

THE UNIVERSITY OF NEW MEXICO
Regents' Finance and Facilities Committee
September 1, 2011 – Meeting Summary

Committee Members Present: Regent Don Chalmers; Regent Jamie Koch; Regent Gene Gallegos

Committee Members Absent: none

Non-voting Members Present: none

Other Attendees:

Chaouki Abdallah, Academic Affairs; **Leslie Boni**, Anderson School of Management; **Breda Bova**, President's Office; **Duane Brown**, Modrall Sperling Law Firm; **Bruce Cherrin**, Purchasing; **Mary Clark**, Staff Council; **Andrew Cullen**, Planning, Budget & Analysis; **Bob Doran**, University Architect; **Rachel Felix**, Office of the EVP for Administration; **Helen Gonzales**, Human Resources; **Kathy Guimond**, UNM Police Department; **David W. Harris**, EVP for Administration, COO and CFO; **Ava Lovell**, Finance; **Lisa Marbury**, Institutional Support Services; **Cenissa Martinez**, Office of the EVP for Administration; **Steve McKernan**, UNMH; **Susan McKinsey**, Communication and Marketing; **Kim Murphy**, Real Estate; **Tom Neale**, Real Estate; **Henry Nemicik**, UNM Foundation; **Manu Patel**, Internal Audit; **Lee Peifer**, University Counsel; **Johann van Reenen**, Office VP Research; **Cynthia Reinhart**, KPMG; **Katie Richardson**, GPSA; **Michael Riordan**, City of Albuquerque; **Tim Ross**, Faculty Senate; **Paul Roth**, Chancellor, Health Sciences; **Jaymie Roybal**, ASUNM; **Marc Saavedra**, Government Relations; **John Salazar**, Rodey Law Firm; **David J. Schmidly**, UNM President; **Melanie Sparks**, Bookstore; **Vahid Staples**, Planning, Budget & Analysis; **Carol Stephens**, Policy Office; **George Trujeque**, UNM Golf Courses; **Chris Vallejos**, Institutional Support Services; **Mary Vosevich**, Physical Plant; **Ellen Wenzel**, Regents' Office; **Fran Wilkinson**, University Libraries; **George Williford**, First Southwest

Regent Chalmers called the meeting to order at 9:05 a.m. in Scholes Hall, Roberts Room.

COMMENTS:

None

ACTION ITEMS:

- 1. Meeting Summary from August 4, 2011. Regent Koch moved to approve, and Regent Chalmers seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
- 2. Disposition of Surplus Property for Main Campus on list dated August 12, 2011. Bruce Cherrin made the presentation. Regent Gallegos moved to approve, and Regent Koch seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

3. Contract Approvals:

- 1) **UNMH – NM Department of Public Health.** Bruce Cherrin and Steve McKernan made the presentation. Regent approval was requested for an arrangement with the NM Department of Public Health (DOH) to provide insurance assistance subsidies and medication co-payment reimbursement to eligible clients enrolled in the DOH Insurance Assistance Program. Total cost is dependent on number of available clients and ranges from \$500,000-\$575,000. **Regent Gallegos moved to approve, and Regent Koch seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
- 2) **UNM – Institutional Support Services Mountain West GolfScapes.** Bruce Cherrin, Chris Vallejos and Lisa Marbury made the presentation. Regent approval was requested to award the 4-year golf course maintenance contract to Mountain West GolfScapes, Inc. The UNM Golf Course is struggling to compete with other golf courses as the private golf industry has expanded across New Mexico. Sustainability strategies for FY12 were presented. Mountain West GolfScapes, Inc. has reduced the annual maintenance cost from \$1.3 million to \$1.15 million since 2007. Total cost will be \$999,565 per year with a 5% increase to be applied in the third and fourth year. In response to Regent inquiry, the UNM Golf Course's long-term plan includes options for development strategies for possible use of the land at the golf course. **Regent Koch moved to approve the contract with the caveat that other sustainable alternatives be presented within 6 months. Regent Gallegos seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
4. **Approval of Land Exchange: City of Albuquerque (Gibson Fire Station Site for 4th Street Healthcare Clinic Site).** Kim Murphy, Tom Neale, Michael Riordan and John Salazar made the presentation. Regent approval was requested for a land exchange agreement between the University and the City of Albuquerque (COA). According to the agreement, COA will acquire 1.3 acres on Gibson (appraised at \$850,000) to be used for a fire station. In exchange, UNM will acquire 2.1 acres on North 4th Street (appraised at \$754,000) to be used for a UNMH health clinic. COA has agreed to make up the difference in value with cash to the University. In response to Regent inquiry, UNMH will be responsible for providing street access to the new clinic. In response to Regent inquiry, this exchange does not require State Board of Finance approval. **Regent Koch moved to approve, and Regent Gallegos seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
5. **Approval of Third Amendment to Lease for the UNM Hospitals Addiction and Substance Abuse Program at 2450 Alamo Avenue SE.** Kim Murphy and Tom Neale made the presentation. Regent approval was requested to modify the lease for UNM Hospitals' Addiction and Substance Abuse Program at 2450 Alamo Avenue SE. Lease terms will be extended an additional year to expire June 30, 2013. The rent will increase to \$11.25 per square foot, a total of \$186,615 per year. **Regent Gallegos moved to approve and Regent Koch seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

