

NEW MEXICO HIGHER EDUCATION DEPARTMENT



MICHELLE LUJAN GRISHAM
GOVERNOR

CARMEN J. LÓPEZ
DEPUTY CABINET SECRETARY

Capital Projects Committee Meeting

May 13, 2020

Via GoToMeeting

<https://global.gotomeeting.com/join/530115453>

9:30 a.m. to TBD

Minutes

1. Call Meeting to Order

Meeting called to order at 9:30 a.m.

2. Introduction of Participants

Member Hoehne performed a roll-call vote of members. Committee members joining meeting via phone/webinar were Chairman Gerald Burke, Gerald Hoehne, Harrison Rommel, Wesley Billingsley, Harold Trujillo, and Mark Valenzuela. Quorum present.

3. Approval of Agenda

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

Announcements:

Chairman Burke made the following announcements:

- a. Next Capital Projects Committee Meeting will be held on June 10, 2020

4. Approval of Minutes from April 8, 2020 Capital Projects 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.

Member Rommel seconded the motion.

Motion passed. (6-0)

Projects to be reviewed

5. New Mexico School for the Blind and Visually Impaired – \$488,950

Parking Lot Replacement

Presenters: Patricia Beecher, Superintendent, NMSBVI; Margie Macias, Director of Institutional Support, NMSBVI

Superintendent Patricia Beecher and Ms. Margie Macias introduced themselves and 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.

Member Trujillo seconded the motion.

Motion passed. (6-0)

**6. Southwestern Indian Polytechnic Institute - \$855,295
Fire Alarm Improvements Campus Wide**

Presenters: Renee Allen, Facility Operations Specialist, SIPI

Ms. Renee Allen presented the project as outlined in the project submittal. She also added that SIPI had already expended approximately \$230K of the current state appropriation for plan and design.

Member Hoehne asked for clarification on the amount expended because the project documents submitted did not reflect an A/E cost.

Member Rommel noted that the original submittal that was distributed for board member review did include A/E costs however the updated submittal did not.

Member Hoehne informed the committee that he would verify the A/E costs from the original submittal.

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

Member Rommel seconded the motion.

Motion passed. (6-0)

**7. New Mexico Junior College – \$17,300,000
Caster Activity Center Remodel and Expansion**

Presenters: Dan Hardin, Vice President for Finance, NMJC; Josh Morgan, Controller & Accountant, NMJC; Matt McKim, Architect, Decker Perich Sabatin; Abbas Shirian, Vice President, Bridgers & Paxton

Mr. Dan Hardin introduced himself, Mr. Josh Morgan, Mr. Matt McKim and Mr. Abbas Shirian. He then presented the project as outlined in the project submittal.

Member Valenzuela asked NMJC if they were concerned with the downturn in current oil and gas revenues and what that affect would be on the college. He also asked if NMJC had looked into issuing bonds to do this project instead of using reserves.

Mr. Hardin informed the committee that NMJC understands the volatility of revenues and has always been very conservative in their use of oil and gas revenues for capital projects. This has allowed them the ability to fund many of their projects using Oil and Gas revenues instead of incurring debt.

Member Rommel asked if the current social distancing guidelines implemented as a result of the COVID-19 pandemic would affect the design of the building.

Mr. McKim informed the committee that the design did not take into account any of the current social distancing guidelines however design elements to minimize risk on high touch areas will be reviewed and implemented.

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

Member Valenzuela seconded the motion.

Motion passed. (6-0)

**8. Eastern New Mexico Ruidoso – \$4,082,488
College Nexus Project – Phase II Renovation**

Presenters: Dr. Ryan Carstens, President, ENMU Ruidoso; Gregory Salinas, Attorney, McCall Parkhurst & Horton; George Williford, Managing Director; Hilltop Securities

Dr. Ryan Carstens introduced himself and presented the project as outlined in the project submittal.

Chairman Burke noted that Form 6, Certification by Governing Board, was signed off on by the previous Chancellor of the ENMU system. He asked if the new Chancellor was made aware of the project.

Dr. Carstens informed the committee that the new Chancellor was aware of the project and that the vision for the Ruidoso campus is still a priority for her and the Board of Regents.

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 following:

- Receipt of formal documentation from the new Chancellor of the ENMU system verifying support of the project;
- Certification by the NMHED verifying current bonding capacity; and,
- Sale of the bonds

Member Rommel seconded the motion.

Motion passed. (6-0)

**9. Santa Fe Community College – \$2,000,000
Parking Lot Upgrades and Improvements**

Presenters: Dr. Becky Rowley, President, SFCC; Nick Telles, Vice President of Finance, SFCC; Henry Mignardot, Executive Director of Plant & Operations, SFCC; Karin Pitman, Director/Project Manager, Plant & Operations, SFCC; Habib Abi-Khalil, Senior Engineer, Horrocks Engineers

Mr. Nick Telles introduced himself, Mr. Henry Mignardot, and Ms. Karin Pitman. He then turned it over to Mr. Mignardot who presented the project as outlined in the project submittal. Mr. Mignardot informed the committee that they are seeing an increase in pricing however they feel confident that they will be able to complete all of the projects listed in the submittal.

