

THE UNIVERSITY OF NEW MEXICO
Board of Regents' Finance and Facilities (F&F) Committee
August 6, 2019 – Meeting Summary

Committee Members Present: Regent Sandra Begay, Regent Doug Brown, and Regent Rob Schwartz (via conference call)

Administration Present: Garnett Stokes, University President and Teresa Costantinidis, Senior Vice President for Finance and Administration (SVPF&A)

Presenters in Attendance: Bruce Cherrin, Purchasing; Elizabeth Metzger, Financial Services Division; Eddie Nunez, Athletics; Ryan Berryman, Athletics; John Freisinger, Innovate ABQ; Randy McDonald, McDonald Law Office, and Stephanie Bennett-Smith, Harwood Foundation Governing Board (via conference call).

ACTION ITEMS:

- 1. Call to Order, Confirmation of a Quorum, and Adoption of Agenda.** Regent Begay called the meeting to order at 12:33 p.m. in Scholes Hall, Roberts Room, and confirmed that a quorum was established. **Regent Schwartz moved to adopt the agenda and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
- 2. Approval of Finance and Facilities Committee Meeting Summary from May 7, 2019.** **Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
- 3. Approval of Disposition of Surplus Property for Main Campus for May, June, and July 2019.** Bruce Cherrin gave the presentation. Regents' approval was requested for the disposition of surplus property for May, June, and July 2019. Items listed in the E-Book are obsolete or beyond repair. **Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
- 4. Approval of Quarterly Financial Actions Report and Certification through June 30, 2019.** Elizabeth Metzger gave the presentation. Regents' approval of FY19 Fourth Quarter Financial Actions Report was requested. The Quarterly Financial Actions Report is a one-page report submitted to the Higher Education Department (HED), comprised of "yes" or "no" questions regarding the University's financial transactions. Answering any question "yes" requires further information to be provided to HED.

The Budget Adjustment Request (BAR) was approved by the Regents and submitted to HED on May 1. There were no budget changes to the report and a “no” response was provided for each question. The detailed reports are in the E-Book. **Regent Doug Brown moved to**

approve and Regent Robert Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

- 5. Approval of Athletics' Enhanced Fiscal Oversight Program (EFOP) Report and Certification through June 30, 2019 and Information on Athletics' Report on Revenue, Expenditures, and Compliance through June 30, 2019.** Eddie Nunez and Ryan Berryman gave the presentation. Regents' approval was requested for FY19 Fourth Quarter EFOP Report and certification through June 30, 2019. Mr. Nunez presented an overview of the reporting requirements and explained FY19 preliminary figures projected a positive net balance of \$116K. Mr. Berryman gave an overview of revenue and costs affecting the budget.

Regent Schwartz inquired about the potential need of having the University subsidize the Athletics' FY20 budget. Mr. Nunez explained FY20 projected costs and revenues are being assessed to determine if a subsidy will be needed for Athletics' to operate at an effective level. The reports are detailed in the E-Book. **Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

- 6. Approval of Athletics to Present Quarterly Reports on Revenue, Expenditures, and Compliance Beginning October 1, 2019.** Regent Begay gave the presentation. Regents' approval was requested for Athletics to present quarterly reports on revenue, expenditures, and compliance beginning October 1, 2019. **Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

- 7. Approval of Appointments to Innovate ABQ, Inc. Board of Directors.** John Freisinger and Randy McDonald gave the presentation. Regents' approval was requested for the appointment of Michael F. Buehler, Carlos Garcia, Carrie T. Freeman, and Dr. Daniel H. Lopez to the Innovate ABQ, Inc. Board. Qualifications for each individual are detailed in the E-Book. **Regent Schwartz moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

- 8. Approval of Appointments to the Harwood Foundation Governing Board (HFGB).** Stephanie Bennet-Smith gave the presentation. Regents' approval was requested for the new appointments of Barbara DeVane, Paula Fasken, Karl Halpert, Juanita Lavadie, and Janet Mockovciak to the HFGB. Regents' approval was also requested for the three-year term reappointments of Dora Dillistone and Alexandra Benjamin to the HFGB. Qualifications for each individual are detailed in the E-Book. **Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

- 9. Approval of Regents' Endowment Accounts.** President Garnett Stokes gave the presentation. Regents' approval was requested for the use of FY20 endowment funds of \$650K to support Grand Challenges and \$350K to support enrollment management initiatives in efforts to increase enrollment. In addition, approval was requested to allow the President to

designate the use of the Regents' Endowment funds in accordance with the terms of the endowments as established and approved by the Board of Regents effective in FY21.

President Stokes proposed managing the endowment funds by using other institutional resources to support recurring expenses and using Regents' endowment funds to support major strategic initiatives. Discussion was held on the President's role in managing income from endowment accounts and on the terms of the endowments. The regents expressed their concern about using the endowment account's principal to fund initiatives.

If the Regents approve the request for the President to manage the endowment funds, Regent Schwartz recommended changes to the language in section 7.19 (3) of the Regents' policy, which states, "All reductions of the Regents' Endowment Fund principal balance must be approved by the Board of Regents and shall generally be limited to acquisition of real property." The revised part would strike the limitation of the acquisition of real property and would state, "All reductions of the Regents' Endowment Fund principal balance must be approved by the Board of Regents." The proposed changes will reflect current practices. Regent Begay recommended the addition of action item 4 which is the recommendation for a policy change to the Regents' Endowment Fund 7.19 (3).

Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.

EXECUTIVE SESSION:

A. Vote to close the meeting and proceed into executive session.

Regent Brown moved to close the meeting at 1:31 p.m. and proceed into executive session and Regent Schwartz seconded. The motion was passed by unanimous vote with a quorum of committee members present and voting.

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. Vote to re-open the meeting.

Regent Brown moved to re-open the meeting at 2:11 p.m. and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.

D. Certification that only those matters described in paragraph B above were discussed in executive session, and any matter discussed in executive session will, if necessary, be subsequently ratified in the open session of the public meeting.

10. Contract Approval of Athletics' Department Multi-Media Rights and Assets Plan. Bruce Cherrin gave the presentation. Proposals were solicited on May 3, 2019 on behalf of Athletics to license certain multi-media rights and assets and implement a strategic multi-media rights

plan. The Finance and Facilities committee members agreed that the President has the authority to approve the contract in accordance to the terms presented and to negotiate a bridge agreement, if necessary. **Regent Brown moved to approve and Regent Schwartz 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. Regent Begay recommended items 3, 4, 5, 6, 7, and 8 be placed on the full Board of Regents' consent agenda. **Regent Brown moved to approve and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

INFORMATION ITEMS:

There were no information items.

COMMENTS:

There were no public comment.

Regent Brown moved to adjourn at 2:17 p.m. and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.