

**Minutes of the Regular Meeting of
The Board of Regents of the University of New Mexico
February 16, 2021; 9:00 AM
Virtual meeting via Zoom; livestreamed for public viewing**

Members Present

Douglas Brown, President
Kim Sanchez Rael, Vice President
Sandra Begay, Secretary/Treasurer
Melissa Henry
Marron Lee
Robert Schwartz

Members Not Present

Rob Doughty

Administration Present

Garnett S. Stokes, President; James Holloway, Provost and EVP for Academic Affairs; Douglas Ziedonis, EVP for Health Sciences Center; Teresa Costantinidis, SVP for Finance and Administration; Loretta Martinez, University Counsel; Assata Zerai, VP for Diversity, Equity and Inclusion; Eliseo 'Cheo' Torres, VP Student Affairs; Dorothy Anderson, VP HR; Kate Becker, CEO, UNM Hospitals; Ava Lovell, Sr. Executive Officer for Finance & Administration, HSC; Duane Arruti, CIO; Eddie Nunez, Athletic Director; Cinnamon Blair, Chief University Marketing and Communications Officer; Barbara Damron, Chief Government Relations Officer; Liz Metzger, University Controller; Terry Babbitt, President's Chief of Staff; and others

Advisors Present

Chad Cooper, President, Alumni Association Board; Kevin Malloy, Retiree Association President; Finnie Coleman, Faculty Senate President; Nancy Shane, Staff Council President; Nikhileshwara 'Nikhil' Reddy Naguru, GPSA President; Muskan 'Mia' Amin, ASUNM President

Presenters

Mike Chicarelli, COO, UNM Hospital; Bonnie White, CFO, UNM Hospital; Bill Shuttleworth, Chair, Department of Neurosciences; Bruce Cherrin, Chief Procurement Officer; Elisha Allen, Dir., IT Academic Technologies; Jon Bockock, Assoc. Dir. IT Academic Technologies; Vahid Staples, Budget Officer, OB&A; Lisa Kuuttilla, Pres. & CEO, UNM Rainforest Innovations, Inc.; Scot Sauder, Deputy University Counsel; Kelly Ward, Dir. Business Operations, Lobo Development Corp.; Jason Strauss, Pres. & CEO, Lobo Energy, Inc.; Robb McLean, Inter. Pres. & CEO, UNM Medical Group, Inc.; Jamie Silva-Steele, Pres. & CEO, SRMC

CALL TO ORDER AND CONFIRMATION OF A QUORUM

Regent President Doug Brown called the meeting to order at 9:01 AM and confirmed a quorum with six members present; Regent Rob Doughty was not in attendance.

LAND ACKNOWLEDGEMENT STATEMENT

Regent Brown read aloud the Land Acknowledgement Statement:

Land Acknowledgement Statement

Founded in 1889, The University of New Mexico sits on the traditional homelands of the Pueblo of Sandia. The original peoples of New Mexico – Pueblo, Navajo, and Apache – since time immemorial, have deep connections to the land and have made

significant contributions to the broader community statewide. We honor the land itself and those who remain stewards of this land throughout the generations and also acknowledge our committed relationship to Indigenous peoples. We gratefully recognize our history.

ADOPTION OF THE AGENDA

Regent Brown asked for a motion to adopt the agenda.

- The motion to adopt the agenda passed unanimously (1st Rael; 2nd Schwartz; roll call vote – all members voted yes).

VOTE TO CLOSE THE MEETING AND PROCEED IN EXECUTIVE SESSION (1ST Begay; 2nd Schwartz; roll call vote - all members voted yes). The meeting closed at 9:04 AM.

- A. Discussion, and where appropriate determination, relative to strategic and long-range business plans or trade secrets of public hospitals permitted by Section 10-15-1H(9), NMSA (1978)
- B. Discussions of bargaining strategy preliminary to collective bargaining and collective bargaining between a policymaking body and an employee bargaining unit, as permitted by Section 10-15-1H(5), NMSA (1978)
- C. Discussions subject to attorney-client privilege pertaining to threatened or pending litigation as permitted by Section 10-15-1H(7), NMSA (1978)
- D. Discussion of “limited personnel matters” as defined in and permitted by Section 10-15-1H(2), NMSA (1978) – regarding: President Stokes’ Goals

VOTE TO RE-OPEN THE MEETING AND CERTIFICATION THAT ONLY THOSE MATTERS DESCRIBED IN THE CLOSED SESSION AGENDA WERE DISCUSSED IN CLOSED SESSION, AND IF NECESSARY, FINAL ACTION WITH REGARD TO CERTAIN MATTERS WILL BE TAKEN IN OPEN SESSION The meeting re-opened at 10:05 AM.

Regent Brown certified that closed session discussions were limited to only those matters described in the closed session agenda. He announced that the Board would take action in open session regarding the personnel matter, approval of President Stokes’ annual goals as negotiated extensively by the Regents. He asked for a motion to approve.

- The motion to approve President Stokes’ goals passed with a unanimous vote in favor (1st Begay; 2nd Schwartz; roll call vote - all members voted yes).

APPROVAL OF MINUTES OF THE DECEMBER 9, 2020 REGULAR MEETING

Regent Brown asked for a motion to approve the minutes of the last meeting.

- The motion to approve the minutes of the December 9, 2020 regular meeting passed unanimously (1st Henry; 2nd Begay; roll call vote - all members voted yes).

