

**MINUTES OF THE MEETING OF
THE REGENTS OF THE UNIVERSITY OF NEW MEXICO**

**January 13, 2009
Board of Regents Meeting 9:00 a.m. – 11:30 a.m.
Student Union Ballroom C**

ATTENDANCE:

Regents present:

James H. Koch, President
Jack Fortner, Vice President
Carolyn Abeita, Secretary-Treasurer
John “Mel” Eaves
Raymond Sanchez
Don Chalmers
Dahlia Dorman, Student Regent

President David J. Schmidly unable to attend

Vice Presidents present:

David Harris, Executive Vice President, CFO, COO
Paul Roth, Executive Vice President, Health Sciences Center
Suzanne Trager-Ortega, Executive Vice President, Provost
Marc Nigliazzo, Vice President, Rio Rancho
Julia Fulgham, Interim Vice President, Research & Development
Eliseo Torres, Vice President, Student Affairs
Steve Beffort, Vice President, Institutional Support Services
Josephine DeLeon, Vice President, Equity and Inclusion
Carmen Alvarez Brown, Vice President, Enrollment Management
Paul Krebs, Vice President, Athletics
Helen Gonzales, Vice President of Human Resources
Ava Lovell, Vice President and Comptroller
John Stropp, President, UNM Foundation
Stephen McKernan, Vice President, Hospital Operations

University Counsel present:

Patrick V. Apodaca, University Counsel

Regents’ Advisors present:

Howard Snell, President, Faculty Senate
Loyola Chastain, President Staff Council

Christopher Ramirez, President, GPSA
 Ashley Fate, President, ASUNM
 Judy Zanotti, President, Alumni Association
 Thelma Domenici, Chair, UNM Foundation
 Susan Deese-Roberts, President, Retiree Association
 Maria Probasco, President, Parent Association

Regent Koch presided over the meeting and called the meeting to order at 9:01 a.m.

CONFIRMATION OF QUORUM and ADOPTION OF AGENDA, Regent Koch

Motion approved unanimously to adopt today's agenda (1st Eaves 2nd Sanchez).

APPROVAL OF SUMMARIZED MINUTES OF NOVEMBER 11, 2008 BOARD OF REGENTS MEETING and MINUTES OF DECEMBER 4, 2008 and DECEMBER 18, 2008 SPECIAL BOARD OF REGENTS MEETING, Regent Koch

Motion approved unanimously to approve the Summarized Minutes of the November 11, 2008 Board of Regents Meeting and Minutes of December 4, 2008 and December 18, 2008 Special Board of Regents Meetings, (1st Eaves, 2nd Sanchez).

ADMINISTRATIVE REPORT

Administrative Report, given by David W. Harris, COO on behalf of President Schmidly

- Dr. Julia Fulgham was named permanent Vice President for Research last month
- Appointment of Mike Locksley as UNM Head Football Coach
- Legislative update and strategy
 - Coordinated legislative effort in place for five years
 - Given fiscal challenges, less optimistic than in past
 - Will continue to have Wednesday's briefings in Santa Fe, every other week
- Marketing – UNM's "Sam the Sheep" TV ad which was presented to the regents last fall was recently recognized nationally by University Business Magazine as one of the 50 best branding ideas for colleges and universities

APPROVAL OF TRANSACTION INVOLVING FLINTCO, INC., Regent Koch

- Regent Koch explained history of the University's Conflict of Interest policy
- Regent Koch asked Patrick Apodaca, University Counsel, to read for the record a memorandum to the Board of Regents from President Schmidly and the Board's response

Patrick Apodaca, University Counsel As Regent Koch stated, President Schmidly submitted a request in order to comply with the Conflict of Interest policies of the University. There is a Regents' Policy, 6.4 and also the University Business Policies and Procedures Manual 3720 provide for conflicts of interest requirements in situations such as this.

