

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

June 13, 2006

ATTENDANCE:

Regents present:

James Koch, President
Jack Fortner, Vice President (until 3:30 pm)
Sandra Begay-Campbell, Secretary-Treasurer
Raymond Sanchez
John "Mel" Eaves
Rosalyn Nguyen
Don Chalmers (by conference phone until 3:30 pm)

Acting President present:

David Harris

Vice Presidents present:

Paul Roth, Executive Vice President, HSC
Reed Dasenbrock, Executive Vice President of Academic Affairs/Provost
Terry L. Yates, Vice President for Research and Economic Development
Michael Carroll, Vice President for Institutional Advancement
Susan A. Carkeek, Vice President of Human Resources
Elisio "Cheo" Torres, Vice President of Student Affairs

University Counsel present:

Patrick Apodaca

Regents' Advisors present:

Jeanne Logsdon for Virginia Shipman, Faculty Senate
David Groth, President, Staff Counsel
Joseph Garcia, President, GPSA
Brittany Jaeger, President ASUNM
Roberto Ortega, President, UNM Alumni Association
Robert Bovinette, Chair, UNM Foundation

Others in attendance:

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

Regent James Koch presided and called the meeting to order at 1:00 pm.

ADOPTION OF AGENDA, Regent James Koch

Motion approved unanimously to adopt today's agenda

APPROVAL OF SUMMARIZED MINUTES OF THE MAY 9, 2006 UNM BOARD OF REGENTS MEETING

Motion approved unanimously to approve the Summarized Minutes of the May 9, 2006 UNM Board of Regents meeting

PUBLIC INPUT:

- Terry Mulcahy, DNA Services at HSC, and President of a union on campus.
We had an issue arise in one of our negotiations. In several of the contracts being negotiated, UNM management was asking that we include language on background checks. This is something that concerned us.
- Regent Eaves commented that the “Public Comment” period does not require any response from the Regents and that the Regents do not get involved in the labor negotiations. Those are matters that should be discussed with the appropriate representatives at the Health Sciences Center.
- Adrian Pedroza, graduate of the Anderson School of Management, former employee and representative of the Lambda Theta Phi Fraternity. Our organization focuses on issues of diversity and recruitment of Hispanic students to the University of New Mexico, but, not only recruitment, also the retention and graduation of Hispanic students. I am here to thank you for including the community on your selection for the next president of the University and also to express our interest to continue to work with the University on issues of recruitment, retention and graduation of our Hispanic population at the University of New Mexico.

ADMINISTRATIVE REPORT, David Harris, Acting President

- UNM began preparing, approximately one year ago, for our ten year certification visit from the NCAA, which is required under the NCAA constitution. We created a steering committee, headed by Breda Bova, and named 15 members. Participation came from faculty, students, staff, alumnae and community members. We formed three sub-committees: academics, student welfare and governance. It was a very inter-active process. We did produce an extensive work product through the graduate assistance that we hired to help with this process. We submitted our report to the NCAA and they sent a visitation team to the University about ten days ago. I am pleased to report that the findings of the on-site visit were minor in nature. They would like for us to firm up certain job descriptions, non-athletic job descriptions, to recognize the requirement of adherence to NCAA regulations. They would also like us to tighten up our travel policies. We will be re-certified and we have agreed to take the steps recommended by the on-site team.

