

# NEW MEXICO HIGHER EDUCATION DEPARTMENT



MICHELLE LUJAN GRISHAM  
GOVERNOR

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CABINET SECRETARY

## Capital Projects Committee Meeting

June 9, 2021

Held via TEAMS

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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. Roll Call of Committee Members

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

Quorum noted.

#### 3. Approval of Agenda

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

Chairman Burke made a motion to approve the agenda.

Member Hoehne seconded the motion.

Motion passed (6-0)

#### 4. Announcements:

- a. Next Capital Projects Committee Meeting will be held on July 14, 2021

#### 5. Approval of Minutes from May 12, 2021 Capital Projects Committee Meeting

Member Hoehne informed the committee that the last two projects on the meeting minutes for last month were did not save. He asked that the committee consider approving the minutes contingent upon final review by committee members.

Chairman Burke made a motion to approve the meeting minutes contingent on submittal to committee members for final review.

Member Trujillo seconded the motion.

Motion passed. (6-0)

### Projects to be reviewed

#### 6. New Mexico Institute of Mining and Technology – \$16,904,352

##### Playas Training and Research Center (PTRC) - Phase II - Power Infrastructure Buildout

*Presenters: Dr. Stephen Wells, President, NMIMT; Dr. Cleve McDaniel, Vice President Administration & Finance, NMIMT; Carlos Romero, Associate Vice President of Research, NMIMT; Alex Garcia, Director of Capital Projects, NMIMT*

Dr. Stephen Wells introduced himself, Dr. Cleve McDaniel, Mr. Carlos Romero, and Mr. Alex Garcia. He then went through a PowerPoint presentation providing an overview of the Playas Research and Training Center Phase II project. He then turned it over to Mr. Carlos Romero for more detail on the infrastructure piece of the project.

Mr. Romero informed the committee that what NMIMT is doing here is a new way of looking at a power system. Most power systems that are developed just need shore power and clean power coming in from an electrical utility. What NMIMT is needing here is an experimental power system that will allow us to unplug from the power grid and then plug any other type of power into the system, including solar, wind, and generator power. This system would then be able to be modeled after any power system currently in operation in the world, monitored and controlled in a control room just like a power utility, and experimented against. This system will be co-located along with the Fiber Network project that was approved by this committee last month. He also noted that the cost for this may seem high however this is not a just a regular infrastructure buildout. They will be installing buried high-voltage transmission lines, power lines, and redundant systems which makes this a research and training facility that the Air Force Research Lab is looking for. He also invited the members of the committee to visit the NMIMT campus to see the demonstration prototype of this grid to see how it works. This demonstration grid has the potential to be a good training tool for electrical utilities in New Mexico, especially rural coops, who are moving to smart meters and other more modern technologies. The prototype weighs about 9,000 lbs. so it can be moved and it is constructed to be 2-scale, showing the buried lines underground, the high-voltage lines, and all other associated infrastructure.

Member Olson noted that he was pleased to see the federal investment for this project in rural New Mexico. He also asked if NMSU and NMIMT had any opportunities for working together on this since NMSU did showcase their grid system on a recent campus visit. He then asked if NMIMT had any indication of rising costs in the state and what impact will be on materials and labor for this project.

Dr. McDaniel stated that they are seeing increases in costs, specifically for lumber and steel, on other capital projects that they are working on. As an example, the Deju House contractor recently notified NMIMT that lumber costs have more than doubled from what was originally planned. He then turned it over to Mr. Romero for more detail on this project.

Mr. Romero noted that they are seeing construction costs going up which is significantly impacting their ability to complete all phases in the order originally intended. They have had to re-scope and break apart projects that were originally slated to be completed as a single phase. With this particular project the issues they are experiencing are related to the long lead times for materials. Typically, there would be a 4-week lead time to get the copper however now they are looking at a 16-week lead time. This is problematic because NMIMT has a certain amount of funds that have to be spent by the end of the fiscal year and these items have to be received by that deadline. Also, in order for this project to be efficient they would only trench one time to bury all necessary underground utilities so these long lead times may have an impact.

Chairman Burke asked if NMIMT would have any issue with getting contractors to bid on this project.

Mr. Romero noted that the site is approximately 40 miles from Lordsburg however they do offer a concession as part of the contract to offer onsite housing to the contractor. They are seeing a good number of bidders on the current RFP for the power buildout so they feel confident in the ability to find qualified bidders. The cost for working in that remote location is something that they are unsure

of but should have more information on fairly soon.

