

NEW MEXICO HIGHER EDUCATION DEPARTMENT



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GOVERNOR

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

Capital Projects Committee Meeting
May 8, 2019
Higher Education Center – Room 159
1950 Siringo Road
Santa Fe, New Mexico 87505
9:30 a.m. to TBD

Meeting Minutes

1. Call Meeting to Order

Meeting called to order by Dr. Gerald Burke at 9:31 a.m. Committee members present are Chairman Gerald Burke, Gerald Hoehne, Harrison Rommel, Harold Trujillo, Jonas Armstrong, and Mark Valenzuela (non-voting). Quorum present.

2. Approval of Agenda

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

Member Hoehne made a motion to approve the agenda.

Chairman Burke seconded the motion.

Motion passed. (5-0)

3. Announcements:

- a. **Next Capital Projects Meeting will be held on June 12, 2019**

4. Approval of Minutes from April 10, 2019 Capital Outlay Committee Meeting

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

Member Trujillo made a motion to approve the minutes.

Chairman Burke seconded the motion.

Motion passed. (5-0)

Projects to be reviewed

5. University of New Mexico – \$478,334

KNME-TV New Stand-Alone Exterior Elevator Project

Presenters: Craig White, Interim Senior Vice President of Finance and Administration; Chris Vallejos, Associate Vice President of Institutional Support Services; Lisa Marbury, Executive Director, Institutional Support Services

Dr. Craig White introduced himself, Mr. Chris Vallejos and Ms. Lisa Marbury. Ms. Marbury presented the project as outlined in the submittal.

Chairman Burke let the presenters know that the project must be submitted to the State Board of Finance. He also asked if the funds being used for the project are part of KNME fund raising

marathons.

Ms. Marbury informed the committee that the funds are raised through several different fund raising campaigns including the marathon.

Mr. Vallejos noted that KNME has an annual budget of \$2.5M which managed through the development office at UNM.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary and then to the State Board of Finance.

Motion seconded by Member Armstrong.

Motion passed. (5-0)

**6. University of New Mexico Health Science Center/Hospital – \$1,579,204
UNM Hospital 2nd Floor Locker Rooms and Pre Op Renovation**

Presenters: Michael Kearney, Director, Planning and Construction, UNM Hospitals

Mr. Enrico Volpato and Mr. Michael Kearney introduced themselves and presented the project as outlined in the project submittal.

Member Hoehne asked that UNM discuss the differences between the two funding sources for the project.

Mr. Kearney noted that the Capital Renovations Fund is the Capital Budget set up within UNMH that is funded by current fiscal year operations. He noted that the Capital Initiatives Fund, which is funded by prior year operations, is held by UNM HSC and is restricted for use at UNMH facilities only.

Member Rommel made a motion to approve the project for submittal to the NMHED Cabinet Secretary and then to the State Board of Finance.

Motion seconded by Chairman Burke.

Motion passed. (5-0)

**7. University of New Mexico Gallup Branch – \$2,635,000
New Physical Plant and Storage Facility - Revised**

Presenters: James Malm, CEO Gallup Branch; Craig White, Interim Senior Vice President of Finance and Administration; Chris Vallejos, Associate Vice President of Institutional Support Services; Lisa Marbury, Executive Director, Institutional Support Services

Dr. Craig White introduced himself, Dr. James Malm, Mr. Chris Vallejos and Ms. Lisa Marbury. Ms. Marbury presented the project as outlined in the project submittal, specifically noting that this project was a revision to an already approved project. She noted that revision was needed because the original bids came in 100% higher than what was originally approved by the NMHED and SBOF.

Dr. Malm noted that the contractors informed the college that the bids came in so high due to the amount of earthwork and rock removal that would be required. As a result of this, the branch campus worked with the architect to re-design a new foundation system, reduce the building size and scope, and the use of value engineering on materials to bring the project within the proposed cost being

submitted.

Chairman Burke asked if UNM-Gallup would be providing an offset for the square footage being added to their footprint.

Dr. Malm noted that when the project was originally approved the college proposed to offset the new square footage with the demo of Lions Hall.