- The week of June 4th, I attended the Mountain West Conference president's annual retreat in San Diego. We were primarily focused on finalizing a new television agreement for Mountain West Conference teams. We do have a consultant from New York who is negotiating with the cable companies. We hope to have contracts in place within the next three weeks. We also talked about professionalism and competition, which Paul Krebbs is now working on. The presidents indicated a need for setting a long-term strategic direction of the Mountain West Conference and have asked the Faculty Athletic Representative, the Senior Women Administrators, and the Athletic Directors to join the presidents in working on a new strategic plan.
- I would like to announce a couple of personnel changes that have occurred over the last month. I am pleased to announce the appointment of G. Christine Chavez as Director of Internal Audit. She has been with the New Mexico Legislative Finance Committee since 1991, most recently serving as Deputy Director for Performance Audit. She is a graduate of UNM and a Certified Public Accountant. She will start her new position in the middle of July.
- We had a search process underway for several months to employ a new Government Relations Director. The committee received 45 applicants unanimously recommended Marc Saavedra. Marc has an extensive background in public administration and in governmental relations and will begin 6/06.
- Provost Reed Dasenbrock has named Associate Dean of University Libraries Fran Wilkinson to replace Camila Alire, who announced her retirement.
- Mary Kenney was named interim Associate Vice President for Facilities Management to replace Steve Beffort.
- Catherine(Kate) O'Neill was named by Provost Dasenbrock to be Interim Executive Director of the UNM Taos Branch.
- Campus News:
Hispanic Outlook in Higher Education featured UNM prominently across degrees and disciplines. The magazine reports UNM ranks #9 for awarding doctoral degrees to Hispanics, #19 for master's degrees and #13 for bachelor's degrees. UNM medicine, pharmacy and nursing schools are among the top 25 for graduating Hispanics. More programs at the UNM School of Engineering are ranked nationally than ever before. Five UNM engineering programs are listed in recent annual rankings.
Bill Adkins announced the reorganization of the Computer and Information Resources and Technology (CIRT) and Telecommunications Department. Effective 7/1/6 they will become Information Technology Services (ITS).

**ZIMMERMAN LIBRARY REPORT, Kathy Guimond, Chief, UNM Police
Department/Mary Vosevich, Director, Physical Plant Department/Fran Wilkenson,
Dean of Libraries/Dan Marin, Keenan and Associates**

- We formed a team of people who participated in the recent fire that we had at Zimmerman Library and we ask them to make a report of what happened and what the outcome has been.

- UNM Police were notified at 10:51 pm on Sunday, April 30th. As is our custom and practice, the Police Dispatcher notified police and also contacted the Albuquerque Fire Department. Police arrived on the scene within one minute, smelled smoke and began to evacuate the building.
- UNM Police command staff were notified as were other additional UNM response organizations such as Physical Plant and RSHEA. UNM Police Officers established a perimeter around Zimmerman to control pedestrians and vehicle traffic. Additional University personnel were notified by the Police Department and responded to the scene.
- Shortly after personnel were on the fire scene, the Physical Plant determined that we didn't have any migration of fire or smoke through our tunnel system. No additional fire alarms were received for any surrounding buildings.
- At 7:00 am the following morning, the Emergency Operations Center of the University was convened. This allowed us to determine a course of action and also to notify the University campus. The Office of the State Fire Marshall exercised jurisdiction, they responded to the scene, and they assumed responsibility for the fire investigation. We did maintain a police and security perimeter around Zimmerman until May 8th at 7:00 am. The State Fire Marshal relinquished control of Zimmerman Library to UNM at 5:13 pm on May 5th.
- The Physical Plant Department was notified shortly after the police got the notice of the fire alarm through our normal reporting procedures. We immediately helped the police in securing the perimeter and pedestrian flow around the library and checked the impact of the fire to our utilities systems.
- We supported the needs of the Albuquerque Fire Department and the State Fire Marshal. We coordinated air-sampling with RSHEA and sampled the air in the facility every twelve hours.
- We ventilated the building and installed isolation curtains to help mitigate the migration of any smoke in the building. We established a temporary alarm system in the building so we could protect the staff and the contractors that were working in the building.
- We continued to provide logistics support to the State Fire Marshal during his post-fire investigation.
- On Monday and Tuesday we went in and were surveying the damage to the facility and setup a statement of work and areas of concern for us to start mitigating any damage that was done.
- Immediately, after being allowed access into the facility, we started removing all the ceiling tile in the building. We employed on-call contractors (Maloy and Rockefeller) to begin immediate demolition work and clean-up of any smoke and soot contaminated materials.
- We identified zones and began a competitive bid process to bring in a company that is a restoration expert. The company is BMS Catastrophe, Inc and they have started the restoration work which involves: wiping down every square foot of the library, taking care of all the documents that need to be wiped down, and removing those that need special work done on them.
- Part of the restoration work involves restoring any art, murals, and special collections.

