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2018

June 5, 2018 Finance and Facilities (F&F) Committee Meeting

Senior Vice President for Finance and Administration

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THE UNIVERSITY OF NEW MEXICO
Board of Regents' Finance and Facilities Committee (F&F)
June 5, 2018 – Meeting Summary

Committee Members Present: Regent Marron Lee, Regent Tom Clifford, and Regent Rob Doughty

Administration Present: David W. Harris, EVP for Administration

Presenters in Attendance: Elizabeth Metzger, University Controller; Bruce Cherrin, Chief Procurement Officer, Purchasing; Mark Peceny, Dean, College of Arts and Sciences; Tom Neale, Director, Real Estate; Tom Tkach, Director, UNM Public Events; Kevin Stevenson, Director, HR Business Services; Joey Evants, Director of Benefits, HR; Laurie Moye, Chair, UNM Foundation Board; Yolanda King, former member, UNM Foundation Board; Arif Khan, Director, UNM Art Museum; Tracy Briggs, Employee Wellness Supervisor, HR; Henry Nemcik, President and CEO, UNM Foundation; Kenny Stansbury, Controller, UNM Foundation.

ACTION ITEMS:

1. **Call to Order, Confirmation of a Quorum, and Adoption of Agenda.** Regent Lee called the meeting to order at 12:36 p.m. in Scholes Hall, Roberts Room, and confirmed that a quorum was established. EVP Harris explained that the monthly Athletics' Enhanced Fiscal Oversight presentation would be presented at the full Board of Regents' meeting due to key presenters being out of town. **Regent Doughty moved to adopt the agenda and Regent Clifford seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

2. **Finance and Facilities Committee Meeting Summary from May 8, 2018.** Regent Clifford noted that Regents' requests that were recorded in the summary but did not have documentation in the June 8 E-Book. ***Regent Clifford reiterated that the request from: item #3 requesting the controller to present a detailed report on student aid transfers; item #4 requesting additional information regarding fundraising from Athletics to be presented to the full Board; and item #8 requesting updated Capital Budget forms for review before they are submitted to the Higher Education Department (HED), the current 2006 Facility Condition Index (FCI), and a plan for updating the 2006 FCI. Regent Doughty reiterated the request from item #4 for the pooled grant-in-aid to be divided by sport. Regent Clifford moved to approve Regent Doughty seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.***

3. **Approval of Disposition of Surplus Property for Main Campus for May 2018.** Bruce Cherrin gave the presentation. Regents' approval was requested for the disposition of surplus property for May 2018. All items listed in the E-Book are obsolete or beyond repair.

Regent Clifford inquired about memo #5 of the report regarding a custom Data Acquisition Device in the Physics and Astronomy Department. The device is 13 years old and is reported as obsolete. The device cost \$2M and was paid for by a research grant and was customized for previous work. Regent Clifford noted the need to be careful with requisitions that are too

customized and quickly lose value. **Regent Clifford moved to approve and Regent Doughty seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

4. Approval of Naming Committee Requests:

a) Request to establish the “Guido Daub Endowed Professorship in Chemistry.”

Mark Peceny and Yolanda King gave the presentation. Regents’ approval was requested to establish the Guido Daub Endowed Professorship. Yolanda King earned her BA and PhD from UNM. She has had a distinguished career in the federal government, served three terms on the Foundation Board, and has been an advocate for UNM. She started raising money for the endowment in 2007. Guido Daub was on Yolanda King’s dissertation committee, provided mentorship to many students, and has headed a legacy of dedicated chemists. **Regent Doughty moved to approve and Regent Clifford seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

b) Request to establish the “Robert Wood Johnson Foundation (RWJF) Endowed Chair in the College of Arts and Sciences.”