PUBLIC COMMENT

Stephen Harrington, UNM Alumnus, expressed concern that UNM is operating and funding an abortion clinic that also receives tax dollars; he requested that the Heroes Work Here sign be removed immediately.

Tara Shaver, public constituent and Bernalillo County resident, expressed an ongoing concern about UNM’s persistence in maintaining its freestanding abortion facility, the Center for Reproductive Health, and the use of taxpayer funds to support it. She asked the Regents to address how to close the clinic as soon as possible.

Samantha Cooney, UNM Graduate Student, spoke in support of United Graduate Workers of UNM union efforts.

Nic Estrada, student and member of UNM LEAF (Leaders for Environmental Action & Foresight), spoke in support of UNM divestment in fossil fuel investments.

Anupam Mitra, UNM Graduate Student and Research Assistant, spoke in support of UNM Graduate Workers Union and its relationship to UNM.

Alex Webb, Associate Professor, School of Architecture and Planning, spoke about the challenges of teaching during the pandemic.

Ana June, Assistant Professor of English, UNM-Valencia, spoke in support of UAUNM negotiations.

Alana Bock, Adjunct Faculty Member, UNM Taos, spoke in support of United Academics in the UNM bargaining process.

Sarah Heyward, Assistant Professor and Fine Arts Coordinator at UNM-Valencia, spoke in support of UAUNM negotiations.

Lucio Lanucara, Adjunct faculty, Department of Political Science and Anderson School of Management, spoke about the importance of continuing support for adjunct faculty to address the difficulties of teaching and developing classes during the Pandemic.

Katie Gutierrez, Doctoral Candidate in Economics, spoke in support of the UNM graduate workers union.

Father Stephen Imbarrato, New Mexico taxpayer/homeowner, spoke about his concerns about the very serious situation of UNM Health Sciences Center being involved in performing abortions from conception to birth, that it is not only on the wrong side of history, but is in the midst of a prolonged legacy that is already seen as a scandal nationwide.

Sofia Jenkins-Nieto, Student majoring in Environmental Science w/ minor in Sustainability Studies and affiliated with UNM LEAF, urged UNM to divest in fossil fuels and invest in clean energy and climate solutions.

Niklas Cole, Student majoring Community and Regional Planning with Minor in Environ. Science and affiliated with UNM LEAF, requested UNM prioritize climate change issues.

COMMENTS FROM REGENTS

Regent Schwartz commented that he appreciated hearing all the public comments and he wanted to direct his comments to what was heard about the UNM Center for Reproductive Health and the Heroes Work Here banner. Regent Schwartz advocated for the civil discussion and debate about what New Mexico policy should be about abortion, and he also emphasized the importance of what the UNM Center for Reproductive Health provides in the way of the many services it offers to the citizens of New Mexico, including family planning, pregnancy counseling, miscarriage care, and birth control options for women. He added that it is part of the regular medical school curriculum and it is involved with other UNM programs such as the family medicine residency program and the maternal child and reproductive health fellowship. Regent Schwartz discussed the vision to empower women and girls in the Southwest through optimal reproductive health, adding that the family planning division is serving that vision despite pretty constant pressure on them to abandon parts of their mission.

Regent Sandra Begay congratulated President Stokes on having her goals approved and said that it is something to be celebrated. Regent Begay remembered the days of the early 2000 era when she was a regent then and noted that it's not always easy to negotiate what goals need to be met and she emphasized that it is one of the foremost roles of a Regent, to work with the President to ensure a mutual understanding and agreement between the President and the Regents and on what's going to happen at the University and for that to be articulated in written goals like the ones approved earlier in the meeting. She added that the negotiations followed a well-organized process and were done in a friendly manner. "So thank you again for a very successful process, I think, as UNM Regents, we've met one of our major goals in 2021." Regent Brown thanked Regent Begay for her comments and for her help in the process as well.

Regent Brown commented on the issue of divesting from fossil fuel investments. He stated that his personal values and those of the University are, "solidly in the corner of trying to move forward aggressively on alternative energy renewable sources as quickly as we can, from our research mission, to our actions in the way we build buildings and every way we try to conserve energy, and move in the direction of weaning ourselves from fossil fuel. Unfortunately, the avenue of divesting investments in our Foundation presents some very formidable hurdles." He talked about fiduciary rules for the prudent investor in managing other people's money with such rules saying one should only be valuing what is the very best investment based on risk and reward and there being no room for various personal values and expressions. Secondly, he said that it is difficult to know where to draw the line on what exactly is related to fossil fuels -- for example, is it just drilling, is it coal, is it transportation? Additionally, many of the major companies are themselves involved in various industries, and energy production may be one of them. Finally, most of the Foundation's investments are in index funds, and those are a mirror of the whole stock market, and "although we may prefer not to invest in tobacco or oil and gas production, they are in there and that's the most efficient and productive way to serve the needs of our Foundation, to produce optimal investments." Regent Brown talked about the sentiments being there and that positive things can be done like encouraging investments and research in renewable energy, but he reiterated that the practicalities of altering the investment rules is extremely challenging.