- We are intending to re-open the library in a phased fashion starting on June 23rd. That will be the first level of the library and over the course of the next week or so; we will be opening other sections of the library as well.
- We have continuing structural investigations ongoing in the lower level. This is where the fire was contained and this involves scraping all the plaster and concrete. We have a structural engineer looking at the structure. We are looking at the HVAC (ventilation improvement and electronic control) that need to be worked on and upgrades that need to get done. This has been reviewed by the construction industries in the state to make sure that we are going to be in code and if special permits are needed.
- A wet pipe sprinkler system will be installed in the lower level as part of the reconstruction project.
- The restoration of the lower level will begin on July 5th.
- The insurance policy for UNM has a \$1,000 deductible and the state of New Mexico has a \$99,000 deductible. The reinsurers are all out of Georgia, they are: Axis, Ace and RSUI. We have replacement costs coverage on the building and the contents. There is a separate Fine Arts policy with a \$5,000 deductible.
- We had numerous code experts involved, engineers, fire suppression experts to work with both the state, insurance companies, and contractors.
- The basement has been cleaned of all burnt materials. They are in the process of scraping down and painting the basement. The books have been shipped to Fort Worth for cleaning. All other basement items have been moved to off-site storage and have already been cleaned and are ready to be returned.
- Zimmerman Library was quickly and efficiently evacuated the night of the fire. The Library Disaster Recovery Coordinator, Fran Wilkenson, and the Facilities manager were on-site all night.
- The Disaster Plan was activated. All electronic resources remained up and running at all times.
- Week 1, Monday, by 8:00 am the Library Disaster Recovery Assistance Team was activated. Zimmerman staff were deployed and a plan was developed so all staff could be re-deployed. There are 109 staff at Zimmerman and they had to be housed in other libraries. We setup a central phone number and created an email address for updates. Centennial Library hours were extended to midnight. This fire occurred a week before finals. Customarily Zimmerman Library would have been opened until midnight. We also arranged for extended hours at the SUB for quiet study. Information was posted on the website.
- On Tuesday, the Parish Library hours were extended to midnight and reference services moved to the SUB. Information tents were established at entrances to Zimmerman Library. Computer pods in Dane Smith Hall and Engineering & Science Center had extended hours. We were also able to have a limited tour of the burned basement area.
- On Wednesday, a FAQ sheet was developed, which was later posted on the library website. The plan for providing Zimmerman books by customer request was developed. Our Interlibrary Loan services were relocated to Centennial Library.
- On Thursday, we had an open information meeting for all library staff.

- On Friday, UNM gained control of Zimmerman Library from the State Fire Marshal.
- On Saturday, Zimmerman employees were allowed back into the building. We had over 500 book requests and we were able to fulfill these requests for our customers.
- Our future plans are: replace burned journals in electronic format, remodel 1st floor of Zimmerman to increase public space, reconfigure the basement to setup a Research Plaza, request funding for fire suppression system for Zimmerman Library, and request funding for camera monitoring system for Zimmerman Library.
- Regent Koch stated that no one mentioned how much the loss cost and if it was intentional or electrical. Dan Marin responded by saying it looks like it was intentional. Kathy Guimond stated that the investigation is being done by the State Fire Marshal's Office and part of that investigation is to determine cause and origin of the fire. They recovered a substantial amount of evidence from the scene and that evidence is being analyzed with the state crime laboratory.
- Regent Koch asked if the report done by the University of Utah was ever brought before the Regents. Fran Wilkenson commented that it was not brought before the Regents, a copy of the document was provided to the Provost at the time, it was mentioned in the library's annual report and the information was shared widely, but the actual document was not brought to the Regents. Regent Koch asked why didn't the library at the time recommend that it be done or did they recommend that it be done? Fran Wilkenson stated that looking at the Preservation Report in context, the information in that report was gleamed from our library administrators, as well as from Physical Plant and others. That consultant basically got that information from our campus officials, who were already keenly aware of the problem. We continued to have conversations with PPD and Risk and Safety regarding needs for a variety of items brought to light in that report.
- David Harris stated, "I want to be clear, because we have press here, as to what the cause was. I hear from Dan that it was intentional and from the Chief that no determination has been made, somewhere between there should go out a definitive statement of what we know today. My understanding is that we don't know definitively what caused it."
- We can say it is possible that it was intentionally set, but it is still under investigation.