Member Trujillo asked if the underground power supply that is going to be used for this project is the latest technology. He noted that Australia has some very good technology for underground transmission systems.

Mr. Romero noted that they are building an experimental system that is built on IEEE standards. The technology being used for the underground transmission is based on systems that are standard right now. The end units will be what utilities will be going to in the next decade.

Chairman Burke asked what backup power source is available to Playas at this time.

Mr. Romero noted that there is point backup power only which includes generators to certain critical systems and UPS's to servers. This new system will allow NMIMT to have backup power at the distribution level not just at the point level. Playas is at the end of the Columbus Electric power line so there are times that they do experience power issues. They will use this experimental system to see how they can address those issues by installing backup power at the distribution level. The solar and wind power will be experimented on to see how they affect the grid, not necessarily to add green energy to the grid. Their focus is to see what happens to the control systems when you introduce these other power sources to the grid at the transmission and distribution levels.

Member Trujillo asked if they would also be experimenting with battery backup systems.

Mr. Romero informed the committee that they will have UPS backup systems. Within the experimental grid they tested a whole system with smart meters that were controlled from a national control system in Atlanta, GA. During the experiment the power was shut off to one of the power meters. The automatic switching units went over to UPS backup at the distribution level and they were able to keep the power on. They also simulated a disruption at that level as well.

Member Rommel asked if there would be any sort of cross-pollination between the work NMIMT is doing here and NM EPSCOR's smart grid research.

Mr. Romero noted that the Institute for Complex Additive Systems Analysis (ICASA) is the research center that is designing this grid and they are a partner on the EPSCOR. There will be synergy and cross-pollination between these two distinct projects however it will be on a smaller distribution power level.

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 Trujillo seconded the motion.

Motion passed. (6-0)

**7. Central New Mexico Community College – \$625,000  
Student Resource Center – Site Improvements**

*Presenters: Andrew Jacobson, Associate Vice President of Budget, Finance, and Planning, CNM; Marvin Martinez, Executive Director, Physical Plant, CNM*

Mr. Andrew Jacobson introduced himself and Mr. Marvin Martinez. He thanked the committee for

hearing the project and then turned it over to Mr. Martinez for the presentation.

Mr. Martinez presented the project as outlined in the project submittal.

Member Olson noted that on the cost break out the A&E is 20% of the project cost. Typically, the A&E is around 10% so he asked CNM to provide an explanation.

Mr. Martinez informed the committee that the A&E included on this project submittal covers a larger master plan for infrastructure and ADA access upgrades on the campus as well as the site improvements for this project. The other infrastructure and ADA will be coming forward to this committee in a few months for approval.

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

Member Olson seconded the motion.

Motion passed. (6-0)

#### **8. New Mexico State University – \$1,000,000**

##### **Pan American Center Video Scoreboard Improvements**

*Presenters: Heather Watenpaugh, University Architect, NMSU; Luis Campos, Associate Vice President of Facilities and Services, NMSU; Robert Herrera, Interim Executive Director of Project Development, NMSU*

Mr. Luis Campos introduced himself. Ms. Heather Watenpaugh, and Mr. Robert Herrera. He then turned it over to Ms. Watenpaugh for the presentation.

Ms. Watenpaugh presented the project as outlined in the project submittal.

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 Hoehne seconded the motion.

Motion passed. (6-0)

#### **9. New Mexico State University – \$575,000**

##### **Women's Soccer Stadium Lighting and Safety Upgrades**

*Presenters: Heather Watenpaugh, University Architect, NMSU; Luis Campos, Associate Vice President of Facilities and Services, NMSU; Robert Herrera, Interim Executive Director of Project Development, NMSU*

Ms. Watenpaugh presented the project as outlined in the project submittal.

Member Olson noted that the first game is scheduled for August 1<sup>st</sup> and he wondered if it is reasonable to have this project completed by that date with the current supply chain and material delays being experienced across the state.

Ms. Watenpaugh noted that the contractors they have spoken with do feel it is reasonable however there is always a possibility that they will experience supply chain delays which could push the project back by several weeks. She also noted that they are currently on track to complete by the target date of August 1<sup>st</sup>.

Member Olson asked when the \$475,000 original estimate noted in the project packet was completed.

Ms. Watenpaugh informed the committee that the original estimate was done as part of the master planning process in the 2017/2018 time period and has been updated to account for the rise in costs due to the pandemic, supply chain issues, and material cost increases as noted by other institutions as well.

