

New Mexico Highlands University
Board of Regents Special Meeting
Sutin Thayer & Browne Law Firm
317 Paseo de Peralta
Santa Fe, NM 87501
October 18, 2007 at 3:00 pm

1. Call to Order – Chairman Javier Gonzales
2. Approval of Agenda
3. Introduction of Mr. Steve Wilson, Vice President for Finance & Administration – President James Fries
4. Resolution For New NCE FM Radio Station Licenses – Action Item
5. Approval of Bids and Proposals Policy (Tabled September 14, 2007) – Action Item
6. President's Report – President James Fries
7. Executive Session – (1) Limited personnel matters related to the hiring, promotion, demotion, dismissal, assignment, resignation, or investigation or consideration of complaints or charges against an employee; (2) bargaining strategy preliminary to collective bargaining; (3) threatened or pending litigation subject to the attorney-client privilege in which the University may become a participant; and (4) real estate acquisition or disposal. Pursuant to provisions of NMSA 1978, §10-15-1(H)(2)(5)(7)&(8)
8. Adjournment

**New Mexico Highlands University
Board of Regents Special Meeting
October 18, 2007**

The New Mexico Highlands University Board of Regents met for a special session on Thursday, October 18, 2007 at the Sutin Thayer & Browne Law Firm at 317 Paseo de Peralta, Santa Fe, NM 87501. Chairman Gonzales called the meeting to order at 3:00 pm.

Attendance

Board Members Present: Mr. Javier M. Gonzales, Mr. Walter Adams, and Ms. Sherry Salas

Administrative Personnel Present: Dr. James Fries, President; Mr. Steve Wilson, Vice President for Finance & Administration; and Ms. Rachel King, Legal Counsel

Others Present: Dr. Orit Tamir, Faculty Senate; Mr. Leveo Sanchez, NMHU Foundation President; Mr. Lawrence Trujillo, Associate Vice President for Finance & Administration; Ms. Donna Martinez, Manager of Ilfeld Auditorium and the KEDP NMHU Radio; Mr. Richard Loffredo, Assistant Director of University Relations; Mr. Ernest Sanchez, Legal Counsel, The Sanchez Law Firm; Mr. Charles Fox, Director, WORLDNET; Mr. Martin Salazar, Reporter for the Albuquerque Journal; and Ms. Carolina López, Board of Regents Administrative Assistant.

Approval of Agenda for Meeting of October 18, 2007

Regent Adams moved to approve the October 18, 2007 agenda. Regent Salas seconded the motion. Voting in favor were: Regent Gonzales, Regent Adams, and Regent Salas. Motion passed unanimously.

Introduction of Mr. Steve Wilson, Vice President for Finance & Administration – President James Fries

President Fries introduced Mr. Steven Wilson as the new Vice President for Finance & Administration. Mr. Wilson served at the University of Maryland's Center for Environmental Science. The Board members welcomed Mr. Wilson to Highlands.

Resolution for New NCE FM Radio Station Licenses – Action Item

President Fries presented the Resolution for new NCE FM Radio Station Licenses (attachment a) and informed the Board of the opportunity to acquire non-commercial FM Radio Station Licenses throughout New Mexico. This opportunity to purchase licenses has not been available for over eight years. Acquiring the licenses would give Highlands the opportunity to establish a presence in several communities throughout the state. President Fries informed the Board that there are no application fees or fees for acquiring the licenses other than engineering and legal fees. President Fries reported that the application deadline is October 19, 2007 at 10:00 am and that a signed resolution from the Board of Regents committing NMHU to the licenses is required as part of the application. President Fries indicated that the risk factor is minimal since costs can be recovered should Highlands be successful with even one application. President Fries indicated that Highlands would have the opportunity to lease a station to others, rent space on towers and operate the sites as translator stations from Las Vegas, or trade airtime with other stations. President Fries informed the Board that the NMHU Foundation is applying for the Las Vegas license because Highlands already owns a license in Las Vegas. Mr. Leveo Sanchez stated that if the NMHU Foundation is awarded the Las Vegas license that they would transfer the license to NMHU.