APPOINTMENTS TO UNM LABOR BOARD, Susan Carkeek, VP, Human Resources

- The Labor Board is an outgrowth of the Labor Resolution Policy that you approved at your May meeting. This Labor Board is a three person Board. One member is appointed on the recommendation of the individuals that currently represent labor at the University. One member is recommended by management. Management is recommending the appointment of Stephanie Wilson. A third member will come before you for appointment and that will be a recommendation made by the first two appointees.

Motion approved unanimously to approve Stephanie Wilson to represent management on the UNM Labor Board.

Motion approved unanimously to approve Carol Oppenheimer to represent labor on the UNM Labor Board.

COMMENTS FROM REGENTS ADVISORS

Jeanne Logsdon for Virginia Shipman, Faculty Senate

- We are especially interested in hearing about the progress of the Presidential Search Committee. We are very eager to endorse the selection of an academically oriented president to help the University move forward and therefore we want to give our full support to the creation of that committee.
- We have recently received a report with the faculty comparative salaries. This is a new report and individuals have not had an opportunity to examine it. But, there has been some preliminary analysis. Unfortunately, UNM has fallen in both total compensation and individual salaries compared to our peer institutions. We are second to last. In terms of total compensation, we are in last place. Regent Koch commented that we are 91.3% of salaries compared to our peers. The only place lower than UNM is the University of Oregon. The concerns with total compensation will be mitigated with increases in retirement. Regent Koch commented that the staff is very important to the University, we are 100% equivalent to our peers; we always want to keep our staff at 100% of our peers. As we go through this legislative process, we ask for support from both sides, with the understanding that we are not going to try to have the staff take a “backseat.” I am not trying to split the faculty and the staff, but we are going to talk about what we can do with the legislature to help them not have a tuition credit.
- The Faculty Senate is eager to work with other members of the University community, so we can make our case. I think we have a strong case and it is important to work together.

David Groth, President, Staff Council

- We are just starting our new year, new officers, and we are looking forward to a productive year. We are just finishing up a communications push with the 5200 people we represent to find out what they are concerned about. The staff is really concerned about cost of healthcare, compensation, and parking. Next week we are celebrating staff week and we have a number of events scheduled all week. In July we are having our Higher Education Staff Summit.

Joseph Garcia, President, GPSA

- I have an undergraduate degree from Texas A& M University. I spent six years with the Peace Corps in South America and also recruiting out of Dallas, which brought me to UNM. I am in my second year of being the UNM recruiter working with students and providing them with international opportunities. I have been at

UNM for four years nearing completion of a double Masters in Latin American Studies and Community Regional Planning. My focus is on community participation. I am interested in enhancing participation for graduate students: specifically promoting a student based objective entitled “Peer Mentoring for Graduates of Color.”

- In regards to the future president, I only have recommendations in terms of someone with very good academic qualifications and very good social skills: and that there be compromise between the Regents and the future president.

Brittany Jaeger, President, ASUNM

- I will be serving on the Housing Task Force and I am looking forward to that. I hope to bring in students’ voices, especially incoming students. We are going through orientation right now. I am seeing a lot of eager freshmen, ready to get involved.
- The MBA team that I have been speaking about going to the Cadillac Competition in Detroit actually won the entire competition. This is the second time they have won. The FBI is now contacting the instructor to hopefully get the class to work on some sort of project.

Roberto Ortega, President, UNM Alumni Association

- I am a graduate of the Law School and I went to Stanford University for my undergraduate degree. I was in private practice for nine years, now I am a member of the U.S. Attorney’s Office where I prosecute drug crimes and immigration crimes. I have been with the Alumni Association for more than six years. My ties to UNM are long and wide. I come from a family of seven, most of my family has attended or graduated from one of the schools here at UNM. My dad was a Regent during a very pivotal time at this University in the late 60’s.
- We have a vision to be a vital partner of this University and to engage alumni in all facets of the University. Our mission is to be the bridge between the University and to ensure the continued success of the University.
- We are strengthening the collaboration with campus constituents to meet the needs of UNM. The Alumni Association helped to coordinate a reunion of the Theater and Dance Department, including a fund raiser, a visit by a notable professor, and a round panel discussion. We plan and staff homecoming every year. This year’s homecoming will be a reunion of prior homecoming courts. One of our goals is to engage students to develop lifetime ties to UNM.
- We are working diligently to secure Hodgin Hall as our home. We are doing a needs assessment and figuring out what improvement needs to me made.
- I am proud to be here and I look forward to working with you.

