

**Minutes of the Regular Meeting of the Board of Regents of the University of New Mexico  
February 12, 2019  
Student Union Building (SUB) – Main Campus  
Open Session - Ballroom C  
Executive Session – Cherry Silver Room**

Members present

Rob Doughty (President); Marron Lee (Vice President); Tom Clifford (Secretary/Treasurer); Suzanne Quillen; Brad Hosmer; Michael Brasher

Administration present

Garnett S. Stokes, President; Paul Roth, Chancellor for Health Sciences; Rich Wood, Interim Provost and EVP for Academic Affairs; Craig White, Interim SVP for Finance and Administration; Loretta Martinez, Chief Legal Counsel; Michael Richards, Vice Chancellor for Clinical Affairs, HSC; Cheryl Willman, director & CEO, UNM Comprehensive Cancer Center; Kate Becker, CEO, UNM Hospitals; Ava Lovell, Executive Officer for Finance & Administration, HSC; Lawrence Roybal, Interim VP for Equity and Inclusion; Eliseo "Cheo" Torres, VP Student Affairs; Francie Cordova, Director of OEO and Interim Chief Compliance Officer; Dorothy Anderson, VP HR; Eddie Nunez, Athletics Director; Liz Metzger, University Controller; Dana Allen, VP Alumni Relations; Terry Babbitt, President's Chief of Staff; Cinnamon Blair, Chief Marketing & Communications Officer; Mike Chicarelli, COO, UNM Hospitals; Bonnie White, CFO, UNM Hospitals; Lisa Kuuttila; CEO & Chief Economic Development Officer, STC.UNM

Advisors present

John Brown, President, Alumni Association Board; Steve Borbas, President, Retiree Association; Becka Myers, President, ASUNM; Boney Mutabazi, President, GPSA President; Pamela Pyle, President, Faculty Senate; Rob Burford, President, Staff Council

Presenters in attendance

Nicole Dopson, Director, Financial Operations; Bruce Cherrin, Chief Procurement Officer; Joey Evans, Director, University Benefits; Eric Weinstein, Aon Consulting; Richard Clement, Dean, University Libraries

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 Rob Doughty called the meeting to order at 9:14 AM and before confirming a quorum, Regent Doughty asked Chief Legal Counsel Loretta Martinez to discuss what constitutes a quorum for the meeting.

Chief Legal Counsel Martinez: "Thank you Chairman Doughty, Regents, and President Stokes. It is natural during times of leadership transition that questions arise about the authority of sitting governing board members as well as new appointees. It is my opinion that UNM's current Regents retain full powers and authority until they are replaced by their duly qualified successors, meaning those individuals who are appointed by the Governor and confirmed by the Senate. Regents' Policy 1.2 states that four of seven Regents shall constitute a quorum. All six sitting Regents are present here today. Accordingly, Mr. Chair, it is my opinion that you have a lawfully constituted quorum at today's meeting."

Regent Doughty thanked Chief Legal Counsel and asked if anybody had any questions. There were none.

Regent Doughty announced special guests. Of five new Regent appointees, four were able to attend the meeting. Regent Doughty introduced Sandra Begay, Douglas Brown, Melissa Henry, and Robert Schwartz. Kimberly Sanchez Rael, also a new appointee, was not able to attend. Regent Doughty congratulated all of the new appointees and said he looked forward to working with them.

Before adoption of the agenda, the following three (3) modifications to the agenda were proposed:

1. Regent Lee requested to move HSC Committee items, 3, 4, and 5 (Tabs 6, 7, & 8) to after the Consent Docket.
2. Regent Doughty requested to move *Comments from Regents* to the end of the open session, after Advisors' Comments.
3. Regent Lee requested to move Finance and Facilities (F&F) Committee information item 5 (Tab 19) to be presented under F&F Committee action item 1 (Tab 15).

The motion to approve the agenda as modified passed unanimously (1<sup>st</sup> Lee; 2<sup>nd</sup> Brasher).

APPROVAL OF MINUTES

The motion to approve the minutes of the January 14, 2019 meeting passed unanimously (1<sup>st</sup> Lee; 2<sup>nd</sup> Brasher).

PUBLIC COMMENT (no comments)REGENT ADVISORS COMMENTS (no comments)THE PRESIDENT'S ADMINISTRATIVE REPORT

President Garnett S. Stokes opened her report with congratulations to the newly nominated Regents, and she thanked the outgoing Regents for their service and expressed appreciation for their confidence. President Stokes discussed the UNM Grand Challenges proposals and process. The initiative was launched in November; there were 14 proposals that received input from external and internal review teams. The Grand Challenges Steering Committee considered the input and made recommendations to the President. The final Grand Challenges that were chosen: 1) Sustainable Water Resources, 2) Successful Aging, and 3) Substance Use Disorders. The proposals that were not chosen will be showcased on the Grand Challenges website as "Ten More Great Ideas." President Stokes also discussed the 41% reduction over the past year in on-campus auto thefts. The UNM Police Department is working closely with a city task force; parking lot improvements have contributed to the reductions. Dr. Stokes gave an update on the executive searches – the search for: 1) Provost & EVP for Academic Affairs, 2) Senior Vice President for Finance & Administration, and 3) Vice President for the Division of Equity & Inclusion, are all scheduled to culminate in April.

