

3-6-2014

Minutes of 03/07/2014 HSC Board of Directors Mtg

Patrice Martin

Follow this and additional works at: https://digitalrepository.unm.edu/hsc_committee



Part of the [Health and Medical Administration Commons](#)

Recommended Citation

Martin, Patrice. "Minutes of 03/07/2014 HSC Board of Directors Mtg." (2014). https://digitalrepository.unm.edu/hsc_committee/
82

This Other is brought to you for free and open access by the Public Meeting Agendas and Notices at UNM Digital Repository. It has been accepted for inclusion in HSC Committee (A subcommittee of the UNM Board of Regents) by an authorized administrator of UNM Digital Repository. For more information, please contact disc@unm.edu.

**Minutes of the Meeting of the
UNM Health Sciences Center Board of Directors
March 7, 2014
Domenici Center for Health Sciences Education Bldg., Room 3010**

UNM Health Sciences Center Board of Directors (the "Board") members present: Suzanne Quillen, Chair, Michael Olguin, Conrad James, Mel Eaves

UNM Leaders present: President Bob Frank

UNM Health Sciences Center ("HSC") Leaders present: Chancellor Paul Roth and other members of the Health System and Health Sciences Center leadership

Others present: members of the HSC faculty and staff; community members

Chair Suzanne Quillen called the meeting of the Board to order at 2:04 p.m. The Chair established that a quorum of the members of the Board was present.

Approval of Agenda

A motion was made to adopt the published agenda. The motion was seconded. There was no discussion. The motion passed with a vote of 3-0-0.

Approval of Minutes of Prior Meeting

A motion was made to approve the minutes of the February 7, 2014 meeting of the Board. The motion was seconded. There was no discussion. The motion passed with a vote of 3-0-0.

Chancellor's Report

Chancellor Roth announcements included:

- The Health Sciences Center hosted a national meeting with the Association of American Medical Colleges (AAMC) and Urban Universities for Health Consortium, and the National Institutes of Health (NIH) in looking at health care workforce projections.
- Dr. Vojo Deretic, Chair, UNM School of Medicine Molecular Genetics and Microbiology Department, received a \$3.3 million grant from NIH to perform research on Infectious Diseases.
- Along with Dr. Valerie Romero-Leggott, Dr. Roth introduced Dr. Brian Gibbs who was recently hired as the inaugural HSC Associate Vice Chancellor for Diversity.
- Dr. Roth will conduct an HSC Town Hall next week to provide an update to faculty and staff on the recent State Legislative Session.
- The Health Sciences Center was invited to join one of only 13 institutions to participate in an initiative entitled "AAMC Advancing Academic Health Systems for the Future." The outcomes of

this initiative is an effort to represent what would be viewed as vanguard institutions that demonstrate dramatic and sustainable changes in organization and program that would allow academic health centers to flourish in the new health care reform era.

UNM Health System Update Including SRMC Update

Mr. Steve McKernan and Dr. Mike Richards provided an overview of the UNM Health System that included:

- Activity levels through January have been very strong
- Health System finances are stable
- Building medical practice at Sandoval Regional Medical Center, Inc. with significant growth in inpatient volumes, increase in number of surgeries, building service lines, continuing to build community relationships with physician groups, etc.

Public Comment

Members affiliated with the 1199 New Mexico National Union of Hospital and Health Care Employees, AFSCME, AFL-CIO provided input regarding lack of UNM Hospital employee salary increases, inequities, cost to replace nurses who leave, and request to plan for future. Discussion.

Reports from Board Committees

Finance, Audit, and Compliance Committee ("FACC")

FACC Action Items

Request for Approval of 2004 Series Bond Resolution

FACC Chair Conrad James provided an overview of the FACC's deliberations on the recommendation that the HSC Board of Directors approve the 2004 Series Bond Resolution. Mr. McKernan provided background on the Resolution that would allow the prepayment of the 2004 Bond issue. A motion was made to approve the 2004 Series Bond Resolution. The motion was seconded. The motion passed with a vote of 3-0-0 in favor. Discussion.

