

THE UNIVERSITY OF NEW MEXICO
Board of Regents' Finance and Facilities (F&F) Committee
October 13, 2020 – Meeting Summary

Committee Members Present: Regent Sandra Begay, Regent Doug Brown, and Regent Rob Schwartz

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, Controller; Eddie Nuñez, Athletics; Lisa Marbury, Institutional Support Services (ISS); Kelly Ward, Lobo Development Corporation; Jason Strauss, Lobo Energy Inc.; Norma Allen, OPBA; and Kenny Stansbury, UNM Foundation.

ACTION ITEMS:

- 1. Call to Order, Confirmation of a Quorum, and Adoption of Agenda.** Regent Begay called the virtual meeting to order at 12:30 p.m. and confirmed that a quorum was established with Regent Begay and Regent Brown present. **Regent Brown moved to adopt the agenda and Regent Begay seconded. The motion passed unanimous vote with a quorum of committee members present and voting.**
- 2. Approval of Finance and Facilities Committee Meeting Summary from July 7, 2020.** **Regent Begay moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
- 3. Approval of Disposition of Surplus Property for July and August 2020.** Bruce Cherrin gave the presentation. Regents' approval was requested for the disposition of surplus property for July and August 2020. Items listed in the E-Book are either obsolete or beyond repair, except for two items (uPrint 3D Printer and Labconco Biocabinet) which are included in the report. Bruce Cherrin noted that these two items will be listed on auction sites to obtain the maximum dollar amount possible. The detailed report is in the E-book. **Regent Begay moved to approve and Regent Brown seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**
- 4. Approval of Contract: Athletics Department – Nike All-Sport Agreement.** Bruce Cherrin gave the presentation. Regents' approval was requested for the approval of the Nike All-Sport agreement that expired July 31, 2020. The agreement is for a new three-year-term, and the estimated annual expenditure is \$500K with an estimated total value of \$1.5M. The funding for this service is from Athletic revenues. The detailed report is in the E-book. **Regent Brown moved to approve and Regent Begay seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

5. Approval of 1st Quarter Financial Actions Report and Certification through September 30, 2020 and 4th Quarter Informational Financial Report through June 30, 2020.

Elizabeth Metzger gave the presentation. Regents' approval was requested for the First Quarter Financial Actions Report and Certification through September 30, 2020. The Quarterly Financial Actions Report is a one-page report submitted to the New Mexico 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. Question 6 was answered "yes". By responding "yes" to Question 6, the additional information reported to HED will indicate the University is evaluating the overall impact of the pandemic on FY 21 auxiliary and athletic revenues and expenditures for Main Campus and Branches. The detailed report is in the E-book. **Regent Brown moved to approve and Regent Begay seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

Informational Item: 4th Quarter Informational Financial Report through June 30, 2020.

Elizabeth Metzger gave the presentation. The report covers the current fund operations for the University including Main Campus, Branch Campuses, and Clinical Operations including the Health Sciences Center (HSC) Campus. Ms. Metzger provided an update on the Federal FY 20 audit and she explained the University and HSC received CARES ACT funds in FY 20. Due to receiving the CARES ACT funds, the auditors were unable to complete the audit because the compliance guidelines for these types of funds had not been received. These guidelines are expected to be available to the auditors in November 2020. The NM State Auditor's office were made aware of the delay in receiving the guidelines and acknowledged the circumstances were beyond the University's control. Ms. Metzger noted there will not be a finding due to the lateness of the submission of the report. The detailed reports are in the E-book.

6. Approval of 4th Quarter Athletics' Enhanced Fiscal Oversight Program (EFOP) Report and Certification through June 30, 2020 and 4th Quarter Information on Athletics' Report by Sport through June 30, 2020. Eddie Nuñez gave the presentation. Regents' approval was requested for the Athletics' EFOP Report and Certification instituted by the Higher Education Department (HED). The detailed report is in the E-book. **Regent Brown moved to approve and Regent Begay seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

Informational Item: 4th Quarter Informational on Athletics' Report by Sport through June 30, 2020. Eddie Nuñez gave the presentation. This report covers the FY20 4th quarter financial status and budget exhibits for the Athletics' department. The detailed reports are in the E-book.

Regent Schwartz entered the meeting during this presentation, and the full committee with three regents were present.

7. Requests for Project Construction Approvals:

a. UNM Reserve Officer Training Corps (ROTC) Renovation. Lisa Marbury gave the presentation. Regents' approval was requested for the UNM Reserve Officer Training Corps

(ROTC) Renovation. The total estimated project budget is \$9.5M, and \$6.8M is funded by 2018 General Obligation Bonds (GOB), \$2M is funded by the University Income Fund, and \$714K is funded by 2019 State General Funds. The detailed report is in the E-book. **Regent Schwartz moved to approve and Regent Begay seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

Regent Brown left the meeting during this presentation. The F&F Committee meeting continued with a quorum of two regents, (Regent Begay and Regent Schwartz).