Robert Bovinette, Chair, UNM Foundation

- I am pleased to report that the Foundation will be holding a strategic planning retreat in late July.
- The main focus will be the role of individual directors in fund raising.
- I recently appointed an ad hoc committee on succession planning. The purpose of this committee is to pursue an inclusion approach for determining who the next

chair of the Foundation should be. They are holding their first meeting this Thursday afternoon.

- On the investment side, the market value of the consolidated investment fund stood at approximate \$275M on April 30th. That compares to \$235M July 1, 2005.
- On the fundraising side, as of yesterday, we are at 88.1 % of our goal. We believe that we will achieve the fund raising goal for this year. We are at \$41.6M.
- On behalf of the Foundation, I would like to express our deep appreciation for the extraordinary leadership of Mike Carroll.

COMMENTS FROM REGENTS

- Regent Koch asked for Roger Lujan to stand-up.
- I was asked to go to the Associated General Contractors meeting at which time they gave a number of awards to the University for their cooperation with the contractors and architects. There were about ten projects recognized. The University received awards for the Rudy Davalos Center and the Pete Domenici building. There were 400 contractors at the meeting.
- Regent Koch presented the two plaques to Roger Lujan to be hung in the buildings.
- We are going to have a Regents meeting at New Mexico State when we go down to meet New Mexico State in football. We will be establishing communications between University of New Mexico and New Mexico State to work together on common interests. Our first meeting will be in September. I have asked President Harris to meet with President Martin to go over the agenda so we have a meaningful agenda.

ACADEMIC/STUDENT AFFAIRS COMMITTEE, Regent Rosalyn Nguyen

- The Law School is hosting a summer camp for middle school students and it is funded by the New Mexico Hispanic Bar. This allows about 30 middle school students to come to the Law School and get some fun legal training to give them an idea of what a career in law would be like.
- Summer orientation at UNM has just kicked-off. The parents have scored UNM's orientation program as better than other schools.
- Theo Crevenna graduated in 1945 at UNM and was the first Latin American scholar. He moved to DC and had a distinguished career, returned to New Mexico and has been at the University for 26 years. He is the recipient of the Aztec Eagle Award, which is the highest award from the Mexican president given to a foreigner. We had the honor and opportunity to meet him. He is currently working under Dr. Terry Yates as a Special Advisor for Latin American countries.

Motion approved unanimously to approve the ASUNM Constitutional Amendments.

Motion approved unanimously to approve the GPSA Constitutional Amendment.

- Dr. John Trotter, Executive Dean at School of Medicine, presented the endowed faculty chairs for the School of Medicine: Warren Lasky, M.D., Profesor Internal

Medicine Division of Cardiology, Mary Lipscomb, M.D., Professor and Chairperson Department of Pathology, and William Wiese, M.D. Professor and Director Institute of Public Health.

- High Tech High update from Dr. Breda Bova. High Tech High is a public charter high school that is connected to APS and it focuses specifically on Math, Science and Technology. There is a lottery system to get into the school. They only accept 90 students. Part of the funding for this school comes from the Bill Gates Foundation, about one quarter of a million for three years. It is also funded by the New Mexico Legislature. It opened in Fall 2005. They have board members made up of faculty members from College of Education and School of Engineering. The new Head Master there is Kathy Sandoval. They also do con-current enrollment with UNM.

PRESIDENTIAL SEARCH UPDATE, Raymond Sanchez, Chair

- We had eleven constituency meetings. Over 111 individuals have attended the meetings. We have received responses that are varied and wide and well thought out. There is a common thread to all of these; we are finding so much that is consistent in terms of the types of qualities different groups want in their president. We are now in the process of putting those together and creating a matrix which we will give back to each group to make sure that is what they said. We are also in the process of reviewing proposals for people to help us in the selection process. We had five responses and we are reviewing them to select a finalist. We will then begin to work on the process of putting together a search committee. Just about all the constituency groups we have talked to have been pleased with where we are going right now, how we are set up, and this University has made a dramatic change in terms of how we are operating. We are going to move forward as quickly as we can. We may not get it done by January, but we are working towards that deadline.