Mr. Valenzuela asked UNM-Gallup if their local 2012 bonds are in compliance with the No Arbitrage IRS requirements.

Dr. Malm and Dr. Craig noted that their bond counsel did not raise this as a concern however they will look into it and get back to the committee as soon as possible.

Member Rommel noted that UNM Gallup's I&G reserves are at about 24%.

Dr. Malm mentioned that they have a plan which will use this fund balance to address their capital needs on campus which will result in reducing these reserves over the next five years.

Member Trujillo asked if the college had looked for another more suitable site on campus to build this facility.

Dr. Malm noted that they did look at all vacant areas of campus but unfortunately the same material and rock excavation issues were found.

Member Armstrong asked how the freed up space in the child development center is going to be used once the new Physical Plant facility is built.

Dr. Malm stated that they don't have a definitive plan right now however they are looking at ways to reprogram the space for future use.

Member Armstrong asked if the space will require significant upgrades.

Dr. Malm noted that it will require lots of renovation. He also noted that they would be looking for funding in about 5 years to renovate the space however no estimates of cost have been developed.

Member Armstrong asked how long space will be vacant.

Dr. Malm noted that the space will remain vacant for about 3 years.

Member Armstrong asked that UNM-Gallup consider completing the renovation sooner using their I&G reserve balance so the space does not sit vacant for such a long period of time.

Chairman Burke made a motion to approve the revised project for submittal to the NMHED Cabinet Secretary and then to the State Board of Finance contingent upon receipt of information from UNM-Gallup on their compliance with the No-Arbitrage IRS requirements for their 2012 local bond issuance.

Motion seconded by Member Hoehne.

Motion passed. (5-0)

8. Eastern New Mexico University Roswell – \$1,200,000

Electrical Line Replacement

Presenters: Dr. Shawn Powell, President, ENMU-Roswell; Scott Smart, Chief Financial Officer, ENMU System

Dr. Shawn Powell introduced himself and Mr. Scott Smart. Dr. Powell presented the project as outlined in the project submittal.

Member Hoehne made a motion to approve the project for submittal to the NMHED Cabinet Secretary and then to the SBOF contingent upon availability of the Fiscal Year 2020 General Fund appropriation.

Motion seconded by Dr. Rommel.

Motion passed. (5-0)

9. Eastern New Mexico University Roswell – \$3,729,575

Automotive and Welding Technology Facility Renovation

Presenters: Dr. Shawn Powell, President, ENMU-Roswell; Scott Smart, Chief Financial Officer, ENMU System

Dr. Shawn Powell introduced himself and Mr. Scott Smart. Dr. Powell presented the project as outlined in the project submittal.

Member Hoehne asked whether the automotive programs at ENMU-Roswell have or will have Hybrid and Electric vehicle technologies.

Dr. Powell stated that he was not sure however he would provide us with that information once he was back on campus.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary and then to the SBOF contingent upon receipt of information from ENMU-Roswell on hybrid/electric technology programs and/or implementation of the programs at the campus.

Motion seconded by Member Trujillo.

Motion passed. (5-0)

10. Eastern New Mexico University Roswell – \$3,362,790

New Physical Plant Building

Presenters: Dr. Shawn Powell, President, ENMU-Roswell; Scott Smart, Chief Financial Officer, ENMU System

Mr. Scott Smart introduced himself and presented the project as outlined in the project submittal.

Chairman Burke asked how much of a square footage offset the Quonset huts would provide.

Mr. Smart noted that the Quonset huts would provide an equal amount of square footage offset.

Member Rommel, noting that this was an old airbase, asked if soil samples had been done.

Mr. Smart informed the committee that they have had soil samples collected and analyzed. The

results did not show any ground contamination. He also mentioned that the Quonset huts do not have asbestos and that the demo of the Quonset huts will be brought forward at a later date as a separate project.