President Schmidly is, of course, President of the University. His son, Brian Schmidly, recently was hired by Flintco, Inc. Flintco is a contractor with the University, has substantial construction contracts. Under our conflicts policy, by virtue of those relationships, President Schmidly is deemed to have a financial interest in the contract transactions with Flintco because his son, a member of his immediate family, is an employee of Flintco. Under the policies, in the case of the President, the policies require that the transaction, after being reviewed for conflict issues, be approved by the Board of Regents. President Schmidly has submitted a request to that effect and a disclosure.

I will read the request. It is documented in a memorandum to the Board of Regents from President Schmidly dated January 9, 2009.

"I'm proud to inform you that my son, Brian Schmidly, has just accepted (1/5/09) a position as Business Development Manager with Flintco, Inc.

Flintco is a current contractor with UNM, having been awarded several construction contracts, including the CRTC Phase II Project. As President I do not participate in the evaluation of bids submitted for any contracts such as these. Although my son and his new employer have specifically agreed that he will not be involved in any project or proposal involving UNM, pursuant to Regents' Policy 6.4 and University Business Policies and Procedures Manual 3720 ("UBPPM 3720"), I am nonetheless deemed to have a "financial interest" in Flintco because my son is a member of my "immediate family" and Flintco is a UNM contractor (see UBPPM3720 Section 3(2)). Consequently, I believe that I am required to make the foregoing disclosure.

Additionally, because of my son's status as an employee of the contractor, I must also hereby request the Board's approval of the transaction as required by Regents' Policy 6.4 and UBPPM 3720.

To avoid even the appearance of a conflict, I hereby also notify you of my intention, pursuant to UBPPM3720 (5), to recuse myself from all present and future University matters pertaining to Flintco. With your approval, I will formally delegate all

responsibility and authority I may otherwise have in these matters to the Executive Vice President of Administration/COO/CFO.

With your receipt of this notification and my recusal from all matters relating to Flintco, I believe that the transaction in question satisfies all the requirements set forth in Section 5.1 of UBPPM 3720.

Thank you for your consideration.”

The Board has a copy of a proposed response from the Board to President Schmidly and it reads as follows:

“Dear President Schmidly,

The Board of Regents has considered your memorandum dated January 9, 2009 in which, pursuant to Regents’ Policy 6.4 and UBPPM 3720, you disclose that your son, Brian Schmidly, has accepted employment with Flintco, Inc. (“Flintco”), a UNM contractor. As indicated in your letter, you are deemed to have a “financial interest” in UNM transactions with Flintco because Brian is a member of your immediate family. The referenced policies require that any transaction in which you have any financial interest be approved by the Board of Regents. You have requested such approval.

The Board has approved transactions relating to Flintco, Inc., as contemplated by Regents’ Policy 6.4 and UBPPM 3720, subject to compliance with the following requirements, some of which are set forth in your memorandum:

- 1. You will recuse yourself from all present and future matters pertaining to Flintco. All responsibility and authority of the President of the University for matters relating to Flintco are hereby delegated to the Executive Vice President of Administration/COO/CFO, except as otherwise stated in this letter.*
- 2. Flintco will file with the University Counsel and the Director of Purchasing an appropriate disclosure on Form A of UBPPM 3720. Brian and Flintco each shall agree in writing that Brian will not represent Flintco or any of its affiliates in any matters pertaining to the University and its affiliates, nor will he otherwise have any responsibility for or participate in any matters for Flintco that relate to the University of New Mexico or any of its affiliated entities. Such written agreements shall be in the form of a letter to the Regents of the University of New Mexico, c/o University Counsel.*
- 3. All contracts hereafter awarded to Flintco by the University or any of its affiliated entities, and any amendments to current or future contracts with Flintco that the President would normally sign, shall be approved on behalf of the University by the Board of Regents. Upon such approval, each contract*

and any such amendment shall be signed by the President of the Board of Regents on behalf of the University.

The foregoing requirements shall apply as long as both you serve as President of the University and Brian is employed by Flintco.