ADVANCEMENT COMMITTEE, Don Chalmers, Chair

DEVELOPMENT COMMITTEE, Don Chalmers, Chair

- The Advancement Committee and the Development Committee will both meet on June 28, 2006. Since the last meeting I have met with Vice President Carroll to review the agendas for both meetings. A Needs Assessment has been mailed to all the members of the committee. As reported earlier, fund raising is approaching \$42M and that is just \$1M less than all of last year, which was a record year.

FINANCE AND FACILITIES COMMITTEE, John “Mel” Eaves, Chair.

Motion approved unanimously to approve Disposition of Surplus Property on List Dated May 26, 2006.

Motion approved unanimously to approve Science & Technology Corporation (“STC”) Board of Directors Appointment, Teri Willey.

Report accepted:

- 2007 Legislative Priorities is an information item. A draft prepared by Carlos Romero is in the binder for your review. It is a work in progress and will go through some additional revisions.

Motion approved unanimously to approve the \$43,370 GO Bond for Higher Education Campaign.

Motion approved unanimously to approve the Mature Charitable Gift Annuities of \$185k.

- The liquidity provider's role is to buy University bonds in the event of a non-default failed remarketing of these variable rate issues. We pay a fee to affirm that we will buy those bonds in that event. The current provider is West LB, a German company. Their fees were higher than the current market levels. The German government pulled their guarantee of all state banks. The University requested bids to replace the liquidity provider. Six bids were received.

Motion approved unanimously to approve the University's Substitution of Liquidity Providers to Dexia Credit Local.

- The form of the Resolution memorializing the foregoing approval to authorize the substitution of the existing provider under the existing standby bond purchase agreements with respect to the Regents of the University of New Mexico was signed by President Koch and attested by Sandra Begay-Campbell.
- David Harris explained the revisions to the Capital Outlay Projects. David Harris convened a meeting this morning with Dr. Roth, Dr. Dasenbrock, Roger Lujan, Mary Kenny, Carlos Romero and Mark and they went over these priorities. They took a look at what they think the state's fiscal position will be come January. They reconfigured the projects.
- They have indicated a top priority for Life Safety Code Compliance. ADA compliance is \$1.20M shy of being totally compliant. They are requested ½ of the outstanding estimated cost. The General Fund (Non-Recurring) is a new category. These are both appropriations received in the current year for building renewal and replacement and for equipment replacement in the hospital.
- Main Campus Academic had a few reductions: the remodeling of the Student Health Center and the University Libraries Compact Shelving.
- For the Health Sciences Center they have increased the Cancer Center Project. It has been increased from \$8M to \$22M. Plus, have incorporated a federal funds match of \$8M, to bring the project to \$30M.
- Hodgin Hall has been placed number one for the alumni. The building is in tremendous need of renovation. There would be an equal amount of fund-raising to equal any appropriation. They have also included two new projects; Sevilleta Research Facility and Math and Science Academy at UNM (High Tech High).

- With respect to Athletics, they have incorporated the Phase II of the PIT in the amount of \$9M. The Softball Field (Title IX Improvements) has been increased to \$1M. The men's and women's soccer locker room is a very important project. The golf course club house improvements have been included. The club house was constructed in the late '60s and is reflective of that period.
- Regent Begay-Campbell asked if there could be private funding to support these projects in Athletics, possibly matching funds. David Harris said they would be happy to look at that. Mike is meeting with Paul Krebs on Thursday with the Fund Raiser for the Lobo Club and will be going over all of their needs.
- Regent Koch commented that the Lobo Club raises about \$4M, which goes straight to scholarships.

Motion approved unanimously to approve the Capital Outlay Projects as revised, subject to review and approval reports from President Harris to the Regents.

Motion approved unanimously to approve the Renovation/Renewal of the Communication and Journalism building.

