

**THE UNIVERSITY OF NEW MEXICO**  
**Regents' Finance and Facilities Committee**  
**February 5, 2009 – Meeting Summary**

**Committee Members Present:** Regent Mel Eaves; Regent Don Chalmers; Jerry Geist, Chair of UNM HFC; Maria Griego-Raby, Chair of UNMH Board of Trustees

**Committee Members Absent:** Regent Raymond Sanchez

**Non-voting Members Present:** Regent James Koch and Regent Dahlia Dorman

**Other Attendees:**

**Martha Bedard**, UNM Libraries; **Steve Beffort**, Institutional Support Services; **Ann K. Brooks**, Faculty Senate; **Karen Carlson**, Nursing; **Loyola Chastain**, Staff Council; **Christine Chavez**, Internal Audit; **Bruce Cherrin**, Purchasing; **Christine Chester**, UNM Police; **Jim DeZetter**, SRS; **Ashley Fate**, ASUNM; **Rachel Felix**, EVP Office; **Bob Fondino**, HSC Finance; **Julia Fulghum**, VP Research; **Helen Gonzales**, VP Human Resources; **Jeffrey Griffith**, SOM; **Tim Gutierrez**, Student Affairs; **David Harris**, EVP for Administration, COO, and CFO; **Miguel Hidalgo**, Capital Projects; **J. Hood**, Faculty Senate; **David Hopper**, CRTC; **Mary Kenney**, Planning & Campus Dev.; **Ava Lovell**, Finance; **John Maes**, Foundation; **Lisa Marbury**, Institutional Support Services; **Cenissa Martinez**, EVP Office; **Steve McKernan**, UNMH; **Susan McKinsey**, Communications & Marketing; **Walt Miller**, AVP Student Life; **Kim Murphy**, Real Estate; **Brad Mucek**, CRTC; **Marc Nigliazzo**, UNM West; **Bob Notary**, PPD; **Curt Porter**, Provost's Office; **Suzanne Ortega**, UNM Provost; **Paul Roth**, EVP for HSC; **Martin Salazar**, Albuquerque Journal; **Carol Stephens**, Policy Office; **John Trotter**, UNM; **Billy Tubb**, Popejoy Hall; **William Turner**, Office of Capital Projects; **Chris Vallejos**, Institutional Support Services; **Mary Vosevich**, PPD.; **Jake Wellmam**, ASUNM; **Debra Wells**, University Services; **Ellen Wenzel**, Regents' Office; **Don Whitehead**, CRTC; **Cate Wisdom**, Regent-elect

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

**COMMENTS:**

Ann Brooks expressed appreciation for the Regents' consideration of the budget, and the efforts for transparency. The Regents confirmed that they will be involved in the budget hearings, and Regent Koch explained the budget hearing schedule format would be different this year.

**ACTION ITEMS:**

**4. Approval of Capital Projects:**

- a) **Castetter Hall Phase 2 Addition.** Miguel Hidalgo made the presentation. This facility will accommodate the growth of the Biology program. In response to Regent inquiry, the greenhouse will be relocated to the top floor of Castetter Hall. Total project budget is \$9,899,000. **Regent Sanchez moved to approve and Regent Chalmers seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**
- b) **Novitski Fire Sprinkler Project.** Miguel Hidalgo made the presentation. Total project budget is \$350,000, funded entirely from BR&R funds. **Regent Sanchez**

**moved to approve and Regent Chalmers seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**

- c) **Cancer Research Treatment Center.** Miguel Hidalgo made the presentation. This project will complete the administration wing. Total project budget is \$7,908,300. **Jerry Geist moved to approve and Regent Sanchez seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**

- 7. **Monthly Financial Report and Approval of Fiscal Watch Report.** Ava Lovell made the presentation. In response to Regent inquiry regarding tuition and fees, enrollment is up this year, and the latest projection predicts the surplus at \$875,000, which can more accurately be predicted a few weeks into the spring semester. The surplus is driven by the number of students enrolled. Provost Ortega stated that the high enrollment is a good predictor that may move the University into a different band of state funding.

