



Capital Projects Committee Meeting

March 9, 2022

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, Gerald Hoehne, Wesley Billingsley, Harold Trujillo, and Nina Chavez. Harrison Rommel was not present.

3. Approval of Agenda

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

Chairman Burke moved approval of the agenda as submitted.

Motion passed. (5-0)

4. Announcements:

a. Next Capital Projects Committee Meeting will be held on April 13, 2022

Member Nina Chavez informed the committee that LFC now has a full staff for capital. She introduced Ms. Cally Carswell who was on the webinar as well as Connor Jorgensen who are the newest members of the LFC team overseeing higher education.

5. Approval of Minutes from January 12, 2022 Capital Projects Committee Meeting

Chairman Burke asked for comments on the minutes. No comments made.

Chairman Burke made a motion to approve the minutes as presented.

Motion seconded by member Billingsley.

Motion passed. (5-0)

Projects to be reviewed

**6. Central New Mexico Community College – Not to Exceed \$15,100,000
General Obligation Refunding Bonds, Series 2022**

Presenters: Olivia Padilla-Jackson, Vice President of Finance and Operations, CNM; Andrew Jacobson, Associate Vice President of Finance and Operations, CNM; Marvin Martinez, Executive Director of Physical Plant, CNM; Martin Olea, Policy Liaison, CNM



Ms. Olivia Padilla-Jackson introduced herself and informed the committee that representatives from RBC Capital Markets are trying to join the meeting as well. She presented the project as outlined in the submittal. She noted that as part of CNM's annual review of outstanding debt to identify opportunities to refund bonds at lower interest rates. She noted that projected net present value savings of \$551,120, or 3.775%, is above CNM's internal policy of 3%; however, this is lower than what was listed in the original submittal. She informed the committee that market fluctuations and rapidly rising interest rates have changed the net present value savings. She informed the committee that CNM will continue to monitor this closely and will not proceed if the net present value savings do not meet CNM's policy threshold of 3%.

Chairman Burke asked what the interest rate would need to be to cause CNM to cancel this refunding.

The representative from RBC noted that a true interest cost of 2% would move the savings to below CNM's 3% threshold.

Chairman Burke asked if the timeframe for closing would be sometime this summer.

RBC informed the committee that they are going for a current refunding so the closing must be within 90 days of when the bonds can be refunded, which would be in May.

Chairman Burke noted that he is concerned the interest rates will go up before the refunding can occur.

RBC acknowledged that there is a lot of market uncertainty, both with the fed's impact on inflation and the everchanging situation in Russia. It is important to note that the CNM board did pass a resolution which provides the flexibility to take this pricing on a day-to-day basis so that they can get back to the 3% savings should the market raise rates.

Member Hoehne asked CNM to confirm if the amount being considered by the committee is still the up to \$15,100,000.

RBC confirmed that the amount is correct.

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

Member Trujillo seconded the motion.

Motion passed. (5-0)

7. Central New Mexico Community College – \$976,557.52

Multi Campus Water Heater & Plumbing Infrastructure Improvements

Presenters: Olivia Padilla-Jackson, Vice President of Finance and Operations, CNM; Andrew Jacobson, Associate Vice President of Finance and Operations, CNM; Marvin Martinez, Executive Director of Physical Plant, CNM; Martin Olea, Policy Liaison, CNM

Mr. Andrew Jacobson introduced himself and Mr. Marvin Martinez. He then turned it over to Mr. Martinez to present the project.



Mr. Martinez presented the project as outlined in the submittal. He noted that this project will address infrastructure improvements across all CNM campuses.

Member Hoehne noted that the funding listed in the project packet was STB and state GOB. He asked if there would be any local GOB funding provided by CNM for this work.

Mr. Martinez informed the committee that this project is a small portion of the overall infrastructure improvements being addressed at CNM and only these funds are being used at this time. He also noted that there are matching funds from the local GOB that will be used for the larger infrastructure improvement project at CNM.

Member Hoehne explained to the committee that the state GO Bond funding listed on this project request was appropriated at \$7.5M and the majority of the funds are being used on Ken Chappy with the remainder on this project. He also noted that he is unclear on the specific projects the remainder of the \$2M STB appropriation was used for. He asked CNM to provide a breakdown of those projects.

Member Chavez asked if the project documents could be resent to her. The information she received had several pages that were unreadable.

Member Hoehne stated that he would send over the documents.

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

Motion seconded by Member Billingsley.

Motion passed. (5-0)

8. University of New Mexico – \$1,066,851 Student Residence Center Stair Restoration – Phase 2

Presenters: Dr. Garnett Stokes, President, UNM; Lisa Marbury, Vice President of Institutional Support Services, UNM

Ms. Lisa Marbury informed the committee that President Stokes send her regrets for not being able to attend. She then presented the project as outlined in the submittal, outlining that Phase I was previously presented to this committee. Phase 1 was to complete 3 buildings, this Phase which is the largest phase will complete 6 buildings, with 3 buildings remaining for Phase 3. She also noted that the funding source will be changed on this project and information on the change will be submitted shortly.

Member Hoehne informed the committee that the updated documents were submitted this morning and they do change the funding source from GEER funding to UNM internal funding. All of the documents are now in order.

Chairman Burke asked what the funding new funding source will be.

Member Hoehne noted that the funds will come from the UNM Resident Life internal plant fund.

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 Trujillo.

Motion passed. (5-0)

9. Adjourn

Chairman Burke asked if there is any other business to come before the committee.

Member Hoehne welcomed the new members representing the LFC. He noted that higher education institutions do a great job of providing all of the information needed to support these project submittals and if there is anything LFC needs to please let the NMHED know.

Chairman Burke adjourned the meeting at 9:55 a.m.