PRESIDENT'S ADMINISTRATIVE REPORT

President Stokes opened her report with a focus on celebrating successes at UNM and noted several areas to celebrate including, the UNM volunteers who are helping out at The Pit which has been transformed into a mass vaccination site; distinguished Professor Emeritus Carlton Caves who has been awarded the 2020 Micius Quantum Prize; and Stephanie Moore, assistant professor of the OILS program who is now nationally acclaimed for two co-authored articles on teaching during a pandemic. Dr. Stokes talked about the results of a recent faculty survey that asked to what extent the COVID-19 pandemic has negatively affected various aspects of faculty members' work. The results showed that the pandemic has created tremendous challenges but that it hasn't affected everyone uniformly, there are different circumstances for different individuals. She assured the Regents that leadership will put a great deal of attention to the survey responses. Regarding other successes, President Stokes reported that three online programs have ranked among the 100 best in the nation: 1) the online Master's in Engineering, 2) the online Masters' in Nursing, and 3) the online Master's in Education and Human Sciences program. This is the result of the hard work of faculty and it speaks to UNM's flexibility and ability to change to deliver education for a variety of populations. She said a bigger challenge is keeping students engaged, involved and informed and she talked about the commitment to pay special attention to the needs of students, keeping them also informed of the many campus resources available to them. President Stokes talked about successes within UNM athletics and she gave a brief update on Branch Campus highlights. She also announced that Ellen Fisher has been named the new Vice

President for Research. Dr. Fisher is a Professor of Chemistry, coming from Colorado State University where she was also the Assistant Vice President for Strategic Initiatives and the Chief Research Integrity Officer.

President Stokes discussed legislative session and UNM's legislative priorities in the areas of I&G funding, compensation, and the Lottery Scholarship. UNM's government and community relations team is working tirelessly keeping track of the many pieces of legislation of interest. And regarding the Council of University President's, UNM's interests are aligned with those of the other four-year institutions.

The President discussed an important area of focus of the University, that of improving our communities. One of UNM's three Grand Challenges, Substance Use Disorders (SUD), has recently announced the SUD Grand Challenge Graduate Student Scholars Program whereby funding and mentoring will be provided to five graduate student researchers examining the health equity and inequity among historically disadvantaged groups across the state. President Stokes also announced that the Africana Studies program marked its 51st anniversary with the recent 36th annual Black History Month kickoff brunch. Additionally, UNM Health Sciences Center was named as one of five institutions by the Association of American Medical Colleges (AAMC) as the recipient of its Nurturing Experiences for Tomorrow's Community Leaders (NEXT) award. Dr. Stokes brought attention to the recent 2020 Business and Economic Summit, hosted by UNM's Rainforest Innovations. The summit was aimed at encouraging a statewide dialogue about ways to grow the New Mexico economy and innovation ecosystem. She also mentioned that the Bilinski Foundation has generously supported a fellowship program totaling over \$2.2 million since 2013, including a recent gift of \$528K. The Russell J. and Dorothy S. Bilinski Fellowships provide financial support for top doctoral students with demonstrated financial need who are conducting research for or completing their doctoral dissertations in American Studies, English, Foreign Languages & Literature, History, Linguistics, Philosophy and Spanish & Portuguese. President Stokes closed with a brief update on COVID response. Vaccinations are making a difference and COVID hospitalizations continue to see declines. This is something that is tracked every day and she thanked the health system leaders for their tremendous work and the tremendous impact they have made during the pandemic.

Regent Kim Sanchez Rael thanked President Stokes for her report and said it is inspiring to see the progress on the COVID front. She also expressed her excitement about the work the University is doing around the convening of the business and economic summit as it is really important to our community and for the future of New Mexico. She congratulated UNM Rainforest Innovations for the great work.

REGENTS' COMMITTEE REPORTS

APPROVAL OF CONSENT DOCKET

Regent Brown addressed the consent docket, and there being no requests to remove any items for discussion, asked for a motion to approve all items on the docket.

- A. [ASAR]* Approval of Key Managerial Personnel (KMP) Resolution
- B. [ASAR] Approval of Proposed Name Change for ASAR Committee to "Student Success, Teaching and Research Committee" (SSTAR)
- C. [F&F]* Approval of Disposition of Surplus Property for Nov/Dec.2020
- D. [F&F] Approval of 2nd-Qtr Financial Actions Report and Certification through Dec.31, 2020 and 2nd-Qtr Informational Financial Report through Dec.31, 2020
- E. [F&F] Approval of 2nd-Qtr Athletics' Enhanced Fiscal Oversight Program Report and Certification through Dec.31, 2020; and 2nd-Qtr Information on Athletics' Report by Sport through Dec.31, 2020

- F. [F&F] Approval of Project Construction Items:
 - 1. Centennial Engineering Center, 3rd Floor Civil Engineering Computer Lab Expansion
 - 2. Student Union Partial Roof Replacement
- G. [F&F] Approval of Reappointments and Appointments to UNM Rainforest Innovations Board of Directors
- H. [HSCC]* Approval of UNM Hospital Items:
 - 1. Disposition of Assets
 - 2. Medical Equipment Consultant (\$2,347,325)
 - 3. 1209 University Clinic – DOH Licensing (\$1,265,000)
 - 4. 2400 Tucker Clinic – DOH Licensing (\$2,500,000)
 - 5. Crisis Triage (\$1,300,000)
 - 6. Uptown Clinic Lease (\$193,600)
- I. [HSCC] Approval of Appointment of Certain Directors of UNM Medical Group, Inc.
- J. [HSCC] Approval to Renew Appointment of Mary Cotruzzola to the Carrie Tingley Hospital Advisory Board

* [ASAR] Academic/Student Affairs & Research Committee; [A&C] Audit & Compliance Committee; [F&F] Finance & Facilities Committee; [HSCC] Health Sciences Center Committee

- The motion to approve the items on the consent docket passed with a unanimous vote in favor (1st Rael; 2nd Schwartz; roll call vote - all members voted yes).