President Stokes gave a brief update on the Enrollment Task Force, citing multiple initiatives that are underway including, financial aid evaluations and retention improvements for first-year students. Other recent events President Stokes noted were: UNM Day at the Legislature; UNM's celebration of Black History Month and events at UNM; UNM senior, Esteban Abeyta's, received the Churchill Scholar Award that bestows a one-year scholarship to pursue a master's degree at the University of Cambridge; the School of Public Administrations 50 year anniversary; and UNM named a 'Top 10' Military Friendly® School.

The Higher Learning Commission (HLC) accreditation site visit will be March 1 at UNM-Taos and UNM-Gallup Branch Campuses and March 4-5 for Main Campus. Several open forums will be on the schedule.

President Stokes congratulated Paul Roth for being recognized by the Hispano Round Table of New Mexico at their 25<sup>th</sup> Annual Tribute to Hispano Legislators for his Service to the Hispano Community. Chancellor Roth was recognized for his significant contributions to the advancement of the Hispano community and health services in New Mexico and beyond. Dr. Stokes also announced her decision for Terry Babbitt to permanently fill her Chief of Staff position – Dr. Babbitt will serve as a critical part of UNM's senior leadership team, advancing the mission and strategic initiatives of the University by engaging with the entire UNM community and working collaboratively across the institution.

REGENT COMMITTEE REPORTSCONSENT DOCKET

Regent Dougherty addressed the consent docket; no items were removed from the docket for discussion.

1. Health Sciences Center Committee (HSCC) Consent Item
  - a. Request the Approval of Disposition of Assets - \$207,522.90
2. Finance and Facilities Committee (F&F) Consent Items
  - a. Approval of Disposition of Surplus Property for Main Campus for January 2019
  - b. Approval of Quarterly Financial Actions Report and Certification through December 31, 2018 and Information on Monthly Consolidated Financial Reports for the Month Ended December 31, 2018

The motion to approval the items on the Consent Docket passed unanimously (1<sup>st</sup> Lee; 2<sup>nd</sup> Brasher).

HEALTH SCIENCES CENTER COMMITTEERequest Approval to Appoint Leslie Andritsos, MD as the new holder of the Maralyn S. Budke Endowed Professor in Leukemia Transplantation and Cell-Based Therapeutics

Cheryl Willman presented the item and introduced Dr. Leslie Andritsos. Dr. Andritsos is one of the newest faculty in the Health Sciences Center. She was born in the Rio Grand Valley near El and got her M.D. at the University of Texas Medical Branch in Galveston and went to medical school at Washington University in St. Louis where she also did her residency and fellowship training. Ohio State University recruited her, and she was co-chair of the department of hematology and the director of their blood and bone-marrow transplantation program there. Dr. Willman highlighted Dr. Andritsos' other

accomplishments. Department Chair for Internal Medicine, Dr. Mark Unruh, also spoke in support of conferring the endowed professorship to Dr. Andritsos.

The motion to approve the Appointment of Leslie Andritsos, MD as the new holder of the Maralyn S. Budke Endowed Professor in Leukemia Transplantation and Cell-Based Therapeutics passed with a unanimous vote in favor (1<sup>st</sup> Brasher; 2<sup>nd</sup> Clifford).

Request Approval to Appoint Diane Lidke, PhD as the new holder of Victor and Ruby Hansen Surface Endowed Professor in Cancer Cell Signal Transduction and Cellular Imaging

Cheryl Willman presented the item and introduced Dr. Lidke. An amazing HSC scientist who has a great research program along with major collaborations with UNM Main Campus in engineering, math, and imaging. Dr. Diane Lidke got her PhD in biophysics in medical physics from the University of Minnesota. She went on to train at the Max Planck Institute in Germany and was recruited to UNM in 2005. Dr. Lidke is now professor and vice-chair for research in the Department of Pathology. She is the director of microscopy and cellular imaging at the Cancer Center, and she is a world-class expert in the field. Dr. Willman highlighted Dr. Lidke's other accomplishments. Dr. Douglas Clark, Chair of the Department of Pathology also spoke in support of conferring the endowed professorship to Dr. Lidke.

The motion to approve the Appointment of Diane Lidke, PhD as the new holder of Victor and Ruby Hansen Surface Endowed Professor in Cancer Cell Signal Transduction and Cellular Imaging passed with a unanimous vote in favor (1<sup>st</sup> Clifford; 2<sup>nd</sup> Brasher).