Mark Peceny gave the presentation. Regents’ approval was request to establish the RWJF Endowed Chair. The RWJF funded PhD students in Political Science, Sociology, and Economics from Latino and Native American communities with the mission to transform debates about health care policy in the United States. Students funded by the Foundation are now in their first tenure-track jobs. The RWJF discontinued this project and will be phased out by the end of June 2018. As of July 1, 2018, the RWJF Center will be replaced by the Center for Social Policy (CSP), and the CSP will carry on the mission. \$5M from the RWJF to CSP will allow CSP to fund the endowment of a senior social science faculty member. **Regent Doughty oved to approve and Regent Clifford seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

5. Approval of:

a) Annual Renewal of the Maui High Performance Computing Center (HPCC). Tom Neale made the presentation. Renewal involves a notice from the government of intention to renew for one year; the current lease expires September 2018. A new five-year lease has not yet been procured. A letter of intent to renew the five-year lease by the expiration of the current lease is included in the E-book. Until there is a new lease agreement, the current lease is on a ‘hold over’ status. The federal government took over the space at the time the contract with the University of Hawaii (UH), HPCC Operator, was lost in 2013. Since the last lease agreement, approximately \$4.1M has been spent on the building which shows an indication of federal investment with intent to lease. UNM’s obligation is to notify the Bank of New York, Trustee for the Certificate holders, of intent to renew. **Regent Clifford moved to approve and Regent Doughty seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

b) Termination of Long-term Ground Lease for 1111 Stanford Dr. NE (Bernalillo County Health Building). Tom Neale made the presentation. Regents’ approval was requested to terminate the ground lease for 1111 Stanford Dr. NE. The University

entered into a 99-year ground lease with Bernalillo County in 1958; 40 years remain on the ground lease. The building has reached the end of its usable life. We are in the process of vacating and negotiating appropriate exit strategy in relation to costs. The county procured an appraisal and the appraised estimate amount was \$380K based upon the land value less the estimated demolition cost of \$190K. If demolition costs are higher than the estimate, we would seek some alteration in the pricing. **Regent Clifford moved to approve and Regent Doughty seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

6. **Approval of Harwood Board Appointments.** Tom Tkach and Arif Khan made the presentation. Regent's approval was requested for Arif Khan and Nicole Dopson to be appointed to the Governing Board of the Harwood Museum. **Regent Clifford moved to approve and Regent Doughty seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
7. **Recommendation for Consent Agenda Items on full Board of Regent's Agenda.** Regent Lee recommended all action items to be placed on the full Board of Regents' consent agenda.

INFORMATION ITEMS:

8. **Monthly Consolidated Financial Reports through April 30, 2018.** Liz Metzger presented The monthly consolidated financial reports through April 30, 2018. The reports describe the University's current and historical revenues and expenses. The reports are available in the E-book. *Regent Clifford requested an analysis for the Main and Branch Campuses collectively to include gross and net changes in tuition revenue based on the expected impact of 1) the tuition increase, 2) change in enrollment, and 3) the decrease in lottery scholarships. These reports are to be provided to the F & F committee in August 2018.*
9. **UNM Employee Wellness and Financial Wellness Programs Overview.** Kevin Stevenson, Joey Evans, and Tracey Briggs gave the presentation. The Employee Wellness and Financial Wellness programs are available to benefits-eligible employees. Joey Evans presented the history and mission of both programs. The programs aim to attract and retain employees and to offer effective programming to increase engagement and well-being. Regent Clifford suggested using the extensive expertise of our faculty to test measureable outcomes of the programs. Regent Clifford suggested programming with successful outcomes could be rolled out to the community.
10. **UNM Foundation Regents' Advisor Report.** Laurie Moye, Henry Nemeik, and Kenny Stansbury gave the presentation. The Foundation reached its \$1B goal two years ahead of schedule and will continue efforts until 2020. The presentation included a highlight of gifts received. A list of supported departments are available in the E-book. **Regent Clifford requested a benchmark report detailing asset class covariation with equities.**

COMMENTS:

No comments were made.

EXECUTIVE SESSION:

- A. Vote to close the meeting and proceed into executive session. **Regent Clifford voted to close the meeting and proceed into executive session and Regent Doughty seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
- B. Discussion and determination where appropriate of potential purchase, acquisition, or disposal of real property, pursuant to Section 10-15-1 H (8), NM SA (1978).
- C. Subject to the attorney-client privilege pertaining to threatened or pending litigation, pursuant to section 10-15-1 H (7), NMSA (1978).
- D. Discussion regarding internal audit prior to release of audit report, pursuant to Regents' Policy 1.2.
- E. Vote to re-open the meeting.

Regent Clifford moved to re-open the meeting and Regent Doughty seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

- F. Certification that only those matters described in paragraphs B, C, & D above were discussed in executive session, and any matter discussed in executive session will, if necessary, be subsequently ratified in the open session of the public meetings.

Regent doughty moved to adjourn at 2:09 p.m. and Regent Clifford seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.