b. UNM Popejoy Hall Artist Support Spaces Phase 2 Renovation. Lisa Marbury gave the presentation. Regents' approval was requested for the UNM Popejoy Hall Artist Support Spaces Phase 2 Renovation. The total estimated project budget is \$798K, and \$598K is funded by 2020 Severance Tax Bond (STB) and \$200K is funded by 2018 STB. The detailed report is in the E-book. **Regent Schwartz moved to approve and Regent Begay seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

c. Lomas Chiller #3 Replacement. Lisa Marbury gave the presentation. Regents' approval was requested for the Lomas Chiller Replacement. The total estimated project budget is \$1.2M and is funded by Facilities Management-Utilities Division (FM-UT) capital reserves. The detailed report is in the E-book. **Regent Schwartz moved to approve and Regent Begay seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

d. Hibben Center for Archaeology Research – Smoke Control Upgrade Project. Lisa Marbury gave the presentation. Regents' approval was requested for the Hibben Center for Archaeology Research – Smoke Control Upgrade Project. The total estimated project budget is \$400K and is funded by FY 21 Building Renewal and Replacement (BR&R) funds. The detailed report is in the E-book. **Regent Schwartz moved to approve and Regent Begay seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

Regent Brown re-entered the meeting during this presentation, and the full committee with three regents were present.

e. Natural History Science Center Re-Approval. Lisa Marbury gave the presentation. Regents' approval was requested for the Natural History Science Center Re-Approval. The original budget for this project was \$3.8M and was approved by the NM State Board of Finance in March 2019. Since then, three additional funding allocations have increased the budget requiring re-approval. The legislature allocated an additional \$100K in April 2019. In January 2020, an additional \$100K was re-authorized for this project from prior year funds and an additional \$205K was appropriated in July of 2020. Therefore, re-approval is required to encumber these additional funds. The detailed report is 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.**

f. Innovation Discovery & Training Center (IDTC) Roof Replacement. Lisa Marbury gave the presentation. Regents' approval was requested for the Innovation Discovery & Training Center (IDTC). The total estimated project budget is \$510K and is funded by FY21 Building Renewal and Replacement (BR&R) funds. The detailed report is 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.**

g. Artificial Turf Replacement, University Stadium. Lisa Marbury gave the presentation. Regents' approval was requested for the artificial turf replacement, University Stadium. The total estimated project budget is \$700K and is funded from 2020 Severance Tax Bond (STB). The detailed report is 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.**

h. UNM Los Alamos Library Renovation. Lisa Marbury gave the presentation. Regents' approval was requested for the UNM Los Alamos Library Renovation. The total estimated budget is \$625K, and \$500K is funded by 2019 NM General funds and \$125K is funded by UNM-Los Alamos Building Renewal & Replacement (BR&R) funds. The detailed report is 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.**

Regent Brown left the meeting during this presentation. The F&F Committee meeting continued with a quorum of two regents, (Regent Begay and Regent Schwartz).

i. UNM Valencia Campus Workforce Training Center. Lisa Marbury gave the presentation. Regents' approval was requested for the UNM Valencia Campus Workforce Training Center. The estimated project budget is \$7.6M and is funded by the UNM Valencia Campus Reserves. The detailed report is in the E-book. **Regent Schwartz moved to approve and Regent Begay seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

8. Approval of Lobo Development Corporation Board of Directors Reappointments of Louis Abruzzo, Stephen Ciepiela, Maria Griego-Raby, and Rick Siegel. Kelly Ward gave the presentation. Regents' approval was requested for the reappointment of Louis Abruzzo, Stephen Ciepiela, Maria Griego-Raby, and Rick Siegel for another year. The request is detailed in the E-book. **Regent Schwartz moved to approve and Regent Begay seconded. The motion passed by unanimous vote with a quorum of committee members present and voting.**

9. Approval of Lobo Energy, Incorporated - Revised Management Services Agreement effective November 1, 2020. The presentation was given by Jason Strauss. Regents' approval was requested for the approval of the Lobo Energy-Revised Management Services agreement effective November 1, 2020. Lobo Energy has been providing services to UNM since 1998 under a series of revised agreements, and the current agreement has been in effect for five years and expires October 31, 2020. Lobo Energy and UNM have drafted an agreement to continue services. The revised contract is noted in the E-book. **Regent Schwartz moved to approve**

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

10. Recommendations for Consent Agenda Items on Full Board of Regents' Agenda. Regent Begay recommended items 3, 7, 8, 9 and 12 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 ITEM(S):

11. Information on FY 20 Main and Branch Campuses, Categorization of Reserves Report, Pursuant to UAP 7000. Norma Allen gave the presentation. The detailed report is in the E-Book.

12. UNM Foundation Fundraising and Financial Report for FY 2020/4th Quarter. Kenny Stansbury gave the presentation on the Foundation's fundraising and endowment results, including investment performance and background information on the University's institutional endowments. Regent Begay requested a list of the chairs and the departments that received a benefit from the beginning of the endowment. President Stokes also requested a copy and recommended the list be provided to the full Board of Regents.

COMMENTS:

Stefi Weisburd, School of Engineering Education and Outreach Manager, commented on the impact of climate change and encouraged the University to work with the Foundation on the management of UNM's Endowment. She also expressed the importance of making business decisions that reduce the negative effects on our climate which will benefit future generations.

Joshua Parks, Student at UNM and member of UNM LEAF (Leaders for Environmental Action and Foresight) was not able to present his comments because of a schedule conflict. He submitted a written statement, and it was read by Mallory Reviere, Special Assistant to the Board of Regents. Mr. Parks commented on his concerns over climate change and the related importance of shifting UNM's investments from companies that are tied to oil and gas extraction, hydraulic fracturing, and the burning of fossil fuels to investments that are tied more closely to life-promoting industries and renewable energy.

EXECUTIVE SESSION:

An Executive session was not held.

Regent Begay moved to adjourn at 1:43 p.m. and Regent Schwartz seconded. The motion passed by unanimous vote with a quorum of Committee members present and voting.