Request Approval to Appoint Eric Prossnitz, PhD as the new holder of the Maralyn S. Budke Endowed Chair in Cancer Chemical Biology and Therapeutics

Cheryl Willman presented the item and introduced Dr. Prossnitz. Dr. Eric Prossnitz got his PhD in Biochemistry from U.C. Berkeley. He trained in immunology at The Scripps Research Institute. He is now the professor and chief of the Division of Molecular Medicine in the Department of Internal Medicine. In the Cancer Center, he co-leads the Cancer Therapeutics Program and has a major leadership role in the CTSC (Clinical & Translational Science Center) working on team science and commercialization of discoveries. Dr. Willman highlighted Dr. Prossnitz' other accomplishments. Dr. Mark Unruh also spoke in support of the endowed chair for Dr. Prossnitz.

The motion to approve the Appointment of Eric Prossnitz, PhD as the new holder of the Maralyn S. Budke Endowed Chair in Cancer Chemical Biology and Therapeutics passed with a unanimous vote in favor (1<sup>st</sup> Brasher; 2<sup>nd</sup> Clifford).

HSC Financial Update (information item)

Ava Lovell presented the item and referred to her report that was supplied in the eBook. The report is through December 31, six months of this fiscal year. The bottom line for the HSC is a positive net margin of \$6.1 million, compared to \$2.6 million last year. This is comprised of the academic enterprise's net margin of \$3.8 million and a UNM Hospital net margin of \$2.287 million.

Regent Clifford inquired with respect to the Modern Medical Facility proposed funding sources, Hospital Capital Initiative Funds or the HUD guaranteed financing, and inquired the status of the capital initiative funds. Ms. Lovell responded the fund right now sits at about \$203 million. This is cash that has been built up since about 2006 to address future replacement needs for the oldest parts of the hospital, and there has been not much use of the funds since about 2015. The funds have been set aside with approval from HUD due to bond covenants on current bonds, and also with approval from under the lease agreement with Bernalillo County. Regent Clifford requested more discussion on this during the action items for the Modern Medical Facility.

Regent Quillen inquired regarding the unfavorable margins for the clinical departments, if that was normal for this time or year. Ms. Lovell confirmed it is normal and includes accrual of 6-months of incentives for the physicians.

UNM Health System Report (information item)

Michael Richards presented the report, which is through December 2018 and compares to same time last year, and discussed the 2-page summary of highlights. Quality metrics continue to show improvement, particularly in the area of non-infection patient harm events. Activity levels for number of patients treated in the hospital are up 2%. Outpatient activity levels are up 3%, and building capacity in this area continues to be a focus.

Dr. Richards introduced a video clip about a Taos Avalanche victim Corey Borg-Massanari and his family who were honored by UNM Hospitals employees for his final act on this earth – to give life as an organ and tissue donor.

Dr. Richards introduced Dr. Isaac Tawil, emergency medicine physician in the Department of Emergency Medicine, Critical Care and also tenured Associate Professor to talk about organ donation. Dr. Tawil offered a brief overview of the challenge

of organ donation in the State of New Mexico and how people at UNM rise to that challenge to help many New Mexicans optimize the gift of life through organ donation and transplantation and beyond. UNM partners with New Mexico Donor Services.

- The following two action items were presented back-to-back and one action was taken for approval of both:

Request for the Approval of Repair, Renew, Replace Capital Project – UPC-PES-Expansion Renovation \$1,300,000

Bonnie White, CFO for UNM Hospitals, presented the items. The remodel proposal of the existing Psychiatric Emergency Services (PES) and the UNM Psychiatric Center (UPC) for expansion services includes select program requests per Bernalillo County, including separating the adult and pediatric populations. The PES provides assessment and disposition of patients seeking emergent behavioral health services. Monthly, PES provides care to an average of 650 Adults and 100 Pediatric patients. Patient activity in PES has increased by 80% from FY15 to FY18 and is expected to increase further in FY19. The remodel proposed is expected to allow for improved patient safety and satisfaction and to allow the PES to accommodate continued growth in a more efficient and effective environment. The total project construction budget is estimated at and shall not exceed \$1.3 million, to be funded over two fiscal years, starting this year, via the UNM Hospital Capital Renovation Fund. *(See next item for approval.)*

Request for the Approval of Repair, Renew, Replace Capital Project – UPC Adult Inpatient-Inpatient BHICU, Comfort Rooms \$1,400,000

Bonnie White presented the item. It is for the inpatient unit at the UNM Psychiatric Center (UPC). The inpatient service provided has a total of 32 adult psychiatric beds divided between 2 units. This is a safety net hospital for acutely ill psychiatric patients. The scope includes a phased renovation of the East and West inpatient units to include a Behavioral Intensive Care patient room, and a Comfort room and other needed renovations. The total project construction budget is estimated at and shall not exceed \$1.4 million, to be funded over two fiscal years, starting this year, via the UNM Hospital Capital Renovation Fund.