Request for Approval of Proposed Thresholds for HSC Board of Directors and UNM Board of Regents

FACC Chair James provided an overview of the FACC's deliberations that resulted in its recommendation that the HSC Board of Directors approve the Proposed Thresholds for HSC Board of Directors and UNM Board of Regents. Ms. Lovell provided background that included highlighting the changes made to the revised documents distributed at the meeting that reflected requested edits resulting from the FACC's review. A motion was made to approve the Proposed Thresholds for HSC Board of Directors and UNM Board of Regents. The motion was seconded. The motion passed with a vote of 3-0-0 in favor.

Request for Approval of UNM Hospitals Contract with Image Stream Medical, Inc.

FACC Chair James provided an overview of the FACC's deliberations that resulted in its recommendation that the HSC Board of Directors approve the UNM Hospitals Contract with Image Stream Medical, Inc. and Mr. McKernan provided background. A motion was made to approve the UNM Hospital Contract with Image Stream Medical, Inc. The motion was seconded. The motion passed with a vote of 3-0-0 in favor.

Request for Approval of UNM Hospitals Contract with J.M. Smith Corporation, d/b/a QS/1 Data Systems

FACC Chair James provided an overview of the FACC's deliberations that resulted in its recommendation that the HSC Board of Directors approve of the UNM Hospitals contract with J.M. Smith Corporation, d/b/a QS/1 Data Systems and Mr. McKernan provided background. The motion was seconded. The motion passed with a vote of 3-0-0 in favor.

FACC Information Items

UNM Hospitals Surplus Property Disposition

Mr. Steve McKernan and Ms. Ava Lovell noted that this item was entered onto the agenda as an Information Item but it is an Action Item. Mr. McKernan provided a brief overview of the UNM Hospital Surplus Property.

HSC Preliminary Budget for FY15

Ms. Ava Lovell provided an overview of the HSC Preliminary Budget for FY15 to provide the current status of the budget, leading up to the UNM Budget Summit on March 25th, changes due to ACA, collaborations and alignments, detailing the budget in an effort to control expenses, prioritizing on issues such as faculty compensation, etc. Discussion.

HSC Financial Update

Ms. Ava Lovell presented an HSC financial update on metrics that included Cash Flow from Operations, Depreciation, Days Cash on Hand, Accounts Receivable Greater than 90 Days, Reserves, Research, etc. Discussion was held on uncompensated care at Sandoval Regional Medical Center, Inc. (SRMC). Ms. Jamie Silva-Steele provided additional input on efforts being made at SRMC and President Frank recognized her for her good work.

General Information Items

Update: National SBIR Conference

Dr. Richard Larson provided a brief update on plans for the Health Sciences Center to host the 16th Annual National Small Business Innovation and Research Conference (SBIR) and the opportunities it provides to the Health Sciences Center.

Update: Quarterly HSC Strategic Plan

Dr. Richard Larson provided a quarterly update on the status of the Strategic Planning process including the "stop light" document that includes approximately 50 metrics that are tracked. The trajectory on all is favorable except for three and Dr. Larson provided details on the three exceptions. Discussion.

Review: HSC Board of Directors Action Required Log

The Board reviewed the current Board Action Required Log. There was no discussion.

Regent Quillen noted that the remaining items (UNM Hospitals Board of Trustees January 31, 2014 Meeting Minutes and the Sandoval Regional Medical Center, Inc. Board of Directors January 22, 2014 Meeting Minutes) were included in the agenda for informational purposes.

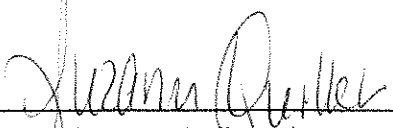
A motion was made to adjourn the open meeting and to convene in executive session. The motion was seconded. No discussion; with a vote of 3-0-0 in favor. Motion passed.

A motion was made for the Board to reconvene in open session and to certify that only those matters described in agenda item X were discussed in executive session. The motion was seconded. No discussion; with a vote of 3-0-0 in favor. Motion passed.

A motion was made to adjourn the meeting. The motion was seconded. No discussion; with a vote of 3-0-0 in favor. Motion passed.

Minutes were prepared by Patrice Martin and finalized on March 13, 2014.