Chairman Gonzales asked why NMHU would want or need a second license. Mr. Sanchez stated that the license NMHU owns has a limited range and the new one would have a larger coverage area. Chairman Gonzales asked if Highlands would broadcast off of one frequency or two. Mr. Ernest Sanchez informed the Board that the application as filed stated that the exiting station would remain as is and the new station would be on a separate frequency and independent. Chairman Gonzales asked if Highlands could run the student station off of the larger frequency. Mr. Ernest Sanchez responded that combined or separate programming could run on both stations.

Chairman Gonzales asked for the location of the other stations. Mr. Ernest Sanchez reported that the other licensing locations were Taos, Espanola, Raton, Clayton, Clovis, and Farmington. Chairman Gonzales asked what the size of each signal would be. Mr. Ernest Sanchez provided contour maps (attachment b) that show the broadcast area for each station. Regent Adams asked what the range for each station would be. Mr. Ernest Sanchez responded that the coverage area would roughly serve a 20-mile radius.

Chairman Gonzales asked if the stations would run 24 hours per day. Mr. Ernest Sanchez responded yes. Chairman Gonzales asked if any revenues would be generated through the stations. Mr. Ernest Sanchez informed the Board that advertising would not be permitted on the stations; the stations would be financed by the institutions, voluntary contributions from listeners, or underwriting, which is acknowledgement of a merchant, foundation, or individual providing significant support to the station. The stations would be allowed to state the following message, "this program is made possible with funds provided by". Mr. Ernest Sanchez further stated that Highlands would be able to identify the organization, its address, their internet address, and phone number. Highlands would not be able to advertise information on their products, comparative information, calls for action, pricing information, or discuss discounts or sales.

Chairman Gonzales asked how a stations' value is determined. Mr. Ernest Sanchez stated that every person that is within the coverage area determines the stations value. Mr. Ernest Sanchez provided a chart explaining how the value of each station is determined (attachment c). Regent Adams asked if any other entities were applying for the licenses. Mr. Leveo Sanchez indicated that Eastern New Mexico State University and New Mexico State University are applying for the Las Vegas license. Chairman Gonzales asked when Highlands would find out if their license applications were unopposed and how long it would take to find out who is awarded the license if an application is opposed. Mr. Ernest Sanchez reported that a raw listing of applicants would probably be available by the next Board meeting. Singleton awards will be made approximately six months after the application deadline, and opposed license applications could take up to a year to be awarded.

Mr. Ernest Sanchez mentioned that entities have up to three years to launch a station. Mr. Ernest Sanchez informed the Board that the PTFP Federal Program funds three-quarters of the cost of building a new public radio station on a grant basis. Vice President Wilson asked Mr. Ernest Sanchez to explain some of the difficulties associated with a radio station license in Farmington. Mr. Ernest Sanchez indicated that Highlands would need to find a location for a good line-of-site and a frequency that does not interfere with any existing stations.

Chairman Gonzales asked how much Highlands had spent on the licenses thus far. President Fries reported that \$4,500 for engineering fees and \$33,000 for legal fees had been spent for five station applications and that the fee would increase if Highlands applied for a sixth license. Chairman

Gonzales asked if more fees would be incurred after the applications are submitted and what those fees would be. Mr. Ernest Sanchez stated legal fees were dependent upon the difficulty of obtaining the licenses, and that a cost analysis would be provided at each step. Chairman Gonzales asked President Fries how much Highlands was prepared to pay for the licenses. President Fries informed the Board that costs would be determined at each step of the process stating that this initial stage had a very short timeline and that there were multiple negotiating options to cut cost such as sharing licenses, trading licenses, and sharing space. Regent Adams asked if funding for the licenses had been allocated. President Fries responded yes.