There was discussion about the expense of maintaining these old building and the ongoing work with Bernalillo County in helping UNM develop a program to replace the adult psychiatric hospital also.

**The motion to approve the Repair, Renew, Replace Capital Project – UPC-PES-Expansion Renovation and the Repair, Renew, Replace Capital Project – UPC Adult Inpatient-Inpatient BHICU, Comfort Rooms, passed with a unanimous vote in favor (1<sup>st</sup> Quillen; 2<sup>nd</sup> Brasher).**

Request for the Approval of Repair, Renew, Replace Capital Project – UH Main, Safety-Fire Alarm System \$1,500,000

Bonnie White presented the item. The existing fire alarm at the Main Hospital facility is past its effective use lifespan. Some portions of the system are 1970s vintage and no longer have manufacturer support or replacement parts. The total project is estimated at and shall not exceed \$1.5 million to be funded over three fiscal years, starting this year, via the UNM Hospital Capital Fund.

**The motion to approve the Repair, Renew, Replace Capital Project – UH Main, Safety-Fire Alarm System passed with a unanimous vote in favor (1<sup>st</sup> Brasher; 2<sup>nd</sup> Quillen).**

Request for the Approval of Repair, Renew, Replace Capital Project – UNMH Main 10 & 11 Roof Replacement \$979,242

Bonnie White presented the item. This project includes replacement of a portion of the western area of the roof (Section 10 which is over Tri-Core Labs) and the upper mechanical penthouse roof (Section 11). The project will consist of the removal of the existing roofing membrane and all its components down to concrete deck and installation of new 60 mil TPA thermoplastic single ply roof system over tapered insulation. The roof has had several temporary patch repairs and is past its life expectancy. Total project budget is estimated at \$979,242 and will be funded by the UNM Hospital Capital Fund.

**The motion to approve the Repair, Renew, Replace Capital Project – UNMH Main 10 & 11 Roof Replacement passed with a unanimous vote in favor (1<sup>st</sup> Clifford; 2<sup>nd</sup> Brasher).**

Request for the Approval of Program Management – Modern Medical Facility \$6,789,262

Kate Becker, CEO of UNM Hospitals and Michael Chicarelli, Chief Operating Officer, presented information regarding the requests for approval of two items related to the modern medical facility build. Ms. Becker put the requests into context for the Regents, recapping the path from the 2015 architect planning work for a modern medical facility to the current state. Initial plans were for a stand-alone adult hospital situated at a location further from the current facility. Because of capital restraints, the project was to be built in phases. Between 2015 and 2018, the UNM Physics & Astronomy building was able to be relocated to Main Campus from its current site on Lomas and Yale, allowing freeing adjacent space not previously considered in the planning process. In 2018, the architects engaged in preliminary planning for this site; currently, next steps are to engage architects for design and construction work, and to contract a project manager to assist in the process.

Mr. Chicarelli presented an aerial photo of the physical layout of where the facility would be and discussed plans, including a green belt pedestrian crossing and parking lot that will replace the older parking structure. Regent Brasher inquired about the structural problems of the existing parking garage. Regent Quillen inquired if the structure was actually unsafe; Mr. Chicarelli explained that it was not unsafe, but required repairs, and that moving parking would allow the new structure to be adjacent to the current facility, enhancing efficiencies.

Regent Quillen requested brief clarification of what the new facility would house. Mr. Chicarelli noted it would contain several operating rooms, inpatient spaces, an ICU, and the adult emergency department. It will also house typical diagnostic suites – such as radiology—in its initial phase. President Doughty noted that the new proposed location is much better and more integrated than the original. Regent Lee inquired about how the facility would interact with Lomas Boulevard; Mr. Chicarelli confirmed it would be closer to street, creating a courtyard and with retail on the first floor. Regent Clifford inquired about the site's relation with the AMAFCA canal, previously cited as an issue. Dr. Roth clarified that when discussion of an adjacent building was considered, it was a larger build and there were issues with whether moving Yale Boulevard was an option. The current recommendation is a smaller initial build, and includes the possibility of moving Yale with expansion in subsequent phases to allow adequate space for loading without interfering with the AMAFCA canal. Dr. Roth added that as the adult inpatient facility is expanded, the plan is to move what is currently in the most eastern portion of the hospital and convert those areas for other functions.

Regent Brasher inquired which part of the hospital will be demolished. Mr. Chicarelli clarified there is no plan for demolition of any part of the current facility. Regent Brasher noted the current facility will be expensive to retrofit. Mr. Chicarelli concurred that a full build at one time of a new facility would be the ideal situation, but is not financially possible. Regent Quillen asked how many operating rooms and patient rooms would be in the new facility. Mr. Chicarelli noted the current operating rooms would be renovated and reduced to 10, with an additional 16 built into the new facility. Dr. Roth noted that maintaining and renovating the older facility and also adding beds with new build will increase access; UNMH turns away over 1000 critical patients annually. The plan eventually allows for building new beds and being able to vacate the original hospital. Regent Brasher inquired about the age of the BBRP (The Barbara & Bill Richardson Pavilion). It was built in 2007. Mr. Chicarelli presented several images of the current operating rooms to illustrate challenges with crowding, a lack of space for patient beds, crowded hallways creating regulatory issues, and lack of pre-op bays. He contrasted the current state of adult operating rooms with newer pediatric operating rooms in the BBRP, which are about 500 square feet versus 350 sq. ft. for the adult rooms.