The public's confidence in the integrity of the University's business practices and procurement process is of critical importance to our institution. Even the appearance of a conflict must be avoided in order to maintain the public's confidence. We believe that your disclosure, the steps set forth in your memorandum and compliance with the requirements set forth in this letter and the University's conflict of interest policies are important to achieving that objective.

*Sincerely,
James Koch, President
Board of Regents"*

Regent Koch

- Described what it would mean if there was a contract, it would be heard in an open session and then would be approved by the Board of Regents. If Flintco came to the Board appropriate questions would be asked, etc., that is why the Board of Regents would be signing those contracts. Requested that Regent Eaves give some particular background.

Regent Eaves

- Explained how Brian Schmidly was introduced to the Flintco organization, through a mutual friend, Gig Brummel, who is not associated with the University. Mr. Brummel is acquainted with Flintco and introduced Brian Schmidly to Flintco. Regent Eaves wanted to lay to rest any concerns that Dr. Schmidly might have been involved.

Motion approved unanimously to approve the response letter be sent to Dr. Schmidly, involving Flintco, Inc. under the Board of Regent Policy 6.4 and UBPPM 3720 (1st Chalmers, 2nd Eaves).

APPROVAL OF APPOINTMENTS, Regent Koch

Lobo Energy Board

Regent Chalmers – Lobo Energy Board met and we have decided unanimously to nominate Steve Beffort as President of the Board of Directors of Lobo Energy and I bring that nomination to the Board of Regents

Motion approved unanimously to approve the nomination of Steve Beffort as President of the Board of Directors of Lobo Energy (1st Chalmers, 2nd Fortner).

UNM Hospital Board of Trustees – Steve McKernan

Steve McKernan – Brings before the Board the nomination of Dr. William Rayburn, Chair of the OB/GYN Department, for the Hospital Board to occupy the position of medical staff member.

Motion approved unanimously to approve the nomination of Dr. William Rayburn to UNM Hospital Board of Trustees (1st Fortner, 2nd Eaves).

COMMENTS FROM REGENTS' ADVISORS

Howard Snell, President, Faculty Senate

- Faculty Senate encourages increasing the direct involvement of Deans and Department Chairs in setting and implementing all policy at UNM.
- Point was made suggesting that financial resources could be conserved by limiting searches for Deans to internal candidates. While the Faculty Senate recognizes that current employees of UNM could include the best candidates for future Deans in some cases, that can only be determined when internal candidates are compared to those identified in a national search.
- Questions were raised about how funds required to service debt associated with bonds at UNM flowed through our financial systems. Faculty Senate would like to recommend that the budget summaries be amplified to reflect a summary of bond-associated debt and the flow of revenue used to meet those obligations.
- We need to find additional funds for academic programs if we are to maintain the quality at UNM that we hope will increase our enrollments and move us into the American Association of Universities.
- In reviewing UNM's policies regarding Honorary Degrees, a review team is recommended. That review team should consist of:
 - Current Chair of the Honorary Degree Committee.
 - Past Chair of the Honorary Degree Committee.
 - Chair of the Senate Graduate Committee should be invited to participate or name a delegate from the faculty currently on the Senate Graduate Committee.
 - Dean of the Graduate School should be invited to participate or name a faculty delegate
 - Representative from the Governance Committee.
 - Representative the Academic Freedom and Tenure Committee.

- Chair of the Faculty Senate Policy Committee to participate or name another member of their committee.
- Representative from the Faculty Senate Operations Committee.
- Representative from the Board of Regents.

This review team has yet to meet and the Faculty Senate is concerned that one of our important committees will fail to fulfill its duties for 2008/09. Thus the Faculty Senate Operations Committee will meet with the current Chair of the Honorary Degree Committee this afternoon to discuss how we should proceed. Hopefully, the next report will include progress by this important committee.