AUDIT AND COMPLIANCE COMMITTEE

FY21 Renewal of Annual Financial Statement Audit Contract (information item)

Regent Brown clarified that this was listed as an information item because the committee approved the second year of a three-year contract involving KPMG and Moss Adams for financial review. Controller Liz Metzger was available to answer any questions. There were no questions.

HEALTH SCIENCES CENTER COMMITTEE

Approval of New UNM Hospital Tower Items: 1) Phase III New UNM Hospital Tower {\$365 million}, and 2) Resolution Authorizing Filing the Application with HUD for the HUD-Insured Financing for the New Hospital Tower

Regent Rob Schwartz introduced the item and explained that this is not a matter that is controversial, it has been very carefully vetted and the financials are sound, but with the large amount of funding involved (\$365 million), it would be presented to the Regents for approval. He asked Mike Chicarelli, UNM Hospital Chief Operating Officer, to open the presentation. Mr. Chicarelli discussed the scope of the project. The plan is to build a seven level hospital tower which will be about 570,000 gross square feet. He outlined the overall project scope components [**See ATTACHMENT A**]. The full scope includes a 1401 space parking structure that will be located to the north of the New Hospital Tower (NHT), and that work has already started as part of Phase II. Mr. Chicarelli showed some NHT renderings, including a view of the interior finishes that will incorporate colors and features unique to New Mexico. Mr. Chicarelli turned the presentation over to UNMH CFO Bonnie White, to discuss the NHT financing. Ms. White said that the resolution for which they request Regents' approval has to do with the financing of the new tower. The entire project cost is \$616 million which includes the parking garage and the new tower. The patient tower is what would be financed by the mortgage (\$320 million). The other items like the equipment that will go in the bed tower as well as the parking garage are to be funded out of cash from UNM Hospitals. Ms. White clarified that the request is for the mortgage to be insured by HUD and she showed a couple of slides that outlined the financing details [**see ATTACHMENT B**]. Ms. White turned the

presentation over to Deputy University Counsel Scot Sauder to discuss the details of the resolution.

Mr. Sauder explained that in order to process an application for the HUD-insurance commitment, it requires that the governing body of the University authorize its filing and it also requires that the Regents approve the financial feasibility study that was presented to the Board during executive session. He outlined details of the resolution for approval [**see ATTACHMENT C**]. There being no further questions, Regent Schwartz made one motion to approve both items.

- The motion to approve Phase III for the New UNM Hospital Tower and the resolution authorizing filing the application with HUD for HUD-insured financing passed with a unanimous vote in favor (1st Schwartz; 2nd Rael; roll call vote - all members voted yes).

Approval of NIH C06 ISUBI Domenici Hall Expansion

Regent Schwartz introduced the item. He said that since it is a substantial and important development, the committee thought it was worthwhile to present the project to the Regents for approval. Regent Schwartz asked Ava Lovell and Bill Shuttleworth to present the item. Ms. Lovell said this project is the Interdisciplinary Substance Use and Brain Injury (ISUBI) addition to the Pete and Nancy Domenici Hall, currently a brain and behavioral research building. The Pete and Nancy Domenici Hall is located on North Campus, just west of the UNM golf course. The expansion project will be a 16,000 GSF, two-story addition; total project cost is \$10 million - \$4 million to be funded with NIH funds, and \$6 million to be funded with HSC capital funds. Ms. Lovell turned the presentation over to Dr. Shuttleworth, Chair of the Department of Neurosciences in the UNM School of Medicine, to discuss further details and the rationale for the project. Dr. Shuttleworth discussed the importance to New Mexico and its communities of UNM's research in the area of brain injury and how this interdisciplinary center will allow discovery research to be done in the same space as clinical research work. He added that this facility will be the home for the Substance Use Disorder Grand Challenge graduate student research work, and he discussed how researchers from disciplines all across the University will be able to use this facility to great benefit.

Regent Brown thanked the presenters and said that \$10 million is a disturbingly round number, it would be \$625 per square foot. He said he would move approval but with the caveat that a more detailed project cost breakdown would be provided going forward.

Regent Schwartz said the committee reviewed the project and recommends approval. He conveyed on behalf of the committee the genuine excitement about the underlying project in what this will bring to the University and to interdisciplinary activity at UNM.

Regent Kim Sanchez Rael expressed excitement for the project and added that one thing she would ask the management team, as it is building this exciting program, is to keep in mind opportunities for collaboration in public-private partnerships as there is a huge need in this field and for the private sector as well to have access to research capabilities.

- The motion to approve the ISUBI Domenici Hall expansion project passed with a unanimous vote in favor (1st Brown; 2nd Lee; roll call vote - all members voted yes).

FINANCE AND FACILITIES COMMITTEE

Approval of UNM Learning Management System

Regent Begay explained that the committee brought this item forward for presentation because of the large amount to be spent and that it is also a very interesting development to hear about. She asked Chief Procurement Officer Bruce Cherrin to open the presentation.