Mr. Chicarelli presented a case for engagement of a program manager, asserting it is essential to have a program manager serve as the owner's representative to ensure appropriate interaction with architects and construction firms. He noted that a competitive RFP process occurred, with 5 vendor responses; all were interviewed, with the selection of a company from Texas. He noted there were no local respondents, and no obvious local entities who actually perform this type of work.

Regent Lee noted the regents have always been engaged in moving this project forward. She inquired about a \$12 million Regent approval for a utility corridor in 2017 and whether funds were spent. Dr. Roth concurred the Regents have been supporters of the project. He addressed delays in the process, but noted the sequence has been consistent. Mr. Chicarelli noted the utility corridor was part of a previous plan, and that a central utility plan for the current location will be added in the next phase.

Regent Clifford suggested that a clearer outline regarding the timeline, monies spent, and outcomes of spending would be helpful for Regents and as support in building a case for obtaining approvals at the state level.

**The motion to approve the Program Management for the Modern Medical Facility passed with a unanimous vote in favor (1<sup>st</sup> Doughty; 2<sup>nd</sup> Quillen).**

**Request for the Approval of Architect/Design – Modern Medical Facility \$33,858,800**

Mr. Chicarelli presented item regarding request for approval to engage architects. He noted that a competitive RFP process resulted in the selection of HDR, an international architecture firm, who has completed previous planning work for the modern medical facility. HDR is paired with a local company, Fanning Bard Tatum. The engagement is necessary to reach important milestones in the project, including obtaining HUD approval. Ms. Becker noted the HSC Leadership met with Hilltop Securities to discuss financing options; the HSC expect to use a substantial amount of cash, but also finance a substantial portion. She noted HUD requires a feasibility study, and the architects provide documents of their design work for the feasibility study. She noted that financing projections cannot be completed without having information from HUD that is dependent on the feasibility study. She stated the base cost for the facility is approximately \$400 million, which would include a new adult ER facility, diagnostic and therapeutics, 16 new operating rooms, 2 hybrid rooms, and 48 beds. Adding 96 beds would increase the cost to about \$472 million. Decisions about how many beds to add will depend on what financing looks like and what interest rates are.

Regent Lee inquired the plan to present to Regents after the discussion with the University's financial advisor regarding HUD and options. Ms. Lovell stated that HSC leadership met with the financial advisor and their healthcare financing HUD expert and noted next steps will be a pre-application with HUD in about six months. Ms. Lovell confirmed HSC Leadership will update Regents and involve them in the process.

Regent Lee inquired about the effect on the bond rating of the University, and Ms. Lovell stated it is taken into account by the financial advisor, who has provided ideas on how the HSC can show quick replacement of capital through the project. Regents inquired about the RFP process. There was discussion.

**The motion to approve the Architect/Design for the Modern Medical Facility passed with a unanimous vote in favor (1<sup>st</sup> Doughty; 2<sup>nd</sup> Brasher).**

#### FINANCE AND FACILITIES COMMITTEE

##### Approval of the Athletics' Enhanced Fiscal Oversight Program Reports and Certification through December 31, 2018

Eddie Nunez introduced Nicole Dopson to present the December 31 reports that were provided in the eBook. The quarterly enhanced fiscal oversight report is in a format required by the HED and Regents' approval is requested. The monthly report, Monthly Athletics' Report on Revenue, Expenditures, and Compliance information item (next agenda item) depicts the same financial information, but is presented on a sport-by-sport basis. Ms. Dopson spoke to the sport-by-sport report and addressed the revenue side: pooled revenues are on target with budget; special events revenues will increase in the spring due to large events, including PBR (Professional Bull Riders) and MAA; the transfer from the Regents' Endowment land proceed will be almost \$800K, and that posted in January; ticket revenues are down due to football ticket sales, and basketball ticket sales look to be trending on budget. UNM is anticipating its Mountain West (MWC) contribution to go up. This is accrued but the distribution is actually collected at the end of the fiscal year.

Regent Quillen inquired with respect to the under budget football ticket sales, something that has happened in the past, what UNM is prepared to do about that? Ms. Dopson responded there are potential revenues that can make that up, but also there are some expense reductions that will offset the decreases in revenues. The mid-year review process will also look at shortfalls and address next steps for covering those.

Ms. Dopson covered the expense side: overall expenses are trending with budget with the exception of salaries and benefits, which are down due to vacant positions that are still outstanding. Expenses tend to be higher in the first half of the year due to the type of sports in the fall vs spring, primarily due to football activity.