- 6. Approval of Refunding of Series 2002A Bonds.** Andrew Cullen, Duane Brown and George Williford made the presentation. Regent approval was requested to develop the parameters resolution that will be brought before the full Board of Regents. UNM's financial advisors presented the opportunity to refund the Series 2002A Bonds which are now callable. The details and projected savings at different interest rates will be presented as well as the timing of the refunding process at the 9/13/2011 meeting. There are significant savings for the University in this plan. **Regent Koch moved to approve, and Regent Gallegos seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
- 7. Consideration and Possible Approval of UNM Regents Travel Policy 7.7.** Lee Peifer made the presentation. Regent approval was requested for a draft of UNM Regents Travel Policy 7.7. This draft would permit reimbursement for federally sponsored travel at federal rates, regularly set by IRS and State Department, and it also complies with State of New Mexico Mileage and Per Diem Act. State funded portions for travel meals will be limited to the meal per diem rate set by the NM Mileage and Per Diem Act. In order to be consistent with federal limitations of federally sponsored travel, institutional funds will be paid to cover the difference between the state funded portion and the amount allowed by federal meal per diem rates, which are determined by the Internal Revenue Service and the U.S. State Department. In response to Regent inquiry, travel reimbursements will be paid at the lowest allowable federal rate for travel within the State of New Mexico and out-of-state. Chancellor Roth and Provost Abdallah stated that travel is critical to the mission of the University, and they expressed concern that lowering the amounts of travel reimbursement may create financial hardships for staff and faculty who are required to travel for mission critical work. Regent Gallegos stated that the University should limit travel reimbursement strictly to the rates set by state law. Regent Chalmers stated that the University needs to regard both state and federal laws and one that serves the mission of the University. **Regent Koch moved to bring both Travel Policy 7.7 proposals before the full Board of Regents for consideration. Regent Chalmers seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
- 8. Approval of Naming Request for TriServices Building.** Breda Bova made the presentation. Regent approval was requested to name the old TriServices Building the "Innovation, Discovery and Training Complex." **Regent Gallegos moved to approve, and Regent Koch seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
- 9. Recommendations for Consent Agenda Items on full Board of Regents' Agenda.** Regent Chalmers recommended items 2, 3(1), 5, and 8 to be placed on the Consent Agenda.

INFORMATION ITEMS:

- 10. UNM Ratings Agency Update.** Andrew Cullen made the presentation.
- 11. Facility Scan and Credit Impact.** Andrew Cullen made the presentation.

12. UNM Golf Course Financial Sustainability Plan. Chris Vallejos made the presentation.

13. Anderson School of Management Endowment Fund Portfolio Quarterly Report. Leslie Boni made the presentation.

HSC BOD AGENDA ITEMS:

14. Approval of UNMH/HSC Master Facility Plan. Chris Vallejos made the presentation. Regent approval was requested to approve modifications to the UNMH/HSC Master Facility Plan that was presented to the Health Science Board of Directors at the August 2011 board meeting. The modifications apply to the adult acute care on lands west and to children's psychiatry. This approval request includes adoption of the UNMH/HSC Master Facility Plan with the updates. In response to Regent inquiry, these updates are consistent with the overall master plan. **Regent Koch moved to approve, and Regent Gallegos seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

~~15. Approval of UNMH Contract with the New Mexico Department of Public Health.~~ Item was removed from agenda.

16. Recommendations for Consent Agenda Items on full Board of Regents' Agenda. Regent Chalmers recommended item 14 to be placed on the Consent Agenda.

EXECUTIVE SESSION:

None

Regent Chalmers moved to adjourn at 11:31 a.m., and Regent Koch seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.