Mr. Cherrin said this is a replacement of the current learning management system (LMS), Blackboard Learn (branded UNM Learn), which has announced an end-of-life date for its self-hosted offering. After four responses to an RFP that went out last year and in accordance with the criteria established for the procurement, the committee recommends awarding the contract to Instructure Inc., whose product Canvas was consistently rated as the top candidate by both the scoring team and the larger evaluation community. The seven-year total cost will be \$2,498,375.56. UNM's CIO Duane Arruti introduced members from Core IT Services, Alisha Allen and Jon Bocock, to outline details of the collaborative selection process and why Canvas was chosen. There was a brief discussion about negotiations to make training components available within the system for all UNM faculty as part of the implementation package.

Regent Schwartz said he thought this was a wise choice as he had personal experience utilizing the Canvas system and found it really sophisticated and easy to learn.

- The motion to approve the UNM Learning Management System passed with a unanimous vote in favor (1st Begay; 2nd Lee; roll call vote - all members voted yes).

Regent Brown thanked Messrs. Arruti, Bocock and Allen for IT's work over the years that gave UNM a very good head start on converting to the requirements of online learning brought about by the COVID pandemic.

Results of the Advanced Refunding of UNM Series 2014A and 2014C Bonds (information item)

Vahid Staples presented the item. When the bond refunding proposal was brought to the Regents in December, and that part of the process involved the Regents delegating the pricing authority to the President and Senior Vice President for Finance and Administration, and in that process, the terms of delegating that authority provide that the subsequent results of that refunding be provided back to the Regents. The bonds went to market on February 3 and the results of the refunding were very favorable. The bond issue was well received and the market investor demand was extremely strong, and as a result of that the University was able to benefit from even lower interest rates than what was estimated in December. The refunding achieved a total present value savings of 11.23% of the refunded principal amount which was \$64,290,000. The average annual debt service savings will be approximately \$585,083 from FY2022 through FY2035. The total debt service savings through the life of the refunded issue equates to \$8,195,922.

Regent Rael inquired if there were any other refunding opportunities right now. Mr. Staples responded that UNM doesn't have any bonds coming up for the next year or two with which it could do the same, but he added they continue to look for opportunities.

UNM Rainforest Innovations 2020 Annual Report and Audit Report (information item)

Lisa Kuuttila presented highlights of the annual report. With regard to the audit report, it was an unmodified audit with a clean opinion. The auditors looked at a number of matters because there was a great increase in the amount of income. Ms. Kuuttila said the auditors did a very thorough job and that she was pleased to report that the result was a clean audit. Regarding technology transfer results, it was a good year; overall, they were over the goal. There were 127 new invention disclosures and 44 agreements for startup companies. Of note, license revenues were over \$52 million, and if combined with other sources of revenue, income was over \$54 million. The increase is largely due to patent litigation settlement. UNM ranks now among the top 15 in the nation in terms of income. Ms. Kuuttila discussed other notables, including UNM Rainforest Innovation's ranking of 23rd among top universities in the area of start-up creations as well as its ranking in the top 100 universities worldwide with issued patents, this for the sixth year in a row. This award is from the National Academy of Inventors (NAI) and Intellectual Property Owners Association (IPO), and in 2019, UNM was ranked 61.

In terms of innovation impact, a George W. Bush Institute study ranked UNM 27 among US universities and ranked it second among midsize research universities. Ms. Kuuttilla discussed the recent Business and Economic Summit that was held in January and hosted by UNM. The summit was built around a study conducted by the New Mexico Chamber of Commerce that centered on how to move the state forward in terms of economic development. The study had a lot of great recommendations and UNM wanted to facilitate discussion of those recommendations among a larger group in the state, including the business community, higher education, government, and other groups. All together there were 260 participants, the largest number ever. Ms. Kuuttilla discussed summit activities and outcomes, including continued discussions on how to move forward the new ideas. She also talked about plans for the next summit which will focus on a statewide strategic plan for economic development.

The Regents thanked Ms. Kuuttilla for her report; there was some discussion.

VOTE TO RECESS THE BOARD OF REGENTS IN ORDER TO HOLD THE ‘MEETING OF THE MEMBER’ FOR LOBO DEVELOPMENT CORPORATION; LOBO ENERGY, INC.; UNM SANDOVAL REGIONAL MEDICAL CENTER, INCL.; AND UNM MEDICAL GROUP, INC. (1st Lee; 2nd Begay; roll call vote – all members voted yes) The Board of Regents went into recess at 12:19 PM.

MEETING OF THE MEMBER – LOBO DEVELOPMENT CORPORATION (LDC)

Convene the Meeting of the Member

Regent President Brown convened the meeting of the member at 12:20 PM.

Approval of Minutes and Acceptance of the FY2019-20 Audit

Regent Brown asked if there were any questions for SVP Costantinidis or Kelly Ward regarding the minutes or the audit report. The audit was an approved, unmodified audit. There being no questions, he asked for a motion to approve both.

- The motion to approve the Minutes of the December 10, 2019 meeting and the FY 2019-20 Audit passed with a unanimous vote in favor (1st Lee; 2nd Schwartz; roll call vote – all Regents voted yes)

Vote to adjourn (1st Schwartz; 2nd Lee; all Regents voted yes)

The meeting adjourned at 12:21 PM.