Chairman Burke asked why the GRT on Form 4 was so high.

Ms. Pitman informed the committee that it must be an error on the form.

Member Hoehne noted that SFCC had provided a list of six projects that were in priority order. He asked if SFCC was prepared to reduce the number of projects if the bids came in over budget.

Mr. Mignardot noted that they feel confident in their ability to complete all of the projects however if the bids do come in higher they will address accordingly.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary contingent upon the verification of GRT and resubmittal of Form 4.

Member Trujillo seconded the motion.

Motion passed. (6-0)

10. Santa Fe Community College – \$604,484

Welding Lab Equipment Upgrades - REVISED

Presenters: Dr. Becky Rowley, President, SFCC; Nick Telles, Vice President of Finance, SFCC; Henry Mignardot, Executive Director of Plant & Operations, SFCC; Karin Pitman, Director/Project Manager, Plant & Operations, SFCC

Mr. Nick Telles introduced himself, Mr. Henry Mignardot, and Ms. Karin Pitman. He then turned it over to Mr. Mignardot who 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.

Member Rommel seconded the motion.

Motion passed. (6-0)

11. San Juan College – Not to exceed \$14,142,417

Issuance of System Revenue Bonds, Series 2020

Presenters: Dr. Toni Pendergrass, President, SJC; Edward M. DesPlas, Executive Vice President, SJC; Dr. Boomer Appleman, Vice President Student Services, SJC; Chris Harrelson, Senior Director of Physical Plant, SJC; Erik Harrigan, Managing Director, RBC Capital Markets

Dr. Toni Pendergrass introduced herself and Mr. Edward DesPlas. She then turned it over to Mr. DesPlas who presented the project as outlined in the project submittal, informing the committee of the amount of time the college has been working on this, and the different iterations of funding scenarios the college has explored.

Chairman Burke asked how San Juan College was going to be affected by the closure of the San Juan Generating plant.

Mr. DesPlas informed the committee that the City of Farmington is moving forward to attain ownership of the plant upon its closure. The City has developed a partnership with Enchant Energy who will convert the plant to a carbon sequestration operation. While the taxable assessed value of the facility may decline, San Juan College and the other taxing entities in San Juan County will not lose all property tax revenues from the property that is now San Juan Generating Station.

Chairman Burke expressed his concern with using student tuition and fee revenues to support an enterprise that doesn't benefit all students. He also thanked San Juan College for their efforts in preparing this project submittal and for finding an alternative auxiliary funding source for the college contribution.

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

- San Juan College to provide an annual verification to the NMHED certifying the auxiliary revenues used to pay the college's contribution to the debt service. This annual verification will continue until the college's debt service contribution is satisfied.

Member Hoehne noted that he would work with Member Rommel to determine the best way to annually report the college's contribution.

Member Rommel seconded the motion.

Motion passed. (6-0)

12. San Juan College – \$13,388,481

Construction of New 150-Bed Student Housing Facility

Presenters: Dr. Toni Pendergrass, President, SJC; Edward M. DesPlas, Executive Vice President, SJC; Dr. Boomer Appleman, Vice President Student Services, SJC; Chris Harrelson, Senior Director of Physical Plant, SJC; Ronald A Witherspoon, Principal, Dekker Perich Sabatini; Cindy Terry, Project Architect, Dekker Perich Sabatini

Dr. Toni Pendergrass introduced herself and Mr. Edward DesPlas. She then turned it over to Mr. DesPlas who presented the project as outlined in the project submittal.

Member Hoehne noted that this project does not require approval by the New Mexico State Board of Finance however the project packet, if approved, will be submitted as a supplement to the Issuance of System Revenue Bonds.

Member Rommel asked if the current COVID-19 pandemic would affect the design of the housing facility.

Mr. DesPlas informed the committee that the design of the facility was not going to be impacted by the COVID-19 pandemic.

Chairman Burke asked why San Juan College wasn't planning on starting construction sooner so they could obtain occupancy and start generating revenues sooner.

Mr. Witherspoon presented the project schedule to the committee and noted that the schedule as planned for the construction of the facility was discussed in detail with the college. It was decided that this schedule makes the most sense.

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

- Approval of the Issuance of System Revenue Bonds by the New Mexico State Board of Finance; and,
- Issuance and sale of the System Revenue Bonds by the New Mexico Finance Authority

Member Rommel seconded the motion.

Motion passed. (6-0)

13. Adjourn

Chairman Burke adjourned the meeting at 11:15 a.m.