

New Mexico Highlands University
Board of Regents Meeting
President's Conference Room
NMHU Main Campus
Las Vegas, NM 87701
August 4, 2011 at 2:30 p.m.

1. Call to Order – Chairman Leveo V. Sanchez
2. Roll Call
3. Approval of Agenda
4. Executive Session – Real estate acquisition or disposal. Pursuant to provisions of NMSA 1978, §10-15-1(H) (8)
5. Rio Rancho Lease – Action Item
6. President's Report
7. Adjournment

**New Mexico Highlands University
Board of Regents Special Meeting
August 4, 2011**

The New Mexico Highlands University Board of Regents met for a special board meeting on August 4, 2011 in the President's Conference Room in the Roger's Administration Building, on the New Mexico Highlands University main campus in Las Vegas, New Mexico. Chairman Sanchez called the meeting to order at 2:45 p.m.

Attendance

Board Members Present: Mr. Leveo V. Sanchez, Mr. Jesus L. López, Mr. Frank Marchi, and Ms. Caitlin Syner. Board Members Absent: Ms. Nancy R. Long.

Administrative Personnel Present: Dr. James Fries, President; Dr. Gilbert Rivera, Vice President for Academic Affairs, and Dr. Fidel Trujillo, Dean of Student Affairs.

Others Present: Mr. Desmond Besong, ASNMHU Vice President; Mr. Muluhngwi Penn, AGS Secretary; and Ms. Carolina Martínez, Executive Administrative Assistant; and several other individuals in the audience, including faculty, staff, students, community members, and media.

Approval of Meeting Agenda for August 4, 2011

Regent Marchi moved to approve the August 4, 2011 agenda as presented. Regent López seconded. Voting in favor were: Chairman Sanchez, Regent López, Regent Marchi, and Regent Syner. Motion passed unanimously.

Executive Session – Real estate acquisition or disposal. Pursuant to provisions of NMSA 1978, 10-15-1 (H)(8). Regents present decided not to enter into executive session.

Rio Rancho Lease – Action Items

President Fries informed the Board that the Highlands Foundation Executive Committee decided to move forward with the purchase of the vacant lot next to the Foundation's facility in Rio Rancho. The facility is leased by the university. The action by the Foundation's executive committee is subject to appropriate due diligence of phase I studies, surveys, various other processes, and final approval by the full Foundation Board. There is a 45 day due diligence period. The purchase is part of the Foundation's overall plan that involves refinancing the existing debt, purchasing the property, and providing funding for capital improvements at the current facility. The anticipated refinancing period is ten years. If the plan moves forward, the Foundation would have a tenant for the next ten years. President Fries is recommending that the university take action to exercise the series of five one-year bond renewals that are part of the current lease agreement; that plus the remaining five years on the existing lease would constitute a total of 10½ years through which the university would be obligated to rent the Foundation's Rio Rancho facility.

President Fries stated that the overall package under consideration is to acquire the lot and find a legal way to make capital improvements at the existing facility which the university is obligated to do under the current lease.

President Fries conveyed that purchasing the lot is important to NMHU because the lot sits between the NMHU facility and Highway 528, and should the property be purchased by someone else, they may build a structure that would obscure visibility and access to the NMHU facility.

President Fries pointed out that purchasing the lot poses several possible benefits:

- Significantly enhance the Foundation's assets by having another 1.25 acres of property on one of the most heavily traveled streets in Rio Rancho
- Fund several capital improvements that will enhance the current value of the Foundation's property
- Assure a better facility for the university and various programs
- There will be no cost increase to the university; the Foundation will continue to net their current earnings beyond the existing debt service and the cost of the refinancing will save the Foundation \$107,000-\$110,000 per year; which it is hoped they may donate \$100,000 to the university for scholarships with the remaining balance to be deposited into the President's discretionary fund which is used to fund an array of things that cannot be funded with university monies. President Fries noted that the university is badly in need of scholarship money for transfer students; students that are in good academic standing but do not qualify for the lottery scholarship; and students enrolled in STEM programs.

Chairman Sanchez asked for the Foundation Board stance on the lot purchase adding the he was aware that the Foundation Executive Committee had approved of the lot purchase. President Fries responded that the Foundation and the current owner, Washington Federal have agreed on a purchase price; the details and wording on the purchase document are being finalized.