MEETING OF THE MEMBER – LOBO ENERGY, INC. (LEI)

Convene the Meeting of the Member

Regent President Brown convened the meeting of the member at 12:21 PM.

Approval of Minutes and Acceptance of the FY2019-20 Audit

Regent Brown asked if there were any questions for Jason Strauss regarding the minutes or the audit report. The audit was an approved, unmodified audit. There being no questions, he asked for a motion to approve both.

- The motion to approve the Minutes of the December 10, 2019 meeting and the FY 2019-20 Audit passed with a unanimous vote in favor (1st Lee; 2nd Schwartz; roll call vote – all Regents voted yes)

Vote to adjourn (1st Schwartz; 2nd Lee; all Regents voted yes)

The meeting adjourned at 12:22 PM.

MEETING OF THE MEMBER – UNM MEDICAL GROUP, INC. (UNMMG)

Convene the Meeting of the Member

Regent President Brown convened the meeting of the member at 12:22 PM.

Acceptance of the Annual Report and Audited Financials

Regent Brown asked if there were any questions for Robb McLean regarding the annual report or the audited financials. The audit was an approved, unmodified audit. There being no questions, he asked for a motion to approve both.

- The motion to accept the annual report and the audited financials passed with a unanimous vote in favor (1st Henry; 2nd Schwartz; roll call vote – all Regents voted yes)

Vote to adjourn (1st Lee; 2nd Schwartz; all Regents voted yes)

The meeting adjourned at 12:23 PM.

MEETING OF THE MEMBER – UNM SANDOVAL REGIONAL MEDICAL CENTER. INC. (SRMC)

Convene the Meeting of the Member

Regent President Brown convened the meeting of the member at 12:23 PM.

Approval of Minutes and Acceptance of the FY2019-20 Audit

Regent Brown asked if there were any questions for Jamie Silva-Steele regarding the annual report or the audited financials. The audit was an approved, unmodified audit. There being no questions, he asked for a motion to approve both.

- The motion to accept the annual report and the audited financials passed with a unanimous vote in favor (1st Begay; 2nd Schwartz; roll call vote – all Regents voted yes)

Vote to adjourn (1st Lee, 2nd Begay; all Regents voted yes)

The meeting adjourned at 12:25 PM.

VOTE TO RECONVENE THE BOARD OF REGENTS (1st Begay; 2nd Lee; roll call vote – all members voted yes) The Board of Regents reconvened at 12:25 PM.

ADVISORS' COMMENTS

Chad Cooper reported on UNM Alumni Association events, highlights, and activities, including Black Alumni Trailblazer Awards; the Alumni Vodcast Community Connector Series; organizing coast-to-coast basketball watch parties; a 2020 Fall Class welcome; the Mirage Magazine fall and spring editions; Lobo Living Room events including a special edition in Honor of Black History Month; and a new website launch at the end of the month.

Kevin Malloy spoke about two initiatives the Retiree Association is focusing on during the legislative session. First, it is supporting senate bill 49 which addresses the long-term health of the ERB, and it is supporting senate bill 303 which is about increasing the ERB board membership.

Finnie Coleman commented on upcoming faculty government elections, and with regards to the divestment issue, he said he appreciated the complexity of the issues and added to anticipate a faculty resolution on the issue.

Nancy Shane spoke about the trifecta of issues that Staff Council is addressing, those being workplace conditions, compensation, and benefits. She also talked about how Staff Council

is celebrating Black History Month and noted some upcoming resolutions to expect from the Council.

Nikhil Naguru spoke about GPSA elections and current work on the Association's constitutional amendments. He also talked about exploring a recommendation to more formally document ideas that student leaders bring to the table.

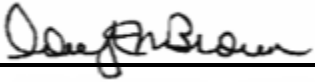
Mia Amin spoke about ASUNM elections along with the legislative session and what ASUNM is focusing on, namely it makes a priority of advocating for the Lottery Scholarship.

ADJOURN

There being no further business, Regent Brown asked for a motion to adjourn: Regent Begay motioned; Regent Rael seconded; all members voted in favor; the meeting adjourned at 12:48 PM.

Approved:

Attest:



Douglas M. Brown, President


Sandra K. Begay (Apr 16, 2021 16:53 PDT)

Sandra K. Begay, Secretary/Treasurer

The Project Scope

The UNMH New Hospital Tower (NHT) Project includes development of a new 7 level hospital tower comprising approximately 570,000 GSF. The hospital structure includes 5 podium levels with 2 bed floors on top of the podium. The site topography allows for the Emergency Department to be at grade on the west end of the structure and the main Lobby to be at grade on the east end of the structure one level above.

The scope also includes a separate 1401 Space Parking Structure to the north of the new Hospital Tower. A Photovoltaic Array (solar panels) are being included on the garage top floor as a sustainability feature to generate approximately 500kW. New traffic signalization is included for the Yale / Lomas intersection and a temporary signal at University / Tucker is included to facilitate traffic flow during construction phases. The overall project scope components are listed below.

