

NEW MEXICO HIGHER EDUCATION DEPARTMENT



MICHELLE LUJAN GRISHAM
GOVERNOR

KATE M. O'NEILL, ED.D.
CABINET SECRETARY - DESIGNATE

**Capital Projects Committee Meeting
January 9, 2019
Higher Education Center – Room 159
1950 Siringo Road
Santa Fe, New Mexico 87505
9:30 a.m. to TBD**

Minutes

1. Call Meeting to Order

Meeting called to order by Dr. Gerald Burke at 9:32 a.m. Committee members present are Chairman Gerald Burke, Gerald Hoehne, Jonas Armstrong, Wesley Billingsley. Quorum present.

2. Approval of Agenda

Chairman Burke asked for comments on the agenda. No comments were made by the committee.

Chairman Burke made a motion to approve the agenda.

Member Hoehne seconded the motion.

Motion passed. (4-0)

3. Announcements:

a. No Capital Projects Meeting in February or March 2019

Chairman Burke noted that there are no meeting in February or March of 2019.

b. Next Capital Projects Meeting will be held on April 10, 2019

4. Approval of Minutes from December 12, 2018 Capital Outlay Committee Meeting

Chairman Burke asked for comments on the minutes. No comments were made by the committee.

Chairman Burke made a motion to approve the minutes.

Member Hoehne seconded the motion.

Motion passed. (4-0)

5. Approval of 2019 Open Meetings Act Resolution

Chairman Burke discussed the Open Meetings Act Resolution and requested that legislative sessions be added as an exception to when meetings are held under Item 2 of the resolution.

Member Hoehne made a motion to approve the resolution incorporating the addition of legislative sessions as noted by Chairman Burke.

Member Armstrong seconded the motion.

Motion passed. (4-0)

Projects to be reviewed

6. Central New Mexico Community College – \$2,779,000

2044 Galisteo Street, Suite 4, Santa Fe, NM 87505-2100
Phone: 505-476-8400 Fax: 505-476-8454
www.hed.state.nm.us

CNM Westside Solar Array Project

Presenters: Clint Elkins, Executive Director Finance & Business Strategies; Marvin Martinez, Executive Director Physical Plant Department

Mr. Clint Elkins introduced himself and Mr. Marvin Martinez and then presented the project as outlined in the project submittal.

Chairman Burke noted that he remembers this project having come before this committee in the past. He asked if the issues that had been brought up the first time had been addressed, specifically the outreach by CNM to the local communities where the solar array will be built.

Mr. Elkins informed the committee that the community outreach effort will be taking place within the next 30 to 60 days. He also mentioned that they intend to add landscaping between the community areas and the solar array.

Chairman Burke asked why the project was being brought forward before completing the outreach. He also asked what the community thought of the project before.

Mr. Martinez noted that in 2014 the community associations were hesitant to support the solar array project.

Mr. Elkins clarified that the community associations were not opposed to the project however CNM opted to pull the project due to the RFP issues that were raised at the time.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary contingent on the results of the community outreach effort. He emphasized that the results would need to be shared with the NMHED before construction could begin.

Member Armstrong seconded the motion.

Motion passed. (4-0)

7. Eastern New Mexico University - Ruidoso – \$3,085,003.32 College Nexus Project – Phase I

Presenters: Dr. Ryan Carstens, President; Dr. Karen Massey, Chief Business Officer; Matthew McKim, Principal/Architect, Decker Perich Sabatini

Dr. Ryan Carstens presented the project as outlined in the project submittal. As part of his presentation Dr. Carstens noted that in the past the college had rented space in an old middle school. When the school district decided to condemn the building classes were moved back into existing college facilities. He noted that the current project request, which is Phase I, will bring the majority of the shelled space into use. Dr. Carstens also requested a modification to Form 5. He asked that the \$500K GO Bond funds listed be removed and replaced with local funds. This change is necessary so the college can start the project in April.

Member Armstrong asked Dr. Carstens to explain the fund balance documentation submitted in the packet, specifically if they had sufficient balance to cover the change in funding.

Dr. Carstens noted that the two fund balance documentation sheets submitted total their available fund balance.

Member Armstrong asked for information on Phase II and Phase III.

Dr. Carstens stated that Phase II will complete the interior renovation of the building while Phase III will address the main entrance and create a more seamless transition between buildings and patios while also addressing any needed ADA adjustments.

Member Armstrong asked if these phases were listed on the institutions five year plan.

Dr. Carstens noted that he had modified the plan to show dollar amounts however the project descriptions were generalized. He also noted that the phased projects were listed in the ICIP.

Member Armstrong asked if there are any other projects listed on the institutions five year plan.

Dr. Carstens informed the committee that they are looking at potentially purchasing the Mall which is within the same location as their current facility.

Chairman Burke expressed concern with the large drop in enrollment at the campus. He asked in Dr. Carstens was aware of what may have caused this drop.

Dr. Carstens stated that there was a minor drop in enrollment during the recession however there are also other factors that the college has faced. He gave several examples such as HLC certification for teachers, ENMU Portales no longer using Ruidoso online courses for athletes, and the senior discount offered for courses such as Arts and Crafts which are now non-credit courses and no longer reflected in enrollment.