Regent Marchi asked, if the Foundation does not purchase the lot and the lease is approved by the Board, would the lease continue as is or would there be other changes to the lease. President Fries responded that there were three proposals before the Board today, two of which are not contingent upon the purchase of the lot; one is the five one-year bond renewals are exercised; second, the improvement reimbursement agreement; and the third proposal constitutes a first amendment to the lease subject to the Foundation acquiring the property.

Regent López moved to approve the adoption of the five one-year bond renewal options provided under Section 4.03 of the lease; the Improvement Reimbursement Agreement; and the First Amendment to the Lease contingent upon the Foundation acquiring the property. Regent Syner seconded. Voting in favor of the motion were: Chairman Sanchez, Regent López, Regent Marchi, and Regent Syner. Motion passed unanimously.

President's Report

President Fries informed the Board of the following:

- Enrollment as of August 1, 2011 is up by 13% from last year at this time.

- There were two bidders for the food service contract. Bids are being reviewed. ABL, our current food service provider, did not submit a bid.
- A local title company is researching ownership titles of National and University Avenues.
- President Fries attended a meeting with the Higher Education Capital Projects Committee which included various state entities, to discuss NMHU's three capital project requests. It is likely that funding for the Trolley Building and the Roger's Administration Building remodeling will be included in the list for potential GO Bond funding. The university may also receive some infrastructure funding from severance tax bonds in the legislative special session. The bonds were not approved during the legislative session.
- President Fries informed the Board that he was a panelist at the orientation session for various board and commission members hosted by the Higher Education Department (HED). Regent Marchi and Regent Syner attended the orientation. Both Regents Marchi and Syner found the orientation to be very interesting and informative.
- The state's higher education funding formula is being redefined from a formula based solely on inputs to a formula that also includes outcome measures. HED is required to submit their new funding formula to the State by October 15, 2011. During the orientation Dr. David Longanecker, President of the Western Interstate Commission for Higher Education recommended three fiscal policies all of which should be considered as part of the overall funding for higher education: appropriations; tuition; and financial aid. The amount of need based aid for students in New Mexico is more limited than in most states.
- The legislation that shifted the responsibility of retirement contributions of 1.75% from the employer to the employees may dissolve if there is a \$100 million increase in the consensus revenue estimates and the state's reserve fund exceeds 5%. Employees may see some enhancement to their take home pay beginning January or February.
- Funding for Title V programs focused on Hispanic Serving Institutions will be cut. NMHU's Title V funded programs include: Upward Bound; Radio Stations; Student Support Service; and Educational Outreach Services.
- A number of employees at the university have their salaries paid through external/grant funding. The university is reviewing the leave policy to clearly define a process for handling leave balances once the grant program has ended. The policy will require Board approval when it is finalized, but may be implemented administratively in the meantime.
- There may be a merger between the Associated Students of New Mexico Highlands University (ASNMHU) and the Associated Graduate Students (AGS). The AGS currently does not have an executive committee.

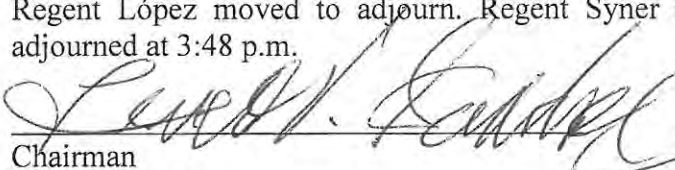
Chairman Sanchez informed the Board that he and Regent Marchi met with the 18 students enrolled in the Reading Acceleration Program (RAP) to discuss how reading changed their lives. Mr. Marchi reported that the students were very excited and thankful to be in the program.

President Fries thanked Chairman Sanchez for his very generous donation to fund RAP. He thanked the students for putting forth the commitment to enroll in the four week/7days per week program. President Fries also thanked Dr. Maura Pilotti for her hard work coordinating the program. Chairman Sanchez added that Dr. Pilotti donated her salary, for running the program, back to re-fund RAP.

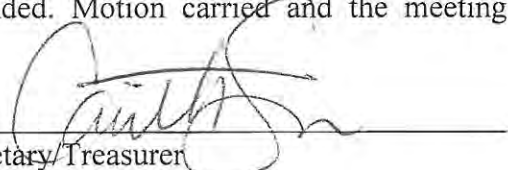
Some discussion was held regarding scheduling a Board Retreat, no date was scheduled.

Adjournment

Regent López moved to adjourn. Regent Syner seconded. Motion carried and the meeting adjourned at 3:48 p.m.



Chairman
NMHU Board of Regents



Secretary/Treasurer
NMHU Board of Regents