

**THE UNIVERSITY OF NEW MEXICO**  
**Regents' Finance and Facilities Committee**  
**September 11, 2009 – Meeting Summary**

**Committee Members Present:** Regent Jamie Koch; Regent Don Chalmers; Regent Gene Gallegos; Mr. Jerry Geist; EVP Paul Roth

**Committee Members Absent:** EVP/Provost Suzanne Ortega

**Non-voting Members Present:**

**Other Attendees:**

**Patrick Apodaca**, University Counsel; **Elisha Allen**, Staff Council; **Steve Beffort**, Institutional Support Services; **Breda Bova**, President's Office; **Doug Brown**, ASM; **Joe Cecchi**, STC; **Bruce Cherrin**, Purchasing; **Andrew Cullen**, Budget Office; **Rachel Felix**, EVP Office; **Doug Fields**, Faculty Senate; **Gil Gonzales**, CIO; **Kathy Guimond**, UNMPD; **David W. Harris**, EVP for Administration, COO and CFO; **Miguel Hidalgo**, Capital Projects; **Ray Johnson**, UNMRA; **Sul Kasscieh**, ASM; **Lisa Knudson**, GPSA; **Lisa Kuuttila**, STC.UNM; **Ava Lovell**, Finance; **Lisa Marbury**, Institutional Support Services; **Cenissa Martinez**, EVP Office; **Steve McKernan**, UNMH; **Susan McKinsey**, Communications & Marketing; **Walt Miller**, Student Affairs; **Kim Murphy**, Real Estate; **Tom Neale**, Real Estate; **Brian Nickel**, ACC; **Harry Relkin**, Mesa del Sol; **Mark Rogers**, ACC; **John Salazar**, Rodey Law Firm; **Martin Salazar**, Albuquerque Journal; **Antonio Sanchez**, Capital Projects; **Terry Sanchez**, Capital Projects; **Yolanda Sanchez**, Civil Engineering; **Matt Stein**, ACC; **Carol Stephens**, Policy Office; **Mimi Swanson**, Retiree Association; **Richard Swanson**, Internal Audit; **Carolyn Thompson**, UNM Pres Office; **Chris Vallejos**, Institutional Support Services; **Mary Vosevich**, PPD; **Angela Wandinger-Ness**, Cancer Center/Path; **Ellen Wenzel**, Regents' Office; **Fran Wilkinson**, Library

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**Regent Chalmers called the meeting to order at 9:00 a.m. in the Roberts Room at Scholes Hall.**

**COMMENTS:**

Faculty Senate President Doug Fields said that Faculty Senate has entered into discussions addressing community involvement and service to gain the support of the community and making sure community members' voices are being heard.

Staff Council President Elisha Allen said that UNM staff is concerned about State budget cuts, and the Staff Council is working proactively with the State to avoid or lessen negative budget impacts on staff, students and higher education in general.

**ACTION ITEMS:**

- 7. Approval of Change to the Anderson Schools of Management Student Investment Fund Policy.**  
Sul Kasscieh and Doug Brown made the presentation. This item is a request for approval to add exchange-traded funds (ETFs) and fixed income ETFs to the allowable investments that the Anderson students are assigned under the guidance of faculty for a portion of the Regents' Endowment. This action mitigates high-risk potential in individual stocks and is consistent with State Investment Council guidelines to guard against current potential market risks. Additionally, it will also allow students to gain experience with asset allocation. In response to Regent inquiry, \$2 million of the

Regents' Endowment Portfolio is subject to this change. **Regent Gallegos moved to approve and Regent Koch seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**