- Dr. Cheryl Willman stated that the Cancer Research & Treatment Center project has been an extensive project over the last 2 ½ years and it was done by a huge team of people with thousands of hours of work. Willman acknowledged all those involved with the project.
- Phase I of the project is that central part of the building called CRCT2. The colored core of the building is Phase I of this project, which is a five story building. It will be a state-of-the-art cancer imaging facility that does not exist in our state today. They are treating about 2600 newly diagnosed cancer patients per year in the UNM system, another 1000 patients in the Lovelace system. Their fear was they would exceed capacity when the building opens in about two years, so they shelved the 2nd floor for future clinic expansion. A three-minute video was shown to see how it will be to move through the building (technical difficulty). The initial ground breaking will be in October. The full construction of the walls and floor will begin in January 2007. They will be occupying the facility by November-December 2008.
- The cost for Phase I of the project is \$53M. Phase II of the project is construction of the Cancer Center Education and Administration wing at a cost of \$15M to complete the wings.
- Regent Eaves stated that this project is a magnet for federal funds and it has brought tremendous prestige to the University.

Motion approved unanimously to approve the Cancer Research & Treatment Center II project.

CONTRACT APPROVAL:

Motion approved unanimously to approve the UNMH – Physiologic Monitors for the UNM Hospital.

Motion approved unanimously to approve the UNM – United Blood Service (“UBS”).

Motion approved unanimously to approve the UNMHP – Biological Pharmaceutical Agents IVIG, Albumin and Anti-hemophilic Factors.

Motion approved unanimously to approve the UNMHP – Pharmaceutical Distributors: Group Purchasing Organization ‘Novation.’”

Motion approved unanimously to approve the Fixed Wing Air Emergency Service.

Motion approved unanimously to approve the Electronic Medical Record Contract for FY 2007-2014.

Motion approved unanimously to approve the UNM College of Pharmacy – Nano SPEC/CT.

Motion approved unanimously to approve the Small Animal PET Imaging Systems.

Motion approved unanimously to approve the Student Accident & Health Insurance Policy.

- Kim Murphy presented considerations supporting approval of a one year renewal of UNM’s lease of the High Performance Computing Center facility (“HPCC”) in Maui. He thinks that UNM will realize the equity in the HPCC Lease. The University, during the 90’s, had a very significant air force research contract in HPCC. That facility was located on the island of Maui. UNM was a tenant in a building, approximately 31,000 square feet, on the island. Toward the end of the 90’s when the contract came up for renewal, the University seized the opportunity to change the structure of the facility arrangement. The building was sold and placed in trust. UNM remained a tenant and the landlord was Bank of Hawaii and now is the Bank of New York. This lowered our rent payments and allowed the University to get a higher facility and administrative rate on the research contract. The University bid on the renewal of the air force contract unsuccessfully and it was awarded to the University of Hawaii. The University of Hawaii took over the operation of the facility and entered into a sublease with UNM. UNM’s base lease is an annually renewable lease. The request today is to renew the base lease for one year.

Motion approved unanimously to approve the renewal of Maui HPCC lease for one year.

- Regent Koch stated that Forest City wants to have a closing with UNM on June 20th to bring UNM \$9M. He will call a Special Board of Regents Meeting for June 20th to accept the \$9M. He also wants to add to the agenda for the special meeting that they exercise their option to purchase the Elks Club.

- Regent Eaves stated that Regent authorization to exercise the Elks Lodge property option to purchase is unnecessary because David Harris currently has the authority.
- Regent Koch asked how many could attend a special meeting on the 20th.
- There was discussion whether to take a vote on Forest City's request to approve the "Take Down" boundary in connection with the Mesa del Sol closing.

Motion approved unanimously to approve the Forest City Covington Request to Modify Mesa Del Sol "Take Down" Boundary.

Note: Regent Sanchez abstained from the vote.