Regent Clifford inquired how current financials are tracking relative to the original deficit that was budgeted. Ms. Dopson clarified the budget was break-even. There was discussion about a roughly \$1.6 million budgeted transfer from Main Campus to cover budgeted shortfalls. The budget is currently close to breakeven, with a current estimate of a \$100K shortfall. There was further discussion with AD Nunez about budget projections, risks and fundraising efforts.

**The motion to approve the Athletics' Enhanced Fiscal Oversight Program Reports and Certification through December 31, 2018 passed with a unanimous vote in favor (1<sup>st</sup> Brasher; 2<sup>nd</sup> Clifford).**

##### Monthly Athletics' Report on Revenue, Expenditures, and Compliance (information item)

This information item was discussed under the previous action item.

##### Approval of Annual Report for STC.UNM

Lisa Kuuttilla presented the item and referred to material that was provided in the eBook. Ms. Kuuttilla addressed the financial audit report that was also provided. Independent Auditor, Moss Adams, reported at F&F Committee the prior week this year's audit was a clean opinion and the findings from the prior year were cleared. As the organization has grown and there are more agreements in place, the accounting work has become more complex, and new procedures and policies have been implemented to address those complexities.

Regent Brasher inquired regarding page 13 of the audit report, under investment policy, what the asset class 'real assets' entailed. Ms. Kuuttilla responded it refers to the endowment account which is about \$700K. Regent Brasher requested elaboration on the risk tolerance as being described, aggressive, long-term. Ms. Kuuttilla responded STC's endowment committee and the members have determined that due to the long-term nature of that account, they wanted to adopt a moderate to aggressive policy. There was discussion about the nature of start-up companies being higher risk and the handling of potential bad debt on the books. Ms. Kuuttilla said there is possibility bad debt can be paid when a company has a new equity event, and that STC wouldn't necessarily write off bad debt until a company declares bankruptcy. Regent Brasher thanked Ms. Kuuttilla and emphasized the wonderful program that STC is – it is very good for UNM, for economic development and job creation in the city and state.

Ms. Kuuttilla addressed highlights of the organization: STC's two main functions are the technology transfer function – transferring research results from the University into the marketplace through the creation of new startup companies, as well as, licensing those technologies, primarily patents, to established companies. A second management function is to coordinate the economic development efforts of the University. Ms. Kuuttilla brought attention to several of the slides provided in the comprehensive packet about the organization, including information about the STC Board of Directors, metrics, marketing, the Rainforest Building, license revenues, patent costs and reimbursement revenues, Innovate New Mexico and Innovate Academy, as well as research and economic development activities.

Regent Quillen and other Regents thanked Ms. Kuuttilla for her presentation and commended her for the important work and achievements of STC. Ms. Kuuttilla thanked the Regents for their support.

The motion to approve the Annual Report for STC.UNM passed with a unanimous vote in favor (1<sup>st</sup> Brasher; 2<sup>nd</sup> Quillen).

Approval of Contract for Life and Disability Insurance Carriers

Bruce Cherrin, Joey Evans, and Eric Weinstein presented the item. UNM offers life and disability to eligible employees and retirees. UNM's current life and disability carrier is the Standard Insurance Company and has been in place since January 1, 2012. Basic life insurance and long-term disability (LTD) are funded by a combination of employee-retiree and employer fund. Supplemental life, accidental death and dismemberment (AD&D) are short-term disability (STD) are 100% paid by employees/retirees. Proposals for RFP were solicited for life and disability insurance plans. There were a total of 7 responses; after interviews and analysis of finalist offers, the selection committee recommends awarding The Hartford for all life and disability lines of coverage. The selection will result in savings to UNM and UNM employees of approximately \$750K annually. Hartford has provided a five year rate guarantee for life insurance and four year rate guarantee for LTD.

The motion to approve the Contract for Life and Disability Insurance Carriers passed with a unanimous vote in favor (1<sup>st</sup> Doughty; 2<sup>nd</sup> Brasher).

Approval of FY 2020 Medical Plan Projections and Proposed Strategy

Eric Weinstein opened the presentation and referred to slides that were provided in the eBook. Dorothy Anderson, Joey Evans, and Michael Richards were present to answer questions. Mr. Weinstein noted this proposed plan goes into effect and renews July 1. There is a lead time to do open enrollment. He discussed premium trends and cost projections. FY20 rates are projected to be 5% higher than current rates. Since FY11, UNM's premiums have increased an average of 3.3% per year with very few plan design changes compared to a national average of 4.5% annually. There are currently three medical plan options: UNM Team Health (UNMTH), Blue Cross Blue Shield (BCBS), and Presbyterian Health Plan (PHP), and Mr. Weinstein outlined a breakdown of employer/employee contributions for each plan for the current and for next year with the 5% increase. Depending upon the employee's salary, the increase would be between \$5 (lowest salary tier/single individual coverage for UNM Team Health) and \$37 (highest salary tier/family coverage for PHP).