1. **Meeting Summaries from August 6, 2009. Regent Gallegos moved to approve and Jerry Geist seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
2. **Disposition of Surplus Property on Lists dated May 19 and August 28, 2009.** Bruce Cherrin made the presentation. In response to Regent inquiry, property is disposed according to state law: by auction, bid, or transferring property to other government agencies. **Jerry Geist moved to approve and Regent Gallegos seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
3. **Approval of Contract:**
  - 1) **Center for High Technology Materials – VEECO.** Bruce Cherrin made the presentation. This is a request to approve purchase of high tech materials for research purposes. The equipment is funded by an instrumentation grant from the Air Force Office of Scientific Research. Total cost is \$995,800. **Regent Gallegos moved to approve and Jerry Geist seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**
4. **Approval of Capital Projects and Architect Selection:**
  - 1) **Capital Project – UNMH Fire Suppression Support Infrastructure Addition.** Steve McKernan made the presentation. The hospital requests approval for a renovation to the fire suppression system, recommended by the state marshal to achieve compliance with fire codes. Total project budget is \$450,000. **Jerry Geist moved to approve and Regent Gallegos seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**
  - 2) **Capital Project – UNMH Urgent Care Clinic.** Steve McKernan made the presentation. The hospital requests approval to renovate the old 1984 critical care wing to facilitate an urgent care clinic. In response to Regent inquiry, UNMH manages 90,000 emergency room visits. Total project budget is \$880,000. **Jerry Geist moved to approve and Regent Gallegos seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**
  - 3) **Capital Project – UNMH Community Based Clinics.** Steve McKernan made the presentation. The hospital requests approval to construct a new clinic at Central Avenue and Unser Avenue. This clinic will serve a significant number of UNMH patients from the demographic population. Currently, there is no clinic located at the SW Heights. Total project budget is \$5.5 million. In response to Regent inquiry, it is estimated that this clinic will incur a loss of \$2 million/year, as compared to UNMH's current loss of \$3-4 million per year due to serving this population. In response to Regent inquiry, project budget estimates were based on the Texas and Central clinic. The SW Heights clinic will provide many of the same services that the Texas and Central clinic provides. In response to Regent inquiry, UNMH has assessed these community-based clinics as the optimum way to deliver services at reasonable cost, while also minimizing losses. These clinics provide access points of primary care for underserved communities in Albuquerque. **Jerry Geist moved to approve and Regent Gallegos seconded.**

**The motion passed by unanimous vote with a quorum of Committee members present and voting.**

- 4) **Architect Selection – UNMHSC Orthopedic Clinic.** Steve McKernan made the presentation. The hospital requests approval of architect selection: Fanning-Bard-Tatum Architects, who will design an Orthopedic Clinic on North Campus to increase efficiency and patient access. Regent Koch expressed concern about architect fees based on percentages from the state fee schedule at 5.9% of construction cost. In response to Regent inquiry, the University is working toward developing an alternative process for assessing architect fees in scoring criteria. Additional information, such as scoring sheets and criteria for fees will be provided to the Regents for future architect selections. Total cost is \$856,000. **Regent Gallegos moved to approve and Jerry Geist seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**
- 5) **Architect Selection – UNMHSC Ophthalmology Clinic.** Steve McKernan and Miguel Hidalgo made the presentation. The hospital requests approval of architect selection: Studio Southwest Architects, Inc. to design an Ophthalmology Clinic. In response to Regent inquiry, the orthopedic clinic location site is consistent with the proposed master plan, and the specific site for the ophthalmology clinic has yet to be determined. Total cost is \$572,000. **Jerry Geist moved to approve and Regent Gallegos seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**
- 6) **Capital Project – Student Family Housing Pavement.** Miguel Hidalgo made the presentation. The Student Family Housing units were built in 1975, and are in need of several improvements and repairs. This project provides improvements to pavement for parking lots, which have deteriorated over the years. Project budget is \$300,000.
- 7) **Capital Project – Student Family Housing Roof Replacement.** Miguel Hidalgo made the presentation. This project provides roofing repairs for Student Family Housing units. Project budget is \$450,000.

**Regent Gallegos moved to approve item 6 and item 7, and Regent Koch seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**

## 5. Approval of:

- 1) **Real Property Purchase – Medical Office Building Occupied by UNMH, 1101-4 Medical Arts Avenue.** Kim Murphy, Steve McKernan and Tom Neale made the presentation. This is a request for approval to acquire a lease-hold interest, which is the right to occupy the property for the 24 years remaining on the ground lease at 1101-4 Medical Arts Avenue. The Real Estate Office has complied with a previous request to provide additional information on the economic benefits of acquiring this building on behalf of the hospital. In response to Regent inquiry, there is a \$1.4 million advantage in acquiring the property. Regent Koch commented that the acquisition may present development opportunities for the University in further negotiations with Sandia Foundation in discussions of joint development. In response to Regent inquiry, the balloon payment is due in October 2009, which is part of a deferred rent payment. **Paul Roth moved to approve and Jerry Geist seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**