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)

**10. University of New Mexico – \$740,665  
Laguna & DeVargas Roof Replacement**

*Presenters: Dr. Garnett S. Stokes, President, UNM; Teresa Costantinidis, Senior Vice President for Finance & Administration, UNM; Lisa Marbury, Vice President of Institutional Support Services, UNM*

Dr. Garnett Stokes introduced herself and then thanked Dr. Burke and members of the Capital Projects Committee for hearing all of the UNM projects on the agenda. She provided a brief overview of each of the projects and then turned it over to the respective project representatives.

Chairman Burke informed UNM that the information on enrollment provided on Form 1-A of every project submittal from UNM does not make sense. He asked that these numbers be reviewed, verified, and resubmitted.

Dr. Stokes noted that she would check with her leadership team and get any issues corrected.

Ms. Lisa Marbury presented the project as outlined in the project submittal.

Chairman Burke noted that the cost of the project is within \$10,000 of having to go to the State Board of Finance for approval.

Ms. Marbury informed the committee that she confirmed with her development team and they are confident that they will remain within the current budget.

Member Olson asked if the facilities will continue to be in use for the life of the new roofs.

Ms. Marbury noted that UNM plans on keeping these facilities in operation for the next 20 years. They completed an FCI of these facilities and other than the roofs the structures are in really good shape.

Member Olson asked if the square footage of the roofs is listed in the documentation.

Ms. Marbury noted that she will get with the project manager to provide this information.

Member Olson noted that this is a one-time project using plant funds and he asked if UNM had

looked into the opportunity to use Federal Stimulus funds instead.

Ms. Marbury informed the committee that UNM has received different types of stimulus funding and at this time they are looking at how to best utilize those funds to support student services and other student areas of need. She also noted that the plant funds being used on this project are actually a loan to housing because COVID impacted the amount of revenues for student housing so their reserves are depleted. UNM is working on a plan to build back those reserves over a 10-year period which in turn will replenish the plant funds used on this project.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary and then to the State Board of Finance contingent on the review and resubmittal of Form 1-A.

Member Rommel seconded the motion.

Motion passed. (6-0)

**11. University of New Mexico Health Science Center/Hospital – \$33,000  
Lease of 1901 Pennsylvania Street NE**

*Presenters: Dr. Garnett S. Stokes, President, UNM; Thomas Neale, Director of Real Estate, UNM; Enrico Volpato, Executive Director of Facility Services, UNMH*

Dr. Douglas Ziedonis introduced himself and then thanked Dr. Burke and members of the Capital Projects Committee for hearing the UNM HSC/Hospital projects on the agenda. He provided a brief overview of each of the projects and then turned it over to the respective project representatives.

Ms. Kate Becker informed the committee that this is a new type of clinic for UNM. The State of New Mexico has worked hard over the years to provide access to healthcare for members of all different communities in our very diverse state including everything from expanding Medicaid several years ago to passing House Bill 112 this past legislative session. These are good examples of how to reduce financial barriers to access to health care but we know from years of research that there can also be trust barriers to access to healthcare, particularly for underserved communities. The history of our nation and of the medical profession means that we know there are unique trust barriers to access to healthcare in the African American Community. Even where financial barriers have been overcome there is a well-documented and completely understandable hesitation to accessing Health Care among members of that Community. Fortunately we also know from years of research that we have the potential to overcome those trust barriers when the place of healthcare information and access is a place where trusted members of the community are. Some of the early work in this area involved partnering with barber shops and beauty shops in the African American Community to provide information about screening and access to care for prostate cancer and breast cancer. Some of the most recent work in this area involves partnering with African American churches to encourage COVID vaccination. She also noted that when she arrived here in 2018 UNMH had already been exploring the possibility of this type of Clinic with New Hope Church which is a trusted voice in the Albuquerque African-American Community. Because UNM is a public entity it took quite a bit more planning to figure out how to possibly structure this Clinic. It will be a primary care clinic located in space leased from New Hope Church. That space will be renovated from church space to clinic space by UNMH and of course the clinic will be staffed by UNMH. The Pennsylvania clinic will be another way we UNMH can provide Healthcare to New Mexicans in New Mexico, and in this case, to a specific underserved community in a way that we believe will truly improve their access to healthcare. She then turned it over to Mr. Thomas Neale to go over the specifics of the proposed lease.