Joey Evans discussed potential modifications to the plan. UNM has done pretty well staying below national trends, and for FY20 the effort is to continue sustainable health benefits for UNM's employment population. With that objective, one of the proposals is to combine UNMTH and BCBS plans. Currently, both of those plans function somewhat similarly; UNMTH currently utilizes BCBS as the third-party administrator for that plan. There will also be efforts to increase utilization of the Tier-1 network, which is inclusive of UNM's own providers, as well as with some other partnerships outside of the HSC. Of importance is to continue to provide choice to employees and their dependents on where and how they receive their healthcare. Mr. Evans discussed for FY20, two proposed medical plan choices that will be offered: 1) UNM LoboHealth, the combined UNMTH/BCBS and 2) Presbyterian Health Plan (PHP). Moving forward, there are no changes to the PHP plan, but with UNM LoboHealth, there are changes proposed that are considered to be beneficial to both BCBS participants and also UNMTH participants. Mr. Evans discussed some of the details, including enhancing choice by not requiring approvals to access care outside of Tier 1. Tier 1 is the LoboHealth network (UNM Health System, Davita, First Choice Community Health and various additional BCBS providers); Tier 2, the BCBS network of BCBS contracted providers, and Tier 3 would be 'out-of-network'. The choices would dictate out-of-pocket payments. Design enhancements encourage increased Tier 1 access which helps to reduce plan costs, and with the LoboHealth Network would also come, priority scheduling and clinic navigation; commitment to national access standards; and published network access metrics. Mr. Evans discussed more details. Overall, this is a cost neutral proposal. Regents asked questions, and there was discussion.

Regent Quillen commented in her experience the Tier I incentive of patient navigation is an impactful activity.

Regent Doughty asked Pamela Pyle and Rob Burford to comment on the proposal. Both responded their constituents were concerned about access to care. There was further discussion.

The motion to approve the FY 2020 Medical Plan Projections and Proposed Strategy passed with a unanimous vote in favor (1<sup>st</sup> Clifford; 2<sup>nd</sup> Doughty).

Update on UNM Press (Information item)

Provost Wood introduced the item with a quick background. The Press had built up some debt over about 2 decades. Over the past couple of years, efforts have been made to restructure the Press so that it can continue to support the academic mission of the University and the State. University Libraries Dean Richard Clement commented the Press made a transition from the warehouse to Longleaf Services which is one of three such services in the country and this is already saving UNM \$300K per year. There are further organizational savings of \$445K due to cutting back 7 FTE. Dean Clement introduced UNM Press' new director, Steven Hull, who came from Dartmouth College, as editor and publisher at the University Press of New England. The Press has its ninetieth anniversary this year – it is one of the original founding members of the Association of American University Presses. The Press has two missions: to publish scholarly books and monographs, and to be the publisher for New Mexico. Mr. Hull spoke about the future of the Press, including publishing a new book on the world of chilies, and the focus on reaching outward and put the Press back in the center of cultural, literary and artistic life that it has occupied.

Regent Brasher commented UNM Press is a significant service to New Mexico and the region and should seek support from other universities in the state. Having one institution bear all the costs is not the way it should operate.

PUBLIC COMMENT (no comments)ADVISORS' COMMENTS

John Brown (President, Alumni Association), thanked the Regents, the good work of the outgoing Regents and welcomed the newly nominated Regents. Mr. Brown discussed highlights of recent Alumni activities and upcoming events, including Lobo Living Room and the Winter Awards Dinner. UNM Day was on January 28<sup>th</sup>, and the Alumni Association held a legislator appreciation reception for legislators, alumni, student leaders, and UNM administrators with more than 300 in attendance. The Association's monthly activity report that was included in the eBook.

Steve Borbas (President, Retiree Association), thanked the Regents for their support of the Association and welcomed the newly nominated Regents. The most recent activity has been centered around getting retirees involved in the Legislative Session and plans to reach out to newly appointed Higher Education Secretary, Kate O'Neill, former CEO of UNM-Taos Campus. He wished the outgoing Regents a great future ahead.

Pamela Pyle (Faculty Senate President), gave an update on faculty activity in Santa Fe during the Legislative Session; the Faculty Within Borders initiative that started in Farmington; and she thanked the outgoing Regents and welcomed the newly nominated Regents.

Boney Mutabazi (GPSA President), thanked the outgoing Regents and welcomed the newly nominated Regents, with special congratulations to Melissa Henry who has played a significant leadership role in GPSA. He talked about GPSA activity during the Legislative Session.

Rob Burford (Staff Council President), discussed recent council activities and Legislative issues and commented the recently reported improvement in campus safety is largely due to President Stokes' safety initiatives and UNM Police diligence. Mr. Burford thanked the outgoing Regents and welcomed the newly nominated Regents.