Approval of Minutes:



Regent Suzanne Quillen, Chair

4-4-2014
Date

Attachment:

"Resolution Relating to Redemption of the Regent's FHA Insured Hospital Mortgage Revenue Bonds (University of New Mexico Hospital Project) Series 2004"

THE REGENTS OF THE UNIVERSITY OF NEW MEXICO

**RESOLUTION RELATING TO REDEMPTION OF THE REGENT'S FHA INSURED
HOSPITAL MORTGAGE REVENUE BONDS (UNIVERSITY OF NEW MEXICO
HOSPITAL PROJECT) SERIES 2004**

A RESOLUTION OF THE REGENTS OF THE UNIVERSITY OF NEW MEXICO AUTHORIZING THE FULL OR PARTIAL REDEMPTION OF THE REGENT'S FHA INSURED HOSPITAL MORTGAGE REVENUE BONDS (UNIVERSITY OF NEW MEXICO HOSPITAL PROJECT) SERIES 2004 AND FULL OR PARTIAL PREPAYMENT OF THE SERIES 2004 MORTGAGE NOTE AND MORTGAGE RELATED TO THE BONDS; REPEALING ALL ACTION INCONSISTENT WITH THIS RESOLUTION; AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE REDEMPTION OF THE BONDS AND THIS RESOLUTION.

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

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

WHEREAS, the Regents, pursuant to a Trust Indenture dated as of November 1, 2004, (the "Indenture") between the Regents and Wells Fargo Bank, National Association (the "Trustee") issued a series of bonds entitled Regents of the University of New Mexico FHA Insured Hospital Mortgage Revenue Bonds (University of New Mexico Hospital Project), Series 2004 (the "Bonds"), in part for the purpose of making a mortgage loan (the "FHA Mortgage Loan") to the Regents to finance the construction of the Project (defined below) and, in connection therewith, the Regents delivered to Trustee a Mortgage Note in the original principal amount of \$183,399,000.00 (the "FHA Note"), a Mortgage given to secure the FHA Note (the "FHA Mortgage"), a Security Agreement granting a security interest in certain fixtures, equipment and other personalty of the Regents (the "Security Agreement"), a Building Loan Agreement relating to the construction and development of the Project (the "Building Loan Agreement"), a Regulatory Agreement (the "Regulatory Agreement") between the Regents and FHA (defined below), and a Department of Housing and Urban Development Supplementary Agreement (the "Supplementary Agreement") between the Regents and FHA, each such instrument being dated as of November 18, 2004 (the FHA Note, the FHA Mortgage, the Security Agreement, the Building Loan Agreement, the Regulatory Agreement, the Supplementary Agreement, and all documents executed in connection with the FHA Mortgage Loan are collectively referred to as the "FHA Loan Documents"); and

WHEREAS, the Regent's obligation under the FHA Note and the FHA Mortgage are insured by the Department of Housing and Urban Development ("HUD") acting through the Federal Housing Commissioner ("FHA") under Section 242 of the National Housing Act, as amended (the "FHA Insurance"), pursuant to the terms of that certain Commitment for

Insurance, as amended, (the "FHA Commitment") dated September 30, 2004, as amended, issued by FHA to Mortgage Servicer (defined below), and assigned to Trustee; and

WHEREAS, the proceeds of the FHA Mortgage Loan were used by University of New Mexico Hospital (the "Hospital") to finance the cost of the expansion of the Regent's hospital facilities designated as FHA Project No. 116-13001, and commonly referred to as the University of New Mexico Children's Hospital and Critical Care Pavilion (together, the "Project"), which Project is more fully described in the FHA Loan Documents, and pursuant to the FHA Loan Documents, the Regents agreed to make payments to provide sufficient funds, together with funds held under the Indenture, to pay the principal of and interest on the Bonds; and

WHEREAS, payment of principal of and interest on the Bonds is guaranteed by a municipal bond insurance policy issued by FINANCIAL SECURITY ASSURANCE INC. (the "Bond Insurer"); and

WHEREAS, to evidence and provide for the repayment of the FHA Mortgage Loan to be made to it, the Regents delivered to Trustee (an FHA-approved Mortgagee), as FHA mortgagee, the FHA Loan Documents, which documents will reflect the financial terms of the Bonds; and

WHEREAS, Prudential Huntoon Paige Associates, Ltd., a Delaware Corporation, (the "Mortgage Servicer") is duly qualified and authorized and has been approved by FHA to act as mortgagee under the National Housing Act; and