- **96 Inpatient Beds**
 - Four 24-Bed intensive Care Units*
- **Interventional Platform**
 - 18 Operating Rooms (16 General + 2 Hybrid)*
 - 4 Cath Labs (2 Single Plane + 2 Biplane)*
 - 6 IR Suites (2 Angio + 2 Angio Hybrid/CT + 2 Neuro)*
 - Perioperative Suite (73 PACU/PreOp/Recovery)*
- **Imaging**
 - 2 MRI*
 - 1 CT*
 - 1 RAD Fluoroscopy*
 - 2 Ultrasound*
- **Adult Emergency Department**
 - 2 Trauma + 8 Resuscitation*
 - 40 Exam + 2 Triage + 8 Fast Track*
 - 10 Behavioral Exam (2 PICLEA)*
 - 2 CT + 2 General Radiology*
- **Food Services (Visitors & Staff)**
- **Clinical Laboratory**
- **Blood Bank**
- **Retail Pharmacy**
- **Satellite Pharmacy**
- **Respiratory / Occupational / Physical / Speech**
- **Biomedical Engineering**
- **Occupational Health (Employee Health)**
- **Central Sterile Processing**
- **Education**
- **Modified Logistics Center (Garage + Distributed)**
- **1401 Structured Parking Spaces**
- **Central Utility Plant**
- **PV Array (Garage Top Floor)**
- **Traffic Signal at Lomas / Yale**

Project Costs

- **PROJECT FINANCING**

- UNM Hospital expects to use a combination of Cash Reserves, Capital Appropriations from the State of New Mexico and HUD Insured Debt to fund the New Tower:

	<u>Capital Initiatives</u>	<u>State Appropriation</u>	<u>HUD-Insured Mortgage</u>	<u>Hospital Cash</u>	<u>Total</u>
Patient Tower ¹	\$ 39,190,909	\$ 30,000,000	\$ 320,000,000	\$ 32,201,365	\$ 421,392,274
Equipment for Patient Tower ²	\$ 63,450,235			\$ 37,998,635	\$ 101,448,870
Parking Garage ²	\$ 93,358,856				\$ 93,358,856
Totals	\$ 196,000,000	\$ 30,000,000	\$ 320,000,000	\$ 70,200,000	\$ 616,200,000

¹ HUD Project
² Non part of HUD Project

THE REGENTS OF THE UNIVERSITY OF NEW MEXICO
RESOLUTION

RATIFYING AND APPROVING THE EXECUTION AND DELIVERY OF THE HUD DOCUMENTS RELATING TO THE REGENTS OF THE UNIVERSITY OF NEW MEXICO'S HUD-INSURED LOAN; AND AUTHORIZING ANY OTHER NECESSARY ACTION TO EFFECT THE DELIVERY OF THE HUD-INSURED LOAN.

WHEREAS, the Regents of the University of New Mexico (the "**University**") is a state educational institution and body corporate under the Constitution and laws of the State of New Mexico with requisite corporate power and authority to operate hospital facilities and to carry on its business as presently being conducted; and

WHEREAS, the Board of Regents (the "**Board**") is constituted and empowered under the Constitution and laws of the State of New Mexico to control and manage the affairs of the University, including the care and preservation of all its property, the erection and construction of all buildings necessary for its use, with the authority to contract and be contracted with; and

WHEREAS, the Board previously approved the development of a project to construct a new hospital tower as a part of the UNM Hospitals (the "**Hospital**") as described more fully in Attachment A to these Resolutions and incorporated herein by reference (collectively, the "**Project**"); and

WHEREAS, the Board has determined it is appropriate for the University and the Hospital to seek a Commitment for Mortgage Insurance (the "**HUD Commitment**") in an amount not to exceed \$320,000,000 (the "**HUD Commitment Amount**"), to finance the Project pursuant to a mortgage loan insurance program administered by the U.S. Department of Housing and Urban Development ("**HUD**") under Section 241, pursuant to Section 242, of Title II of the National Housing Act; and

WHEREAS, in order to obtain this HUD Commitment, the University, by and through the Hospital, must prepare and submit to HUD an application for mortgage insurance, which include previous participation clearance forms, the results of its financial audit for fiscal year ended June 30, 2020, and a financial feasibility study with respect to the Project; and

WHEREAS, the Board of Trustees of the Hospitals has considered the Project and the Hospital's desire seek the HUD Commitment at the HUD Commitment Amount and has voted to recommend the same to the Board; and

WHEREAS, the Board deems it to be in the best interests of the University and the Hospital to (1) have the Chief Executive Officer ("**Hospital CEO**") of the Hospital and/or the Chief Financial Officer ("**Hospital CFO**"), as authorized by Exhibit B-2 to University Administrative Policies and Procedures Manual Policy 2010, execute one or more Previous Participation Certifications ("**HUD Form 2530**") on behalf of the Hospital and all of the principals of the Hospital; and (2) certify that the Hospital CEO's or Hospital CFO's signature on such HUD Form 2530 attests to the University and the Hospital and all principals of the University and the

Hospital having the same previous participation experience, except as may be otherwise indicated by the Hospital CEO or Hospital CFO on the HUD Form 2530;

NOW, THEREFORE, BE IT RESOLVED THAT, the University and the Hospital through the Authorized Officers (as defined below), is authorized to prepare, execute and file with HUD the Section 242/241 HUD Application, all relevant attachments, instruments, certificates, and other documents thereto necessary to secure the HUD Commitment for HUD Commitment Amount for the Project (each, an “**Application Document**” and, collectively, the “**Application Documents**”); and be it