Regent Abeita Asked Mr. Snell if the committee has been established formally. Regent Koch stated he has not assigned a regent to that committee yet but will do that within a week.

Loyola Chastain, President, Staff Council

- Currently working on letters to be hand delivered to legislators for the session asking them to think about education as a means to build a better workforce for New Mexico.
- Staff Council will have a table at UNM day at the legislature on 2/2/2009
- We are supporting the Faculty Senate request for the debt service budget to be included with the monthly financial report at the Regents' meetings
- Staff Council has an updated website
- Support the PAWS drive and collected items for animals before the holidays
- Thank you to President Schmidly for allowing staff to begin leaving at noon on 12/23/08.

Christopher Ramirez, President, GPSA

- Appointed a financial crisis ad-hoc committee, looking at the preservation of graduate and professional student employee positions on campus
- GPSA elections are set for April 6-9, deadline for March 11
- GPSA will be passing the 2009-2010 GPSA budget at the March Council Meeting
- Grant deadlines approaching
- Will be part of UNM Day in Santa Fe
- Reports from The GPSA representatives for university-wide appointed committees are available on the GPSA website
- Will be hosting our second annual research symposium on 4/4/09

Ashley Fate, President, ASUNM

- 1/16/09 we begin the SFRB departmental hearings, open to the public
- ASUNM Senate Retreat 1/24/09

- Recently sent letter to Rail Runner, requesting for a defrayed or free pass to Santa Fe for UNM day at the capitol. Will be holding a student reception for legislatures at UNM Day

Judy Zanotti, President, UNM Alumni Association

- Held a reception for new legislators, good turn out
- Will be involved in UNM Day in Santa Fe plus reception for legislators
- 2/4/09 hosting reception in Washington, DC for congressional delegation
- Fall commencement held 12/19/08, received t-shirt from Alumni Association
- Young alumni held reception for graduates and will hold a finance workshop
- Board meeting and award banquet coming up, 2/12/-2/13/09, resumes in packet

Thelma Domenici, Chair, UNM Foundation

- Fundraising efforts are moving ahead very well, raised over \$40M toward the goal of \$95
- Campaign consultant will be attending February board meeting, informing regarding capital campaign
- Board of Trustees meeting is 2/27/09
- 75% complete, reorganization of Foundation
- Investment committee monitoring market very closely
- Announced resignation from the Board, last meeting will be February, 2009

Regent Koch asked John Stropp about the hiring of the campaign consultant to run the capital campaign and asked when they would be addressing the Board of Regents. Mr. Stropp stated they will provide an update, probably at the April or May board meeting. Regent Koch expressed his desire for the Board to know more about the consultant and the process.

Susan Deese-Roberts, President, UNM Retiree Association

- Had a party in December, 125 members attended
- Funded it's first Presidential Scholarship
- UNM Retiree Association had contemplated becoming a unit within the New Mexico Association of Educational retirees, reversed our course
- Marc Saavedra presented to the Association and looking forward to another presentation after the legislative session

Maria Probasco, President, UNM Parent Association

- Board of Directors met on 11/13/08
 - Voted to take lead to close the legislative loop hole which would make it unlawful to carry a deadly weapon on higher education premises

- Moving forward with career services and parent mentors committee plan of action
- Recruitment and Membership Committee presented plans for an ongoing educational evening workshop series for parents
- Strategic planning session planned for 2/7 and 2/14/09, Carolyn Thompson will be assisting us
- Freshman summer send off committee met, preliminary plans are to visit Gallup, Farmington, Santa Fe, Clovis, Las Cruces, Roswell and Colorado Springs; partnering with Alumni Association and with Athletic Department in visiting
- Communications and Marketing Committee met to review current marketing materials and create a publicity plan
- Attended UNM west and Rio Rancho campus presentations and overview sessions on 11/12/09 and the master plan update open house 11/13/08
- Scheduled to speak at the Legislature 2/12/09
- Attendance at Family Parent Advisory Council meeting
- UNM will host the Parents Reach Out office in southwest in March of 2009
- Working on Family Day at the Pit, 2/20/09

COMMENTS FROM REGENTS

All Regents praised and thanked Thelma Domenici for all she has done for the University as Chair of the UNM Foundation.