Mr. Neale noted that the project is located in the Uptown Market area at the corner of Indian School and Pennsylvania and is embedded in a 50-year-old church facility. The space that UNMH will be leasing, if approved, will contain 2200 square feet. The lease is structured on a gross basis or triple net lease basis where UNMH will pay base rent to the church of \$8.00 per square foot. That \$8.00 per square foot grows by \$1.00 per square foot every two years over the term of the lease. The initial term of the lease is 9 years with three 3-year options for a total period of 18 years. UNMH will also in addition to the base rent pay their proportionate share of operating expenses of which several will be direct cost pass through and some they will pay directly. The cost estimate for operating expenses is \$7.00 per square foot bringing the initial first year of operating cost, rent, plus expenses to \$33,000 per square foot. The other component of this transaction is the hospital will be responsible for executing a capital project to convert the church space, which is currently classroom and administrative space, into medical space. The budget for that renovation is currently estimated at \$1,750,000. This cost is roughly \$800.00 per square foot and is based on schematic design, experience with other renovations, and recent construction costs. The formal construction request will not come forward until the lease is approved and construction costs are solidified. UNMH did not want to move forward and start spending significant sums on architectural design work and other due diligence items until they received direction from this committee. He also noted that there were some anti-donation concerns raised and for that reason he highlighted the flow of funds to the church which are just the base rent plus UNMH's share of operating expenses. He noted that UNMH feels this is a reasonable amount based on the current condition and location of the property. He also noted that the significant sums of money being invested in the church building to convert this space would not benefit the church directly since UNMH would likely occupy the space for 18 years. By the end of that term the value of the improvements will have diminished. The other factor that may impact anti donation issues is a limited market for clinical space embedded in a church facility for the wider public type uses of medical clinic space. He then notified the committee that Enrico Volpato was also on the line to answer any specific questions that may arise related to the construction costs and budget.

Member Olson noted that he had contacted UNM yesterday and had a great conversation with them regarding a couple concerns that he would like to share with the committee. The lease cost over the course of the lease is about \$10 per square foot however he felt that a more appropriate way to calculate the lease cost is to add the build-to-suit improvements that UNM plans to make of \$1,750,000. Analyzing that amount over the course of an 18-year lease brings the cost to \$53 a square foot. To put that in perspective, in Bernalillo County the average state lease is \$19.75 per square foot. The Turquoise Lodge, which is the Gibson Medical Center which is a joint commission-accredited hospital, currently has a lease rate of \$19.56 per square foot. He noted that his concern is that this is a high cost project and he asked for other committee members to express their comments and for UNM to respond with what they think the value is for this high cost as it relates to community health.

Chairman Burke noted that he agreed with Member Olson and that he has the same concerns. He also stated that what UNMH is trying to do for the community is a good thing however he would like to see alternate locations that are more in line with the going lease rate.

Member Rommel noted that the anti-donation clause doesn't really apply here because there is a provision for the care of the sick and indigent and from what he recalls the Attorney General has issued guidance that the provision can be referenced for sick or indigent. He also expressed his concurrence with the other concerns noted on costs.

Member Hoehne noted the cost for the space definitely is higher than the standard market rate that we have seen for Bernalillo County. One of the things that I will echo as well is that there is nothing

that discounts the services that UNMH is wanting to provide in that particular area and for that particular demographic. As UNMH mentioned earlier, individuals feeling comfortable with specific locations to receive services, regardless of what those services are, is extremely important. UNMH has worked on this proposal for quite some time and it is apparent that they have done their research, however it is important to understand how we as a committee can assess the value of having this particular space versus another space in that area of town. He asked if there were other areas in that part of the city that were looked at or if the pre-existing work relationship with New Hope Church drove UNMH to make the decision of not looking at other space that may have been more cost-effective.

Chairman Burke noted that the space is, in his opinion, too small to be used as a clinic.