In response to Regent Eaves' inquiry, which addressed concerns expressed by the campus community regarding the condition of the University's finances and a perceived crisis of confidence, Ava Lovell assured the Regents that UNM is currently in excellent financial condition. The University has experienced limited liability, large assets, and an increase in unrestricted fund balances. The current unrestricted fund balance is \$470,248,122, an additional \$72 million from last year's unrestricted balance. State and Federal audits have shown there has been no misdirection, misappropriation or error in the University's finances.

In response to Regent inquiry regarding the status of investments in this climate of severe market crisis, the University has not incurred any losses on any investments. Regent Eaves commended EVP David Harris for his extraordinary record in directing the University's investments. Regent Koch noted that the Regents had never been presented with a comprehensive monthly financial statement prior to EVP David Harris's financial leadership.

In response to Regent inquiry addressing the suspected misappropriation of instructional funds, Ava Lovell stated that the University spends funds according to their appropriation, and that there has been no diversion of instructional funds to pay administrative salaries. The University's financial statements have been attested to by the federal government and the Federal Audit Clearinghouse, and no regulations have been violated.

In response to Regent inquiry regarding the University's debt structure and bond issue, I&G and state appropriations cannot be used for debt service. The bond rating of the University is AA3, next to the highest both in Moody's and in Standard in Poor's. Maria Griego-Raby suggested that this information be distributed to the State Board of Finance to address their concern that UNM is overextended. Jerry Geist suggested that the Regents be provided with a tutorial on the criteria that the rating agencies consider and the policy implications with regard to equity ratios and coverage.

**Regent Chalmers moved to approve and Jerry Geist seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

- 8a. **Approval of Regents' Resolution Regarding Leadership of UNM.** Regent Eaves made the presentation. This item was presented as a draft for consideration. The Regents expressed their unanimous support for all decisions that have been made by Regent Koch. Paul Roth stated the position of the Health Sciences Center as supportive of the

administration, and that there has been no lack of confidence among the faculty at the Health Sciences Center.

1. **Meeting Summary from December 4, 2008.**
2. **Disposition of Surplus Property on Lists dated January 21, 2009**
3. **Approval of Contracts:**
  - a) **UNMH – Covidien**
  - b) **UNMH – Cardinal Health Integrated Solutions**
  - c) **UNMH – MGA Healthcare Staffing New Mexico Inc.**
  - d) **UNMH – Advantage RN**
  - e) **UNMH – Med Travelers**
  - f) **UNMH – ProCare USA**
  - g) **UNMH – Premier Nursing Service**
  - h) **UNMH – Cirrus Medical Staffing**
  - i) **UNMH – The Right Solution – TRS**
  - j) **UNMH – Core Medical**

These contracts (3a-3j) have been bid on a statewide contract through the NM Hospital Association and will provide traveling nurses. In response to Regent inquiry, traveling nurses are brought from out of state, and they may be hired after their contract expires. Full time nurses are hired at \$30/hr. Regent Chalmers emphasized the need for the College of Nursing to produce more nurses. **Regent Chalmers moved to approve and Jerry Geist seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**

- k) **Cancer Research Treatment Center.** This contract will provide a new CT scanner for the Cancer Center. **Jerry Geist moved to approve and Maria Griego-Raby seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**

8. **Approval of Modifications to Regent’s Policy 7.21: Investment Operational Funds and Bond Proceeds.** Item was tabled.
9. **Recommendations for Consent Agenda Items on full Board of Regents Agenda.** Regent Eaves recommended items 1 and 2 to be placed on the Consent Agenda.

### **INFORMATION ITEMS**

10. **Capital Projects Status Report**

### **EXECUTIVE SESSION:**

None

**Regent Eaves moved to adjourn at 10:30 a.m., and Regent Sanchez seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.**