CONSENT AGENDA

Regent Eaves

- F&F Meeting held, 1/8/09
- Noted corrections to the Equipment Disposition list (Gallup Health Careers items, X-Ray System and elevating, Table Radiographic System were deleted from approved Surplus Property approval at the F&F meeting)

Motion approved unanimously to approve all items on Consent Agenda. (1st Eaves, 2nd Sanchez).

REGENT COMMITTEE REPORTS

Finance & Facilities Committee

Regent Eaves

- Approval of Capital Projects
 - University Arena
 - University Stadium

- Steam Turbine Cogeneration Project

Paul Krebs, VP Athletics, addressed the Board, summarized anticipated revenue and debt service and took questions from Regents.

Miguel Hidalgo, Office of Capital Projects requested approval of capital projects presented to F&F.

Motion approved unanimously to approve Capital Projects item University Arena – additions and renovations (1st Eaves, 2nd Chalmers).

Motion approved unanimously to approve Capital Projects item University Stadium – Tow Diehm – President’s Pavilion Renovations Arena (1st Eaves, 2nd Sanchez).

Motion approved unanimously to approve Capital Projects item University Steam Turbine Cogeneration Project (1st Eaves 2nd Sanchez).

- Approval of STC.UNM’s Annual Report, Lisa Kuutilla, President & CEO
 - Abbreviated overview of report, with Joe Cecchi

Motion approved unanimously to approve STC.UNM’s Annual Report (1st Eaves, 2nd Sanchez).

Information Items

- Monthly Financial Report, Ava Lovell, VP & Controller
 - Same report presented at 12/18/08 Board of Regents meeting

Academic/Student Affairs & Research Committee

Regent Sanchez No Report

Audit Committee

Regent Sanchez No Report

HSC – Health Sciences

Regent Fortner No Report

PUBLIC COMMENT

No public comment

ADJOURNMENT

Motion approved unanimously to adjourn the meeting and proceed in Executive Session at 10:28 a.m. (1st Eaves, 2nd Chalmers).

Executive Session was held from 11:00 a.m. – 12:30 p.m. in the Sandia Room.

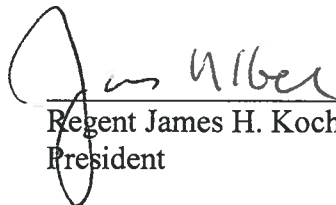
- A. Discussion and determination, where appropriate, of limited personnel matters pursuant to Section 10-15-1 H (2), NMSA (1978).
- B. Discussion and determination, where appropriate, of matters subject to attorney-client privilege pertaining to threatened or pending litigation pursuant to Section 10-15-1 H (7) 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 to re-open meeting

Motion approved unanimously to reopen the meeting at 12:12 p.m. (1st Sanchez, 2nd Koch).

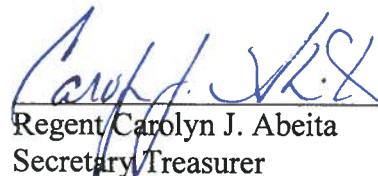
- E. Certification that only those matters described in Agenda Item XIII were discussed in Executive Session and if necessary, ratification of actions, if any, taken in Executive Session.

Motion approved unanimously confirming no action was taken and only those items described in Agenda item XIII were discussed (1st Abeita, 2nd Dorman).

ADJOURNMENT-motion approved unanimously at 12:15 p.m. (1st Abeita, 2nd Dorman)



 Regent James H. Koch
 President



 Regent Carolyn J. Abeita
 Secretary/Treasurer

Attachments:

1. President's Administrative Report (Newsletter-tab 3)
2. STC Annual Report and Power Point (tab 10)