

# NEW MEXICO HIGHER EDUCATION DEPARTMENT



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## Capital Projects Committee Meeting

July 8, 2020

Held via GoToMeeting

<https://global.gotomeeting.com/join/644536637>

9:30 a.m. to TBD

### Minutes

#### 1. Call Meeting to Order

Chairman Burke called the meeting to order at 9:30 a.m.

#### 2. Introduction of Participants

Roll call of members present was taken. Committee members joining via phone/webinar were Chairman Gerald Burke, Harrison Rommel, Wesley Billingsley, Harold Trujillo, Steve Olson and Gerald Hoehne.

#### 3. Approval of Agenda

Chairman Burke made a motion to approve the agenda.

Member Trujillo seconded the motion.

Motion passed. (6-0)

#### 4. Approval of Minutes from June 10, 2020 Capital Projects Committee Meeting

Chairman Burke asked the committee if they had any comments on the minutes.

Member Hoehne made a motion to approve the minutes.

Member Trujillo seconded the motion.

Motion passed. (6-0)

#### 5. Announcements:

a. Next Capital Projects Committee Meeting will be held on September 9, 2020

b. Next SBOF meeting will be held on September 15, 2020

### Projects to be reviewed

#### 6. University of New Mexico Health Science Center/Hospital - \$17,000,000

##### Construction of New Comprehensive Movement Disorders Center & Senior Health Clinic

*Presenters: Michael Chicarelli, Chief Operating Officer, UNMH; Enrico Volpato, Executive Director Facilities Services, UNMH; MK Rocky Kearney, Director Facilities Planning & Construction, UNMH; Jeremy Jerge, Facilities Planner, UNMH*

Michael Chicarelli the Chief Operating Officer with UNM Hospitals started out the presentation of the project. He noted that UNM had met with representatives of the NMHED and LFC last week to address many of the questions that had been brought up. He then presented the project, including new information, as outlined in the project submittal.

Member Olson thanked UNM Hospital for meeting with members of the LFC and NMHED to provide additional clarity on this project request. He also asked UNM if they anticipated having any additional legislative requests to support the operations of these facilities either in the upcoming session or in any future sessions.

Dr. Michael Richards stated that UNM will not be making future requests for the operations of the two facilities. He also noted that future population changes may at some point require UNM to expand the capacity of these clinics however over the next three years there is no anticipated funding needed from the state.

Member Hoehne made note that in the submittal UNM shows revenues coming from clinic services such as diagnostic exams and surgeries. Due to COVID-19 many of these services have been postponed and/or cancelled. Understanding that these revenues may not always materialize what is UNM's plan to address a reduction in this revenue source should it happen?

Mr. Chicarelli noted that "elective surgeries" that were cancelled due to COVID-19 only make up a very small percentage of the revenue stream at the hospital. There are three operating suites and when the public health order reduced elective surgeries only the outpatient surgeries were reduced. Surgery for emergent cases were not affected. Also diagnostic exams such as CT Scans, MRI's, and X-Rays which are essential in providing high quality care were not affected by the COVID-19 health orders either.

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

Member Rommel seconded the motion.

Motion passed. (6-0)

Chairman Burke thanked UNM for providing the additional information that was requested during the previous NMHED hearing and for meeting with the NMHED and LFC to discuss this project.

## **7. Central New Mexico Community College – \$1,400,000 Lighting Controls for Westside and Rio Rancho Campuses**

*Presenters: Clint Elkins, Executive Director of Finance and Business Operations, CNM; Marvin Martinez, Executive Director of Physical Plant, CNM*

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

Chairman Burke asked when the Rio Rancho campus was built.

Mr. Martinez stated that the Rio Rancho campus was built in 2010.

Chairman Burke expressed his concern with the fact that the lighting and controls in that campus are not up to par since it is not that old.

Mr. Martinez noted that the issue is the controls that were installed when the facility was constructed. They are currently struggling with getting support from the vendor, which right now comes at a cost of up to \$2,000 just to get them into the state plus the cost of the service call. Because of this the maintenance and management of the system is no longer viable. Also any upgrades to the firmware costs approximately \$7,000.00. That is the reason for CNM wanting to switch out these systems.

Chairman Burke asked if the lighting at the Rio Rancho campus is all LED.

Mr. Martinez stated that there is a mix of LED and incandescent lighting. This project would convert all incandescent to LED.

Member Trujillo stated that normally lighting retrofit projects are very cost effective however this particular project, from an energy point of view, the payback on this project is over 30 years. What makes it so expensive in terms of the cost estimate that was done?

Mr. Martinez explained that much of the cost is to rewire the building with a new CAT 6 cable with a new system that we can control without needing an outside vendor. As an example there is currently a controller that is burnt out at the west side campus and the lights stay on 24 hours a day. There is no way for CNM to turn off the lights unless they shut off the breaker.

Mr. Elkins also noted that the energy cost analysis provided by Bridgers & Paxton is limited to looking at replacing components only and based on an 8:00 to 5:00 building schedule. It does not take into account the third party maintenance costs, internal maintenance costs, and what other cost savings could be quantified outside of the kilowatt savings alone.

Member Trujillo explained that the additional information would be extremely helpful in analyzing what the third party cost is to keep up this system as well as what the costs are to maintain the new system and what the difference is. He also noted that CNM would be better off installing a PV system instead of doing this upgrade because the payback would be quicker.

Mr. Elkins noted that they are also looking at inefficiencies of staff time and how those inefficiencies would be addressed with this project. In regards to solar, CNM is doing a solar project on the west side campus and they are in the process of installing the solar panels right now. He explained that CNM is committed to looking at options to save energy through solar as well.

Member Olson expressed his concurrence with Member Trujillo. He also asked how CNM would know that the project is going to be successful once it is done.

Mr. Martinez noted that they installed sub-meters on each building to monitor electricity use. They also have received complaints from neighbors that during after-hours lighting on the campus stays on. This project will address the increased utility costs as a result of lights being on all the time would be an indicator of success.

Mr. Elkins also noted that the after-hours campus hours are not reflected in the energy cost analysis because the data would be extremely difficult to quantify into dollars.

Member Trujillo requested that additional information be submitted to support the fact that this is project is indeed cost effective.

Chairman Burke asked for additional committee feedback.

Member Hoehne noted that in light of the comments and requests from committee members, and the fact that the information submitted does not clearly demonstrate the cost/energy benefits, if approved there may not be any benefit. The information provided during the presentation by CNM explains the fact that the project is not necessarily an energy savings project but more of a project that will assist with the operations and overall efficiencies however more information to support this is still needed.

Chairman Burke asked for guidance from member Trujillo and member Olson.

Member Olson deferred to Member Trujillo due to his expertise in these types of projects.

Member Trujillo requested that the project be delayed and additional information be submitted so a thorough review of the project benefits by the committee could take place.

Chairman Burke made a motion to delay voting of the project until the next NMHED Capital Outlay hearing. He also requested that CNM, NMHED, EMNRD, and LFC discuss what is necessary for resubmittal of this project.

Member Trujillo seconded the motion.

Motion passed. (6-0)

## **8. Adjourn**

Chairman Burke adjourned the meeting at 10:05 a.m.