Ms. Becker informed the committee that it would be really helpful for everyone to get to an understanding of some guiding principles if UNMH were going to look at other locations. The first thing that makes this clinic different from other primary care clinics around town is the fact that it is located physically within the church building. UNMH did not look at this as a typical lease of an entire building; they looked at how they could bridge that gap by partnering with those trusted messengers of the church by physically locating the clinic within the church. UNMH did talk to the church about a mobile clinic so that it could be in the parking lot at the church instead of having to be located in the church which would have been a less expensive option but that didn't really seem to meet the needs of the community or the sense of the surrounding of the church. She noted that the difficulty UNMH is going to have with this type of project, whether it's this one or something similar going forward, is that no matter which church we partner with we won't have very much space to work with. The Chairman is correct in that it will be a small clinic because the majority of the church space is devoted appropriately to the sanctuary. The renovation is also pretty substantial because it's not built with the intention of functioning as a medical clinic. Ironically yesterday in the Institute for Health Equity there was a presentation on a project very similar to this one at the Pennsylvania Avenue Baptist Church in Washington DC where the basement is being converted into clinic space. UNMH doesn't really have that as an option here so she noted that it would be helpful to understand from this committee if they are in support of the concept of having a facility that's physically located in a church building and then if that is the case if it would be helpful for UNMH to go back and look at some alternatives to see if anybody has bigger space in the community that has similar relationships to the community as the church.

Dr. Zeidonis informed the committee that when he was at Yale University of New Haven they did very similar things with the Faith Community Church. As an example, Glide Church in San Francisco, since the 60s, has provided some really trusted connections with the community. Also, in San Diego there was lots of work with three churches to help undocumented folks in those areas with a student-run free clinic. He noted that many communities have found this to be an effective way to connect with trusted partners and reach out to folks who often don't engage initially and it helps build trust for them to then get connected to the other services.

Member Olson asked UNMH if the lease could be extended closer to 30 years to cover the useful life of the structural investments. He noted that this option would obviously create a different annualization which would spread the cost out over more years. He also expressed his understanding of the need to pay a premium to provide care however from a financial standpoint when we see the premium being 150% that's a little bit different than 30%. He also asked that UNMH run another on the actual physical infrastructure of walls versus items such as examination tables that would be taken out as a way to reduce the \$1,750,000 in improvements. He also noted that on page 6 of the lease there is information that states the tenant will not provide abortion services at the church. He asked if UNMH could clarify what this means and how it affects individuals who may need these



services.

Ms. Becker informed the committee that the church's intention is that procedures not be performed on the site, however further clarification on that language can be provided.

Member Trujillo asked if the church could contribute to part of this renovation since they will end up with the renovated space.

Mr. Neale noted that there were initial conversations about participation however with the economic downturn they have decided that they cannot support any contributions to this project.

Chairman Burke asked the committee to delay action on this project until all of the questions and items discussed are addressed. He also noted that the recommendation by Member Olson to extend the term of the lease seems like the best option to address most of the concerns noted by the committee.

Committee concurred that no action would be taken.

Member Hoehne informed the committee that the higher education department will coordinate a meeting in order to discuss next steps on this project with UNMH.

## **12. University of New Mexico Health Science Center/Hospital – \$1,265,000**

### **UNM Hospital 1209 University Clinic Renovation**

*Presenters: Dr. Garnett S. Stokes, President, UNM; Dr. Michael Chicarelli, Chief Operating Officer, UNMH; Enrico Volpato, Executive Director of Facility Services, UNMH; Jeremy Jerge, Director of Planning and Construction, UNMH*

Dr. Michael Chicarelli introduced himself and provided a brief overview of the project as outlined in the project submittal.

Member Olson noted that UNMH is investing \$3.8 million dollars in these projects in order to address NMDOH licensure and he was wondering if there is something that the state should be learning about those requirements. He asked if UNMH feels that the DOH licensure requirements are the best practices and if they are truly efficient and effective, especially since the guidelines were created before COVID. He asked if there are things in a post COVID world that we should be learning and passing on to the Department of Health to guide those guidelines and provide for better service.

Dr. Chicarelli informed the committee that the buildings were put together quite a long time ago and since then many of the standards have changed. At the time these buildings were placed into service they did meet the standards however they have aged it is UNMH's commitment to continue to maintain the most current standard. He also noted that UNMH believes that the NMDOH criteria are well suited for patient care and that it is a great way to run a clinic; which is why they are committed to following NMDOH requirements.

Member Trujillo noted that this project is a pretty basic renovation and he asked if UNMH looked at replacing the AC system with more efficient systems to reduce our carbon footprint.

Mr. Jerge agreed that this project is pretty basic. The budget for the project did not allow much opportunity for looking at upgrades to the HVAC systems however they are installing some LED lighting to help reduce some of those loads and to address the carbon footprint. He also noted that

there are opportunities in the future to start looking at replacement of HVAC components as part of the project.