FURTHER RESOLVED, that the Financial Feasibility Study prepared in connection with the Project by M Rosadini Consultants LLC, dated January 26, 2021, as presented, is accepted and approved; and be it

FURTHER, RESOLVED, that HUD’s form of Hospital Regulatory Agreement (HUD-92466-OHF) is accepted and approved and that the Authorized Officers be, and they each hereby are, authorized to execute and deliver said instrument on behalf of the University and the Hospital in connection with the closing of the loan related to the Application Documents; and be it

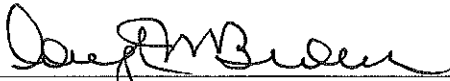
FURTHER RESOLVED, that the University and the Hospital shall have an Authorized Officer, execute one or more HUD Form 2530s on behalf of all of the principals of the University and the Hospital and that the Board hereby certifies that the Hospital CEO or Hospital CFO’s signature on such HUD Form 2530 attests to all principals of the University and the Hospital having the same previous participation experience, except as may be otherwise indicated by the Hospital CEO or of Hospital CFO on the HUD Form 2530; and be it

FURTHER RESOLVED, that the Board designates and authorizes the following: the President, Vice-President and Secretary of the Board of Regents, and the President, Senior Vice President for Finance & Administration, the Executive Vice President for Health Sciences and Chief Executive Officer of the UNM Health System, the HSC Senior Executive Officer for Finance and Administration, the Hospital CEO, and the Hospital CFO (each, an “**Authorized Officer**,” and, collectively, the “**Authorized Officers**”) to do or cause to be done all such acts or things, and to sign and deliver, or cause to be signed and delivered, all documents, instruments, and certificates, in the name and on behalf of the University and the Hospital or otherwise, including the Application Documents, as they deem necessary, advisable or appropriate to effectuate or to carry out the purposes and intent of the foregoing resolutions.

ADOPTED AND APPROVED this 16th day of February, 2021.

THE REGENTS OF THE UNIVERSITY OF NEW MEXICO

[SEAL]

By: 
Douglas M. Brown, Regent President

ATTEST:

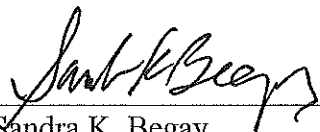
By: 
Sandra K. Begay,
Regent Secretary and Treasurer

Exhibit A

Description of the Project

The Project consists of the construction of a seven story, approximately 570,000 s.f. new hospital tower structure that will house:

- 96 new inpatient beds, in four 24-bed intensive care units;
- An interventional platform that includes 18 operating rooms, 4 catheterization labs, 6 interventional radiology suites, and a perioperative area with 73 PACU/preop/recovery beds;
- A diagnostic imaging platform that includes 2 MRIs, 3 CT Scanners, 1 Radiology – Fluoroscopy, 2 General Radiation and 2 Ultrasound Rooms; and,
- An adult emergency department that includes 2 trauma, 8 resuscitation, 40 exam, 2 triage, 8 fast track rooms, 10 behavioral exam (2 rooms for persons under the custody of law enforcement).

Estimated Draw Down Schedule

	Garage and Tower Capital Asset			Equity Contribution to Project	Annual Expected Margin (Total UNMH)	Total Project Cash and Debt use by year			
	Interest During Construction	Total Project			Debt draw down	Capital Initiatives Draw Down	Operating Cash Draw down	Total Project Expenditure	
FY20	\$ 11,053,642	\$ -	\$ 11,053,642	\$ 11,053,642	\$ 95,838,745	\$ -		\$ 11,053,642	\$ 11,053,642
FY21	\$ 43,912,567	\$ -	\$ 43,912,567	\$ 43,912,567	\$ 143,179,490	\$ -	\$ 50,000,000	\$ (6,087,433) *	\$ 43,912,567
FY22	\$ 129,803,767	\$ 1,210,196	\$ 131,013,962	\$ 71,237,816	\$ 71,465,753	\$ 59,776,147	\$ 50,000,000	\$ 21,237,816	\$ 131,013,962
FY23	\$ 268,093,741	\$ 6,665,455	\$ 274,759,196	\$ 66,167,589	\$ 78,640,038	\$ 208,591,608	\$ 50,000,000	\$ 16,167,589	\$ 274,759,196
FY24	\$ 110,364,731	\$ 11,324,349	\$ 121,689,080	\$ 70,056,834	\$ 71,410,171	\$ 51,632,246	\$ 46,000,000	\$ 24,056,834	\$ 121,689,080
FY25	\$ 33,771,553		\$ 33,771,553	\$ 33,771,553	\$ 65,914,448	\$ -	\$ -	\$ 33,771,553	\$ 33,771,553
FY26					\$ 70,783,670	\$ -	\$ -	\$ -	\$ -
FY27					\$ 78,303,437	\$ -	\$ -	\$ -	\$ -
Totals	\$ 597,000,000	\$ 19,200,000	\$ 616,200,000	\$ 296,200,000		\$ 320,000,000	\$ 196,000,000	\$ 100,200,000	\$ 616,200,000
Notes:						* Roll excess cap ini of \$6,087,433 into FY22.			
Closing on HUD backed mortgage is expected July 2021 (FY22)									
New Tower Construction expected to be substantially completed June 2024 (FY24)									
New Tower expected to be placed into operations October 2024 (FY25)									