- An informational report was provided regarding the Elks Lodge property. There is a five year lease between UNM and Mountain Run Partners for 7.99 acres of land, which is located on University Blvd. at the site of the old Elks Club. The University signed the lease on August 23, 2001; the owner of the property acquired the property the previous year. The five year lease allows UNM to purchase it at a fixed price of \$2.15M. The University has obtained an appraisal for \$2.6M. By exercising the option, the University would realize a paper profit of \$450k. They have to exercise the option before July 3rd or extend the lease. The Facilities and Finance Committee believes that the option should be exercised. President Harris, as the CEO of the University, has the power to exercise the option, but Regent Eaves moved that the Regents indicate by resolution their agreement to exercise that option prior to July 3rd.
- Patrick Apodaca stated that this item is not on the agenda that was published 24 hours before today's meeting and therefore advised against taking any formal action on Elks Lodge.
- Regent Eaves stated that the University already holds the option on the lease. The option was approved by the Regents at the time the lease was signed. President Harris has the authority to go ahead and exercise that option. Regent Eaves said that he would his motion if University Counsel thinks we need to separately notice a meeting for this purpose.
- Patrick Apodaca stated that he believes, subject to further checking, that President Harris does have the authority to proceed to exercise the option. He noted that in the lease itself the closing of the purchase is subject to Board of Regents approval. Once the University exercises the option, you still have to take the additional step of having a formal Board approval to complete the transaction. The authority is there to exercise the option, but the authority to close that deal is not until there is Board of Regents approval. If the Regents wish to approve authority to exercise the option, it should be done at a special meeting with notice. No action was taken.

Motion approved unanimously to approve the Differential Tuition Proposal for the Graduate Professional Programs in Landscape Architecture, Community & Regional Planning, and Architecture at UNM.

- Curtis Porter reviewed the proposed FY 2006-07 Consolidated Budget of \$1.678B, 6.7% increase over the current year's original budget. When the budget adjustments are factored in, the new budget increase is 3.8%. Referring to page 4 of the Regents budget book, far right hand column, total of \$1, 677,951,146 is what is being requested to be approved by the Regents.

Motion approved unanimously to approve the UNM Operating Budget FY 2006-07.

Motion approved unanimously to approve the Technology Innovation Program Endowment (Technology-to-Market Gap Fund for the University of New Mexico).

- George Williford stated that the University currently has four interest rate swaps in place which achieves synthetic fixed interest rates. The rates received from the providers are tied to a BMA rate, which is a tax exempt index. It is being proposed to convert that over to new basis swaps to convert the receipt rate to a percentage of the Libor, which is taxable rate.

Motion approved unanimously to approve the Basis Swaps.

Information Items:

- Ava Lovell summarized the Monthly Financial Report for 10 Months Ended April 30, 2006. We are running favorable for the year, mainly driven by our I&G functions (salary savings, vacancies). The rest of the research operations are using some of their balances. Clinical Operations is breaking even. Athletics is looking unfavorable, but they will pull that out by year-end. \$25M overall favorable for ten months of the year.
- The Housing Task Force Report was skipped so everyone can just read the presentation.
- The Key Administrators' Salary Increases are listed on the report form Susan Carkeek.
- The Senior Administrator Report is self-explanatory.
- The Security Integration Report was not presented at the F&F Committee Meeting. It is a work in progress. They will come back to it at another meeting.
- The State Land Office Exchange of Rio Ranch Land is in a holding pattern. The University has accepted the offer made by the Commission of Public Lands. Price negotiations are in progress.

HEALTH SCIENCES COMMITTEE, Sandra Begay-Campbell

Motion approved unanimously to approve the Permanent Appointments to UNMH Medical Staff.

Motion approved unanimously to approve the Reappointments to the UNMH Medical Staff.

Motion approved unanimously to approve the Appointments and Reappointments to the HSC Committee and COB Board Maralyn Budke HSC/COB; Dr. William Rayburn HSC; Roxanne Spruce-Bly COB.

Motion approved to go into Executive Session.

EXECUTIVE SESSION:

Discussion and determination, where appropriate, of matters subject to the attorney-client privilege regarding pending or threatened litigation in which the University is or may become a participant pursuant to Section 10-15-1.H (7), NMSA.

Discussion and determination, where appropriate, of strategic and long-range business plans of public hospital pursuant to Section 10-15-1.H, NMSA.

Only those matters described above were discussed in Executive Session.

Adjournment at 3:40 pm

Regent James H. Koch, President

Regent Sandra Begay-Campbell
Secretary/Treasurer