Member Trujillo emphasized the importance of looking at ways to reduce our carbon footprint in the long-term and reducing operating costs when putting these budgets together.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary and then to the State Board of Finance contingent on the review and resubmittal of Form 1-A.

Member Olson seconded the motion.

Motion passed. (6-0)

### **13. University of New Mexico Health Science Center/Hospital – \$2,500,000**

#### **2400 Tucker Clinic Renovation**

*Presenters: Dr. Garnett S. Stokes, President, UNM; Dr. Michael Chicarelli, Chief Operating Officer, UNMH; Enrico Volpato, Executive Director of Facility Services, UNMH; Jeremy Jerge, Director of Planning and Construction, UNMH*

Dr. Michael Chicarelli introduced himself and provided a brief overview of the project as outlined in the project submittal.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary and then to the State Board of Finance contingent on the review and resubmittal of Form 1-A.

Member Hoehne seconded the motion.

Motion passed. (6-0)

### **14. New Mexico Military Institute – \$452,760**

#### **Roof Replacement Hagerman & Saunders**

*Presenters: David West, Chief of Staff, NMMI; Larry Hopkins, Assistant Director of Facilities, NMMI; Kent Taylor, Director of Facilities, NMMI; Deana Curnett, Chief Financial Officer, NMMI*

COL David West introduced himself, Mr. Kent Taylor, Mr. Larry Hopkins, and Ms. Deana Curnutt and then he provided a brief overview of the projects as outlined in the project submittal. He then turned it over to Mr. Taylor for more specifics on the project.

Mr. Kent Taylor outlined the project as noted in the project submittal. He explained to the committee that the shingle portion of Hagerman and Saunders barracks currently have a 3-tab architectural shingle on them that is well past their useful life. He noted that NMMI has been experiencing leaks over the years which has required extensive maintenance and caused some damage to the substrate and other portions of the buildings. NMMI intends to tear off the existing shingles and underlayment, inspect the substrate for any damage, and repair any areas that are needed prior to the placement of the new architectural 3-tab asphalt shingles.

Chairman Burke asked if NMMI was confident that they could stay under \$500,000.

Mr. Taylor noted that the architect has been reviewing this project and has based estimates on other projects which have been designed using 3-tab shingles. Even with COVID and cost inflation, he feels

confident that the budget is sound.

Member Hoehne noted that NMMI had not built in a contingency on the budget for this project. He asked NMMI to explain how much funding, and from what funding source, they have set aside to address any issues they may encounter with the underlayment or other areas of the roof once the shingles are removed.

Mr. Taylor informed the committee that NMMI has been addressing any issues with the roof as part of their normal routine maintenance so he does not anticipate there being any large issues uncovered. He also noted that the budget that was provided already includes a contingency and based on the architects review of this project, they are well within the budget and should not have any issues covering any unforeseen conditions with the budget being approved today.

Member Hoehne thanked Mr. Taylor for the information. He then informed the committee that there are some outstanding items that need to be provided to the NMHED for this project, specifically the financial support for the project.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary contingent on submittal of the following:

- Documented source of funding being used for this project; and,
- Screen shot showing allocation of funds for this project

Member Trujillo seconded the motion.

Motion passed. (6-0)

#### **15. New Mexico Military Institute – \$999,057.90 Campus Security Camera System**

*Presenters: David West, Chief of Staff, NMMI; Larry Hopkins, Assistant Director of Facilities, NMMI; Kent Taylor, Director of Facilities, NMMI; Deana Curnett, Chief Financial Officer, NMMI*

Mr. Larry Hopkins provided a brief overview of the project, specifically outlining the security audit performed on the entire campus by Apic Solutions in 2019 which revealed that the camera system was obsolete and impacted the institutions ability to provide a safe and secure campus as well as conduct investigations of potential crimes or events utilizing the most current technology of high megapixel cameras, data analytics, and facial recognition. He also noted that through the year's cameras have been changed at different times however compatibility of software and components has been an issue.

Chairman Burke asked if the cost estimate was created at the time the study was conducted.

Mr. Hopkins noted that the cost estimate has been updated to reflect a revised scope that took place last week.

Member Olson asked if his understanding of the contract was correct in that after the five years and \$1,000,000 investment, the contractor would take back all of the equipment.

