining property to UNM. From the HED standpoint, even if title of a property is received through donation, it still needs Regents' approval.

Regent Brown inquired about and requested there will be appropriate signage on the site that will acknowledge Antoine Predock, someone who has made great contributions to the University and the world of architecture.

The motion to approve the acquisition of the Antoine Predock Studios and Office 300-308 12th Street NW, Albuquerque, New Mexico passed with a unanimous vote (1st Lee; 2nd Henry).

APPROVAL OF ANNUAL RENEWAL OF MAUI HPCC LEASE

Tom Neale presented the item. This lease renewal for the Maui High Performance Computing Center (HPCC) has been done every year since 1991. It's a renewal of the master lease that Regents are asked to approve every June. This started out as an award to UNM to set up and operate the HPCC. In 2001, the Air Force Research Laboratory awarded the contract to the University of Hawaii, and at that point the property was sublet to the Research Corporation of the University of Hawaii until agreement terms ran out in 2013 and in the same year, UNM entered into an occupancy agreement directly with the United States of America (Government). Although the lease document allows UNM to terminate for financial reasons, it is viewed that UNM has a procuring cause and moral obligation to go forward with the lease. The term for the master lease expires in 2025, at which time the equity that has been built up will accrue to the University. The federal government entered into a new sublease effective 2018 for one-year with four annual renewal options through 2023.

Regent Sanchez Rael inquired if there is a net cash cost for the University to maintain this. Mr. Neale responded on average there is about \$5-10K leakage from the University's coffers, but it depends year to year, because the payments under the Master Lease are not level.

Regent Brown inquired if the University is actively utilizing the site for academic purposes. Mr. Neale responded the entire facility is leased to the Government, roughly 30,000 square feet of space with a computer center in the facility, as part of the DOD mission, tracking space objects. There was discussion about the government's commitment to stay at the facility; Mr. Neale said it has invested \$5-6 million in the facility over the last five years. Regent Brown clarified that if this is not being utilized for academic purposes, then for UNM it is more like an investment play. Mr. Neale explained that a

purchase option for the University began in 2000, whereby UNM can purchase the property at any time for \$9.165 million. UNM's net cost however is significantly less and declines with every year of the agreement.

Regent Lee asked Mr. Neale to explain a little more about the time when the DOD came in. Mr. Neale explained that Chaouki Abdallah helped to secure the federal government lease. Since then, the roof has been replaced and other maintenance and significant upgrades have taken place at the Government's cost. Mr. Neale added this is an absolute net lease, where the Government pays all operating expenses. The University's maintenance obligations are limited to the structural components of the building.

Regent Doughty stated that now he has seen this annual renewal for the fifth time, and he has stated every year this was a wrong decision, that the University should not be in the business of investing in real estate in Maui. Regent Doughty said he was not going to vote against this, because UNM's hands are tied, but he urged that if there is a way to get out of this with a positive outcome for the University, the University should do so.

The motion to approve the renewal of the Maui High Performance Computing Center Lease passed with a unanimous vote in favor (1st Lee; 2nd Schwartz).

APPROVAL OF JAGGEAR SOFTWARE RENEWAL

Bruce Cherrin presented the item. This is a renewal of one of the major software packages the University utilizes for business operations. This includes such areas as purchasing, accounts payable, and contract management. This company was formerly named SciQuest and procurement was delivered within the Banner proposal by Ellucian (then SCT) in 2006. UNM was one of the first universities to work with SCT to develop the first interface between an ERP and e-procurement system. The proposed contract is for eight (8) years and prices for the next 8 years have been negotiated with minimal increases, with annual costs ranging from \$582K to \$606K. The actual contract does not expire for two years, but negotiations were necessary early on in case they didn't work out and another vender was needed. Mr. Cherrin said the contract if approved will be executed on June 30. Approval is required for any contract amount over \$1 million.

The motion to approve the Jaggear Software Renewal passed with a unanimous vote in favor (1st Lee; 2nd Schwartz).