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

Motion seconded by Member Rommel

Motion passed. (5-0)

11. New Mexico Junior College – \$1,908,000

Fire Alarm Emergency Notification and Access Control System Upgrades Campus Wide

Presenters: Dan Hardin, Vice President for Finance; Josh Morgan, Controller

Mr. Dan Hardin introduced himself and Mr. Josh Morgan and then presented the project as outlined in the project submittal.

Chairman Burke asked if this project will bring the entire campus up to code.

Mr. Hardin noted that this project will bring the entire campus up to code.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary and then to the SBOF contingent upon sale and availability of the 2018 GO Bonds and the Fiscal Year 2020 General Fund appropriation.

Motion seconded by Member Trujillo.

Motion passed. (5-0)

12. San Juan College – \$1,811,100.61

30th Street Education Center Renovation

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

Mr. Edward DesPlas introduced himself, Mr. Chris Harrelson, and Ms. Shelley Pickett. Mr. DesPlas then presented the project as outlined in the project submittal.

Chairman Burke asked if the two building they currently occupy are owned or leased.

Mr. DesPlas informed the committee that the buildings belong to their foundation however the college has been maintaining them. If this project renovation is approved and completed, the two buildings will be transferred back to the foundation and will no longer be the responsibility of the college.

Member Rommel made a motion to approve the project for submittal to the NMHED Cabinet Secretary.

Motion seconded by Member Trujillo.

Motion passed. (5-0)

**13. New Mexico Highlands University – \$4,000,000
Infrastructure Upgrades Campus Wide**

Presenters: Dr. Sam Minner, President; Sylvia Baca, Facilities & Planning Director

Dr. Sam Minner introduced himself, Ms. Sylvia Baca, and Mr. Brian Hennington. Dr. Minner then presented the project as outlined in the project submittal.

Mr. Hennington informed the committee that over the past couple of years NMHU has reviewed the campus and prioritized projects based on OSHA and other regulatory requirements.

Chairman Burke asked how much of the state funding will be dedicated to the work being done on Wilson Complex.

Ms. Baca noted that the facility is broken into 30% athletics and 70% I&G. The cost of work for Wilson Complex is approximately \$100K.

Chairman Burke asked where NMHU will be getting their 30% match portion from.

Ms. Baca stated that they would be getting the funding from their auxiliary funds.

Member Rommel noted that NMHU has a \$-2.27M deficit in auxiliary.

Dr. Minner informed the committee that he would find the funding for this portion of the work.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary and then to the SBOF contingent upon resubmittal of the forms increasing the budget and cost of the project by the NMHU match of \$30K.

Motion seconded by Member Trujillo.

Member Armstrong noted that the other NMHU project on the agenda shows \$100K from the same funding source, which would be a duplicate use of funds.

Chairman Burke amended his original motion as follows:

The total project amount being approved is \$3,930,000; of which \$30K is to be provided by NMHU for their match to Wilson Complex. The original motion requesting resubmittal of the forms to reflect the new project amount and match funding source remains. The project approval is also contingent upon the availability of the 2018 GO Bond funds.

Amendment seconded by Member Trujillo.

Motion passed. (5-0)

**14. New Mexico Highlands University – \$5,712,140
Rodgers Hall Renovation – Revised**

Presenters: Dr. Sam Minner, President; Sylvia Baca, Facilities & Planning Director

Dr. Sam Minner introduced himself, Ms. Sylvia Baca, and Mr. Brian Hennington. Ms. Baca then presented the project as outlined in the project submittal and noting that this was a revision to an

already approved project. Ms. Baca informed the committee that when the RFP for the project was issued, the bids came in well over the \$3M budget established for the construction of the project. These bids did not include the roof and the re-stucco of the facility. Because of this NMHU reissued an RFP with separate bid lots for the project which resulted in the project cost in the submittal.

Chairman Burke made a motion to approve the revised project for submittal to the NMHED Cabinet Secretary and then to the State Board of Finance contingent upon sale and availability of the 2018 GO Bonds and the Fiscal Year 2020 General Fund appropriation.

Motion seconded by Member Hoehne.

Motion passed. (5-0)

15. Adjourn

Meeting adjourned at 11:25 a.m.