Mr. Hopkins informed the committee that NMMI would be putting \$500,000 of fund balance towards this effort and the remaining amount would be done through an operating lease. NMMI has the option of purchasing the equipment at market value at the end of the lease or they could choose to

enter into another operating lease. He noted that the benefits of the operating lease is the fact that as long as it's under lease the equipment is maintained by the contractor.

Member Olson asked if the purchase price is built into the contract already.

Mr. Hopkins noted that NMMI has not yet reviewed the lease itself and would need to before signing off on the construction.

Member Olson informed the committee of his concern with data privacy and who potentially would have access to these videos especially since NMMI does have minors on their campus. He also noted his concerns with this committee approving a lease or a service which offers facial recognition and where citizens data can be used or sold for purposes outside of NMMI's authority.

COL West informed the committee that the data and data servers are owned and controlled by NMMI and their IT Department. Right now, NMMI is keeping about 90 days of data storage from their current video camera systems. He noted that in this new system you can have the police enter a facial form of a sexual predator and anytime that person enters the area these cameras will pick up an alert and so that's the opportunity for immediate response. He also noted that the contractor will have no access to the data, they won't keep any of the data, and NMMI would have one system feeding that data to the servers that they control.

Member Olson asked if all of the facial recognition data of sexual predators is held on NMMI's database. He also asked how the police or people of concern is interacting with NMMI's video system.

COL West clarified that the police that he was speaking about are the NMMI certified police force and what they currently do is submit a photo to the population at large at NMMI that they have been notified of this type of elements in and around the campus. Other opportunities for example are if there is to be no one on the backside of a Barracks after 10 p.m. this system would simply alert the staff that someone was back there. It wouldn't necessarily tell staff who specifically is back there just that someone is back there. This is all part of a whole campus security assessment that NMMI has been performing; they are just looking at different things to try and help with this.

Member Olson appreciated the feedback and asked that NMMI make sure that the lease is advantageous and is written in a way that allows NMMI to purchase or not purchase whatever equipment they feel is necessary at the end of the lease.

COL West informed the committee that NMMI is very familiar with these types of lease agreements as they currently lease cadet laptops. Cadet laptops are on a 3-year lease and NMMI charges a fee from the cadets to pay for the laptops each semester. At the end of the three-year term we have an option to either purchase those at fair market value or turn them back to the company. In five years, who knows where we're going to be with camera technology so it is important to not be stuck with a system that we've got to take out. That is the value this type of lease provides.

Member Rommel expressed his concerns with the facial recognition technology aspect of this project as well. He noted that recently King County prohibited their sheriff's office and other law enforcement agencies from using facial recognition so he wouldn't be surprised if we saw similar legislation appear in our state at some point down the road. He asked NMMI to clarify if the currently stored data is kept within cloud-based storage or if it is on NMMI's own firewall servers.

COL West noted that the data is stored internally at NMMI within firewalled servers managed by

NMMI IT.

Member Rommel recommended that the data be sandboxed and not be made available until absolutely necessary. He also emphasized his serious concerns with the use of facial recognition and although it is being used for the best intentions there are serious privacy pitfalls that cause concern.

Member Hoehne thanked the other committee members for their comments and he echoed the NMHED stance on the importance of improving campus security at all colleges and universities in New Mexico. He also noted that the intent of this project, as mentioned by other committee members, is spot on, especially since NMMI does have a 24-hour campus presence where students are required to stay on campus at all times. He then brought up the fact that the NMHED still doesn't have the contract. Many of the contractual items that have been brought up cannot be reviewed or approved which makes it difficult to act on this project. The other item that is not available that would be in the contract is the termination clause. What is NMMI's ability to get out of the agreement, if necessary, and what would the responsibilities be for both parties related to equipment, maintenance, etc.

Chairman Burke asked when the August State Board of Finance meeting will be held.

Member Hoehne informed the committee that the State Board of Finance does not have an August meeting.

Mr. Hopkins noted that in the operating lease the contractor is required to take care of all preventative maintenance or corrective maintenance with the system which will address those questions. He also noted that he did upload the security audit however the lease contract was not received from the contractor until late on Friday afternoon which prevented him from being able to upload.

Chairman Burke noted that he has serious concerns with approving a project that goes to the State Board of Finance without having had an opportunity to review the lease contract. He asked for other committee members to comment as well.

Member Olson concurred and he recommended that no action be taken until such time that all documents and concerns raised by the committee are addressed.

Chairman Burke asked if other committee members had comments.

Committee concurred that no action be taken.

## **16. Adjourn**

Adjourned at 11:35 a.m.