Becka Myers (ASUNM President), discussed recent activities, including ASUNM's presence in Santa Fe during the Legislative Session. She thanked the outgoing Regents and welcomed the newly nominated Regents.

COMMENTS FROM REGENTS

Regent Doughty thanked the outgoing Regents for their service, time and effort dedicated to the University over the years or months that they served on the Board.

Regent Lee echoed those words and thanked the outgoing Regents for their interest, hard work, and for what they have done for the State and the University and added she looks forward to working with the new Regents.

Regent Quillen said there is no way to say goodbye after all of these years. She thanked individuals: Paul Roth for his integrity and perseverance and for guidance through a tough time; Regent Hosmer for his integrity and honesty over the last six years – it is clear why he is a General; Pamela Pyle, for her tenacity and communications with Regents; Terry Babbitt for always providing helpful information during ASAR Committee meetings and beyond; David Quintana, on the UNM Production AV team, for his steadfast presence and positivity at Board meetings; Mallory Reviere, as assistant to the Board; and President Garnett Stokes who is one of the great outcomes of the Board and has stepped up to the challenges of being University President. Regent Quillen welcomed the new Regents and affirmed her availability to them. Regent Quillen commented on the importance of shared governance and board governance that creates a healthy and transparent environment, and she



encouraged the new Regents to take that on fresh and new. She thanked everyone for the experiences over the last six years.

Regent Hosmer seconded everything Regent Quillen said and endorsed the individual thank-you's. He added that it has been an honor and privilege to serve UNM for eight years, and to serve alongside an exceptional faculty, a dedicated staff, wonderful students, and a number of truly amazing administrators. UNM provides a better education in healthcare for New Mexicans than it did eight years ago, and there is still important work ahead - health challenges, education challenges - the State requires what this University and its cohorts and helpers in the primary and secondary system can do. The rest of the world is not waiting for UNM; it needs to work with others and ourselves as New Mexicans to proceed higher in the ladder of national and global competition. It is only powerful education that will permit New Mexico to preserve the traditions and values that make it such a special place. Regent Hosmer wished his Regent successors well and encouraged them – it is a tall order, but he is sure they are up to it.

Regent Clifford expressed thanks; it has been a great and enjoyable experience. He thanked Rob Doughty and Marron Lee for their leadership on the Board and in the selection process for new leadership, and he is proud to have been a part of that. Regent Clifford expressed great hope for President Stokes – there are tremendous challenges, but she has demonstrated great skill in her first year in this role. The State really needs her. He thanked again the great staff at the University.

Regent Brasher thanked the faculty, the staff, and the students at the University of New Mexico. It's been an honor to be a part of this institution. He thanked President Stokes, acknowledging her work and affirmed his confidence that she will do the right thing to move this institution forward. Regent Brasher thanked the other Board members and encouraged the incoming Regents - it's a difficult task, but it is truly a worthwhile task, being a Regent of The University of New Mexico.

#### Vote to Close the Meeting and Proceed in Executive Session

Regent Doughty noted the Board would have lunch with new Regents who could attend in the Cherry Silver Room – no business would be discussed during lunch. After lunch, the Regents would continue with closed session business. The Regents' closed session agenda was noted and Regent Doughty asked for a motion to close the meeting and clarified he would take a roll call vote; Regent Lee clarified the motion would be to close the meeting after lunch. Regent Lee motioned to close the meeting after lunch; Regent Clifford seconded the motion; the following votes were taken: Regent Hosmer-yes; Regent Quillen-yes; Regent Lee-yes; Regent Clifford-yes; Regent Brasher-yes; Regent Doughty-yes vote. The motion to close the meeting passed. The meeting closed at 1:28 PM. Members relocated to the Cherry Silver Room.

#### Executive Session Agenda

1. Discussion and determination where appropriate of potential purchase, acquisition, or disposal of real property, as permitted by Section 10-15-1.H(8), NMSA (1978)
2. Discussion, and determination where appropriate, of threatened or pending litigation as permitted by Section 10-15-1.H(7), NMSA (1978)

Vote to re-open the meeting and certification that only those matters described in the Closed Session Agenda were discussed in Closed Session, and if necessary, final action on matters discussed in Executive Session that are required to be taken in Open Session

Regent Doughty motioned to re-open the meeting; Regent Quillen seconded; all were in favor; the meeting re-opened at 3:13 PM; the doors to the Cherry Silver Room were opened. Regent Doughty certified that only those matters described in the closed session agenda were discussed, and there were no items upon which action would be taken in open session.

#### ADJOURN

There being no further business, Regent Doughty asked for a motion to adjourn; Regent Lee motioned; Regent Hosmer seconded; motion passed unanimously; the meeting adjourned at 3:14 PM.

Approved:



~~Robert M. Doughty III~~, President



Minutes originated and finalized by Mallory Reviere

Attest:



Regent, Secretary/Treasurer