Chairman Gonzales cited concerns with finding tower space to rent. President Fries indicated that towers have been identified in every location with the exception of Farmington. Chairman Gonzales commented that he understood the urgency to capture this opportunity but stated that he would be reluctant to approve funding beyond this point without a cost benefit analysis, knowing how the licenses will affect Highlands' overall objective; and how the objectives will be delivered. Chairman Gonzales went on to state that he liked the idea of partnering with Albuquerque Public Schools or other entities that have the infrastructure in place. Chairman Gonzales said that Highlands had a good student radio station and asked if Highlands could invest enough to provide enough support staff with strategic planning so that Highlands could run multiple operations out of one single site. Chairman Gonzales indicated that he would like to know what the plan and cost for the licenses is before moving to the next step. Regent Adams indicated that he sees the radio stations as a benefit for Highlands, Las Vegas, and the other communities and asked Ms. Donna Martinez, Manager of the student radio station for her insight. Ms. Martinez stated that she was concerned that the student station would have to compete with another university radio station. Regent Salas asked who would make decisions about how the stations are used if Highlands is awarded the licenses. President Fries stated that the administration would develop an operation plan to present to the Board. Ms. Martinez pointed out that the Board would own the new station.

Chairman Gonzales thanked Mr. Leveo Sanchez for introducing the opportunity to Highlands and thanked President Fries for stepping in and working hard to get the project underway in such a short time. President Fries thanked Mr. Charles Fox and Mr. Ernest Sánchez for initiating the project. Chairman Gonzales stated for the record that he consulted with NMHU's legal counsel about any potential conflicts since his family owns a radio station in Santa Fe and that legal counsel advised him that no conflicts existed.

Regent Adams moved to approve the Resolution for new NCE FM Radio Station Licenses as presented. Regent Salas seconded the motion. Voting in favor were: Regent Gonzales, Regent Adams, and Regent Salas. Motion passed unanimously.

Mr. Ernest Sanchez informed the Board that the FCC is moving toward a conversion of FM stations to digital technology, the significance is that each individual radio station would be able to offer three program streams instead of one; this would increase the value of each station.

Approval of Bids and Proposals Policy (Tabled September 14, 2007) – Action Item

President Fries presented for approval the Bids and Proposals Policy (attachment d), stating that the item was tabled at the last Board meeting. President Fries informed the Board that the policy represented changes that were approved by the State in terms of raising the limits on various processes in purchasing goods and/or professional services. The changes also represented the proposal that came out of the Budget & Finance Committee to modify the NMHU Purchasing Policy

authorizing the President to sign contracts for goods and/or professional contracts up to \$500,000. Chairman Gonzales asked where the section regarding sole sources and the reporting of sole source contracts to the Budget & Finance Committee was located on the policy. Mr. Wilson stated that the university's understanding was that the Board asked for a listing of sole source procurements to be presented at the Budget & Finance Committee meetings and not a sole source policy change. Chairman Gonzales stated that he wants sole source procurement reported to the Budget & Finance Committee to be a policy change because he wants to ensure some oversight and accountability of sole source contracts. Ms. Rachel King, Legal Counsel for NMHU indicated that the policy could be revised and worked with President Fries on adding language regarding sole source procurements to the policy.

Ms. King proposed the following language be added to the Formal Bid paragraph, "When justified, contracts may be awarded on a sole source basis. The Board of Regents will be informed at its next regular meeting of the award of any contract item over \$20,000 that was not put out to bid because it was awarded on a sole source basis."

Ms. King proposed the following language be added to the Proposals paragraph, "When justified, contracts may be awarded on a sole source basis. The Board of Regents will be informed at its next regular meeting of the award of any contract for professional services valued over \$50,000 that was not put out to bid because it was awarded on a sole source basis."

Chairman Gonzales stated that he wants the Board to be informed of the vendor, title and the actual justification for each sole source award over the \$20,000 and \$50,000 limits.