APPROVAL: HEALTH SCIENCES CENTER – UNMH CONTRACTS

Bonnie White presented the item. Chancellor Roth was available to answer questions. Regent Rob Schwartz recommended approving the HSC items in one motion, because the contracts and capital projects have had a substantive review and reliable review by responsible parties and the Hospital Board of Trustees has also approved them. Dr. Roth confirmed that all items that eventually make it to the Regents for approval, having to do with the clinical enterprise of the health system, all receive previous governance review, whether it's the medical group, SRMC or UNM Hospital. In each of those cases, there is a separate board, for which the Regents approve members, and finance committees of those boards review such items. In these cases, both the contracts and capital projects, the external consultant, Huron, generated these requests so as to reduce the cost to the institution. They have also been reviewed by management. Bonnie White and Kate Becker presented these to the Hospital Board's Finance Committee. Regent Brown said the confirmation that appropriate processes were followed should be the point of concern for the Regents and not whether each item should be purchased or not. (The motion to approve this item is included with the next item)

- A. Stryker/K2M, Medtronic, Nuvasine, DePuy Synthes, Globus Medical Noah America, Inc., Seaspine Sales, LLC, Ulrich Medical USA, Zimmer Biomet US, Inc. - \$5,418,472
- B. Hospital Environmental Supplies - \$1,000,000
- C. Lifeguard Program Rotor Services - \$2,000,000 annually
- D. Cost Accounting Software - \$2,500,000 total
- E. Hospital System Hand Hygiene Project - \$1,000,000
- F. Spinal Cord Stimulation - \$1,200,000 annually
- G. Cochlear Implants - \$1,400,000 annually
- H. Computer Assisted Surgery, Instrumentation and Disposables - \$2,500,000 annually
- I. Pyxis Supply Stations - \$1,004,000 annually
- J. Hospital Waste Management - \$1,000,000 annually
- K. Accounts Receivable Management - \$6,000,000 annually
- L. Mortgage Banker – dependent on HUD mortgage final loan

APPROVAL: HEALTH SCIENCES CENTER – CAPITAL PROJECTS

Bonnie White presented the item. Chancellor Roth was available to answer questions.

- A. UH Main-Basement-Server Room HVAC Upgrade - \$633,200
- B. UH Main-Basement Machine Room 8 – Medical Air Compressor Replacement - \$858,700
- C. UH-Main-Cardiac Cath Lab-1 Replacement - \$800,000
- D. UH-Main – OR-Air Handler Upgrades - \$1,265,200
- E. BBRP – Mechanical Room – AHU Upgrade - \$972,900

The motion to approve the Health Sciences Center UNM Hospital Contracts and Capital Projects as listed passed with a unanimous vote in favor (1st Doughty; 2nd Schwartz).

REQUEST TO INCREASE THE GENERAL OBLIGATION BOND APPLICATION TO HED FOR THE PROPOSED COLLEGE OF NURSING/COLLEGE OF POPULATION HEALTH BUILDING FROM \$30 MILL AS PREVIOUSLY APPROVED BY THE REGENTS, TO \$33 MILLION

Chancellor Roth presented the item. The Regents had approved at its previous meeting the request for \$30 million for a capital project for the College of Nursing and College of Population Health Building. After further review, it was concluded not enough space was included in the original estimate to accommodate moving a number of faculty that are currently based in another facility. So the request is to increase the project by another \$3 million so that all the faculty from the College of Nursing can be brought together into one building. This is request for an amendment to the initial capital project, from \$30 million, to \$33 million, which will allow for 6,000-7,000 additional square footage.

The motion to approve the increase from \$30 million to \$33 million the General Obligation Bond application to the HED for the proposed College of Nursing/College of Population Health Building passed with a unanimous vote in favor (1st Schwartz; 2nd Sanchez Rael).

PUBLIC COMMENT (no comments)

ADJOURN

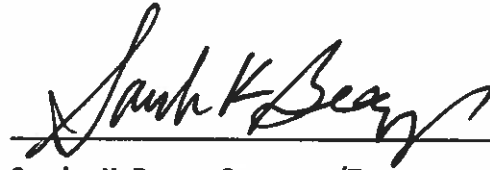
There being no further business, Regent Brown asked for a motion to adjourn; Regent Lee motioned; Regent Sanchez Rael seconded; motion passed unanimously; the meeting adjourned at 9:38 AM.

Approved:

Attest:



Douglas M. Brown, President



Sandra K. Begay, Secretary/Treasurer