- 2) Master Agreement for Lease of UNM Sites for Student Housing (American Campus Communities, Inc., Regents of UNM and LOBO Development Corporation).** Kim Murphy, Brian Nickel, Matt Stein, Mark Rogers, Walt Miller, John Salazar, and Harry Relkin made the presentation. Over the past several years, there have been discussions about constructing new student housing for the University. One year ago, the Regents authorized Lobo Development to issue an RFP process, and this process concluded that American Campus Communities, Inc. (ACC) would be a valuable development partner in meeting student need. The request for approval is for the master agreement to lease, which is the overarching agreement that will provide for a multi-phase and multi-year approach to the delivery of housing through this public-private partnership. Lobo Development Corp. approved the master agreement on September 9, 2009, and this request comes forward as a recommendation from Lobo Development Corp. Walt Miller discussed the need for new student housing. The Regents emphasized the need for new student housing due to the increase of students in entering freshman class. ACC provided a corporate overview and discussed their company's experience with student housing projects. John Salazar provided a detailed presentation of the agreement. In response to Regent inquiry, the University will be responsible for providing two major student support services: security and transportation. In response to Regent inquiry, ACC assured adequate financial backing for this project. ACC has agreed that they will provide evidence that their financing will not directly or indirectly affect the debt of UNM, and this will also be reflected by rating agencies. In response to Regent inquiry, the University's traditional access to capital funding is closed in terms of legislative appropriations. The Legislature, in the Higher Education Department, will not recognize entities that the University can finance through its own auxiliary activities. This partnership is an opportunity for the University and is beneficial with respect to the variables of time dynamics, student need, value of product, and financial impact on the University. **Regent Koch moved to approve and Regent Gallegos seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**
- 6. Approval of STC.UNM Board of Directors Appointment.** Lisa Kuuttilla and Joe Cecchi made the presentation. The STC.UNM Board recommends the appointment of Dean Doug Brown to the STC.UNM Board of Directors. **Jerry Geist moved to approve and Paul Roth seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**
- 8. Approval of Carrie Tingley Hospital Advisory Board Appointments.** Steve McKernan made the presentation. The Carrie Tingley Hospital Advisory Board recommends the appointment of Gabrielle Graham and Patty Buffet. **Regent Gallegos moved to approve and Jerry Geist seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**
- 9. Approval of UNM Carrie Tingley Hospital Restated Bylaws.** Steve McKernan made the presentation. This hospital requests Regent approval to update the bylaws of Carrie Tingley Hospital Advisory Board to accommodate recent changes to Regents' Policy 2.13. **Regent Gallegos moved to approve and Paul Roth seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**
- 10. Approval of Hospital Quality Assessment/Performance Improvements.** Steve McKernan made the presentation. This plan details procedures through which the hospital conducts quality assessment and performance improvement. The plan also details the involvement processes for committees in relation to the Hospital Board and Regents. The Hospital Performance Oversight Committee and the Hospital Board of Trustees has reviewed and approved recommendation of this plan. In response to Regent inquiry, approval is not required annually, but is required if the plan changes. The plan has

been refined to comply with Joint Commission requirements. In response to Regent inquiry, the data for review is accessible internally for appropriate medical executive committee members, and the hospital quality improvement department staff. This confidential information is protected by password and the data is encrypted to ensure limited access and security. In the case of litigation, the information is protected by HIPA and is only released on a need-to-know basis. The hospital is in the process of improving secure confidential quality data systems. **Regent Koch moved to approve and Regent Gallegos seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**

**11. Recommendations for Consent Agenda Items on full Board of Regents Agenda.** Don Chalmers recommended items 2, 3, 4, 6, 7, 8, 9, and 10 to be placed on the Consent Agenda.

**INFORMATION ITEMS:**

**12. Contract Information:**

Bruce Cherrin made the presentations

- 1) **UNMH Global Healthcare Exchange, LLC**
- 2) **Civil Engineering Department – Geotechnical Consulting & Testing System**
- 3) **Office of Capital Projects – VWR International Inc.**
- 4) **UNM Cancer Center – MicroBrightfield, Inc.**
- 5) **Chemistry Department – Bruker Biospin Corp.**
- 6) **Manufacturing Training and Technology Center – AJA International MTTC Cleanroom Phase IV – Sputtering System Purchase and Installation**

**EXECUTIVE SESSION:**

- A. Vote to close the meeting and proceed in executive session
- B. Discussion and Determination where appropriate of limited personnel matters, relating to consideration of Medical Staff Appointments, Re-appointments and Privileges *pursuant to Section 10-15-1H (2), NMSA (1978)*
- C. Discussion and Determination where appropriate of potential purchase, acquisition or disposal of real property *pursuant to section 10-15-1H (8), NMSA (1978)*.
- D. Vote re-open the meeting
- E. Certification that only those matters described in paragraphs above were discussed in executive session, and if necessary, ratification of actions, if any, taken in executive session.

**Regent Chalmers moved to adjourn at 12:08 p.m., and Jerry Geist seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**