WHEREAS, in addition to the Indenture and the FHA Loan Documents, the Regents entered into a Debt Service Account Forward Delivery Agreement dated as of November 18, 2004 (the "Debt Service Forward Delivery Agreement") by and among the Trustee, the Regents and Wachovia Bank, National Association (the "Provider") for investment of debt service payments related to the Bonds; and

WHEREAS, in addition to the Indenture, the FHA Documents and the Debt Service Forward Delivery Agreement, a Master Repurchase Agreement dated as of November 18, 2004 (the "Master Repurchase Agreement"), between AIG Matched Funding Corporation ("AIG") and the Trustee was entered into for investment of the debt service reserve fund related to the Bonds; and

WHEREAS, the Hospital has requested that all or a portion of the Bonds be redeemed as soon as practicable in accordance with the provisions of the Indenture, the FHA Documents, the Debt Service Forward Delivery Agreement, and the Master Repurchase Agreement with appropriate notice to the Trustee, FHA, the Mortgage Servicer, the Bond Insurer, the Provider, AIG, (or their successors, if any) and other interested parties.

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

Section 1. Ratification. All action heretofore taken (not inconsistent with the provisions of this Resolution and the Indenture) by the Regents and officers, staff, employees and contractors of the University and the Hospital directed toward the redemption of the Bonds, expenditure of available funds for redemption of the Bonds, prepayment of the FHA Note, and modification of the FHA Loan Documents, the Debt Service Forward Delivery Agreement, and the Master Repurchase Agreement, is hereby ratified, approved and confirmed.

Section 2. Redemption of the Bonds. Pursuant to Article V of the Indenture, the Bonds shall be redeemed, in whole or in part, on the earliest practicable redemption date after adoption of this Resolution. Such redemption shall occur only upon receipt of all required consents from the Trustee, the Bond Insurer, the Mortgage Servicer, the Provider, AIG, FHA (or their successors, if any) and any other interested party.

Section 3. Expenditure of Funds. The Regents hereby authorize the expenditure of up to \$100,000,000 of cash on hand for the full or partial redemption of the Bonds. The exact final amount of funds to be used for redemption of Bonds shall be determined by officers and employees of the University and the Hospital, provided, that, such officers of the University and the Hospital shall provide the Chair of the Health Sciences Center Board of Directors and the President of the Board of Regents not less than thirty (30) days' prior written notice of the exact final amount of funds to be used for redemption of Bonds as contemplated by these Resolutions.

Section -4. Amendment or Modification of Documents. The FHA Loan Documents, the Debt Service Forward Delivery Agreement, the Master Repurchase Agreement, and any other relevant document shall be amended or modified as necessary to comply with this Resolution and to reflect the partial or full redemption of the Bonds.

Section -5. Authorization of Officers and Execution of Documents. The officers of the Regents (President of the Board of Regents, Vice President of the Board of Regents, Secretary of the Board of Regents), the University (University President, Executive Vice President for Finance & Administration, and/or Chancellor for Health Sciences) and the Hospital (CEO, UNM Hospitals and/or CFO, UNM Hospitals), on behalf of the Regents, are hereby authorized and directed to execute and deliver any modification of or amendments to any of the Indenture, the FHA Loan Documents, the Debt Service Forward Delivery Agreement, and the Master Repurchase Agreement, as may be necessary to carry out, comply with, and effectuate the purposes of this Resolution. From and after the adoption of this Resolution, the officers, agents and employees of the Regents, the University and the Hospital are hereby authorized, empowered, and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of this Resolution, the Indenture, the FHA Loan Documents, the Debt Service Forward Delivery Agreement, and the Master Repurchase Agreement.

Section -6. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section -7. Repealer Clause. All bylaws, orders, and resolutions of the Regents or the University, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any bylaw, order or resolution, or part thereof, heretofore repealed.

Section -8. Governing Law. This Resolution shall be governed by the laws of the State without reference to choice of law principles.

Section 9. Effective Date. This resolution shall take immediate effect.

ADOPTED AND APPROVED this ___ day of _____, 2014.

THE REGENTS OF THE UNIVERSITY OF NEW
MEXICO

[SEAL]

By _____
President

Attest:

By _____
Secretary

K:\dox\client\73740\112\W2083421.DOCX