Regent Adams moved to approve of the Bids and Proposals Policy with the changes as presented by University Counsel for Bids and Proposals. Regent Salas seconded the motion. Voting in favor were: Regent Gonzales, Regent Adams, and Regent Salas. Motion passed unanimously.

President Fries thanked the Board for their confidence in him as demonstrated by the policy change.

President's Report – President James Fries

President Fries reported the following items:

- The University is searching for space in Albuquerque for the School of Social Work and a lease proposal will be presented at the next Board meeting
- Discussions with the Foundation that owns the Raton Learning Center are ongoing. The Foundation is potentially prepared to gift the center to NMHU. The center will require some remodeling to bring it up to ADA compliance, but necessary funding will come with the facility.
- He has talked with President Carol Spencer at San Juan College regarding the expansion of NMHU's presence in Farmington
- He and Vice President Wilson participated in a conference call with Mr. Paul Cassidy and staff at Standard and Poor's to provide an update on the university's current condition and future plans in anticipation of improving NMHU's bond rating
- PNM Resources has responded positively to a request for a loaned corporate executive to assist with drafting a better intellectual property policy for the university as well as to review the process for establishing a New Mexico Research Park Act. Ms. Annabelle Quintana will be assisting the university for four months on a 50% basis.

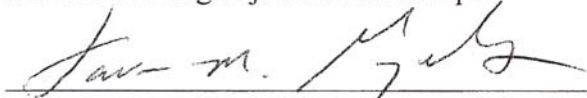
- The Upward Bound Program was refunded and will received \$500,000 per year for the next five years
- A committee is currently reviewing the RFP's for the new residence hall
- Cabinet Secretary Reed Dasenbrock will visit the campus on November 1, 2007
- The School of Business has completed their accreditation visit. The ABSCP team identified areas of strength and weakness, some weakness identified were a need for stability in institutional leadership and a need for a more complete assessment program
- NMHU received two research grants as reported in the Divining Rod Newsletter, published by the NM Water Resources Institute (attachment e)
- The NM Environment Department public hearing on NMHU's effluent water permit is scheduled for December 12, 2007
- As of census day, the Enrollment Report showed that Highlands is down slightly on head count but up on the number of credit hours taken
- The Mana del Norte Organization has awarded two of the their five scholarships to Highlands students
- The Legislative Project Request List (attachment f) provided includes Highlands' Capital Outlay request for \$5 million in infrastructure, but the Higher Education Department may request that Highlands receive \$9 million

Executive Session – (1) Limited personnel matters related to the hiring, promotion, demotion, dismissal, assignment, resignation, or investigation or consideration of complaints or charges against an employee; (2) bargaining strategy preliminary to collective bargaining; (3) threatened or pending litigation subject to the attorney-client privilege in which the University may become a participant; and (4) real estate disposal. Pursuant to provisions of NMSA 1978, §10-15-1(H)(2)(5)(7)&(8). Regent Salas moved to adjourn to executive session. Regent Adams seconded the motion. A roll call was taken and voting in favor of the motion were: Chairman Gonzales, yes; Regent Adams, yes; and Regent Salas, yes. Motion carried and the Board went into executive session at 4:15 pm.

Regent Adams moved to come out of executive session into open session. Regent Salas seconded the motion. For the record, Chairman Gonzales stated that only those items cited in the motion were discussed in executive session and no action was taken. Regents present confirmed the statement. A roll call was taken and voting in favor of the motion were: Regent Gonzales, yes; Regent Adams, yes; and Regent Salas, yes. Motion carried unanimously and the meeting was called back to order at 4:25 pm.

Adjournment

Regent Adams moved to adjourn the meeting. Regent Salas seconded the motion. Motion carried and the meeting adjourned at 4:30 pm.


Javier Gonzales, Chairman
NMHU Board of Regents


Rosanna Vázquez, Secretary/Treasurer
NMHU Board of Regents