Chairman Burke noted that the community population is stagnant and there is no expected growth anytime soon.

Dr. Carstens agreed stating that that the college is looking for ways to provide a college life on campus for students.

Chairman Burke asked if the college was going to go out for a local bond election.

Dr. Carstens stated that at the Regents meeting on September 7 there was approval to move forward with the bond election. He stated that the college is planning on having the election in November of 2019.

Chairman Burke asked what the college will do if the election fails.

Dr. Carstens noted that in 2009 the college wanted to have a local bond election however it never materialized. He also mentioned that if the bond election fails the college would need to secure funding from other sources to complete the building and make it usable.

Chairman Burke asked why the college was requesting the use of the FY16 General Obligation Bond funds for this facility when at the time of funding approval the facility hadn't even been purchased. He also noted that these funds should have already been spent.

Dr. Carstens informed the committee that this is what he inherited and he wanted to make the best use of the available resources.

Member Hoehne brought up a concern regarding the request to switch out the \$500K GO Bond

funds with local funds. He asked if the institution was comfortable with the available fund balance they would have remaining to cover any unexpected emergency.

Member Armstrong agreed and asked if their operating budget relies on fund balance.

Dr. Carstens noted that they have been consistently underspending their operating budget which is something that he wants to address now that he has staff.

Member Armstrong asked if there is any data the college has on emergencies that came up over the past 10 years.

Dr. Carstens noted that he was not aware of any emergencies. He also noted that since the facility is a single building he does not anticipate there being anything that would cause a hardship to the college.

Member Hoehne made a motion to approve the project for submittal to the NMHED Cabinet Secretary and then to the State Board of Finance contingent upon:

- Resubmittal of Form 5 removing the reference to the FY18 GO Bond and replacing it with local funds

Member Armstrong seconded the motion.

Motion passed. (4-0)

8. New Mexico Junior College – \$4,000,000

Caster Activity Center Phase One Remodel

Presenters: Dr. Kelvin Sharp, President; Dan Hardin, Vice President for Finance; Josh Morgan, Comptroller; Matthew McKim, Principal/Architect, Decker Perich Sabatini

Mr. Dan Hardin introduced Mr. Josh Morgan and Mr. Matt McKim and then presented the project as outlined in the project submittal. He also noted that this is Phase I of a two phase project.

Chairman Burke asked if there is any asbestos in the facility.

Mr. Hardin noted that they do anticipate finding asbestos in the facility and have accounted for that in the estimate.

Member Armstrong asked how much of NMJC's Oil and Gas Revenues fund balance is unallocated.

Mr. Hardin noted that the college received \$14M in revenues from oil and gas. Of that they budgeted about \$6M for operating. The college typically sets aside funding for projects as they need upgrades. He also informed the committee that the college does not have any debt service so these revenues provide opportunities to do these types of projects.

Member Armstrong asked for the submittal of a new five year plan listing the new oil and gas revenue received.

Mr. Hardin noted that this project was not a priority however because of the piping issues they encountered it rose to the top of the list.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary.

Member Armstrong seconded the motion.

Motion passed. (4-0)

9. San Juan College – \$6,000,000

Purchase 3401 E. 30th Street Building

Presenters: Dr. Toni H. Pendergrass, President; Edward M. DesPlas, Executive Vice President; Chris Harrelson, Senior Director Physical Plant; Shelley R. Pickett, Director Risk Management

Dr. Toni H. Pendergrass introduced the attendees and asked Mr. Edward DesPlas to present the details of the project.

Mr. DesPlas provided a brief history of the project, including the fact that Burlington had donated two buildings to the College Foundation, that the college had a local bond election which passed with funding originally intended for renovating the donated buildings, and how in 2017 the 3401 E. 30th street building then became available. Mr. DesPlas stated that the original College Foundation buildings are in such bad shape that they have recommended that the Foundation raze them once they are vacated.

Chairman Burke asked if the foundation buildings were included on the colleges space file.

Mr. DesPlas noted that the buildings are not included on their space file however they have been working with the NMHED and have since submitted a revision to include them under O&M.

Member Armstrong asked why the additional cost of \$250K was not split with Farmington Public Schools.

Mr. DesPlas stated that the public schools do not require any approvals for this acquisition so the burden of receiving approvals by the dates established fall on the college.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary with the following contingencies:

- If purchase is closed by March 30, 2019 purchase price is approved as submitted in the amount of \$6,000,000;
- If purchase is closed after March 31, 2019 but no later than April 30, 2019 purchase price is approved in the amount of \$6,250,000;
- NMHED receipt of a satisfactory appraisal review by the New Mexico Taxation and Revenue Department; and,
- NMHED receipt of a fully approved and executed Joint Powers Agreement by the New Mexico Department of Finance and Administration between San Juan College and the Farmington Municipal Schools.

Member Hoehne seconded the motion.

Motion passed. (4-0)

10. Adjourn

Meeting adjourned at 11:10 a.m.