

**MINUTES OF REGULAR MEETING
SAN JUAN COLLEGE BOARD
JUNE 1, 2010**

ITEM A. CALL TO ORDER

The meeting was called to order by Chairman Chance at 7:02 p.m. The following members were present:

R. Shane Chance, Chairman
Kenneth W. Hare, Vice Chairman
Eva B. Stokely, Secretary
Evelyn B. Benny, Member
Dr. Joseph P. Pope, Member
D. Craig Walling, Member

Absent: Chad R. King, Member

ITEM B. WELCOME OF GUESTS AND VISITORS

San Juan College administrators and staff in attendance were Dr. Carol J. Spencer, Merrill Adams, Stacey Allen, Sam Bachert, Linda Baker, Steve Biernacki, Sherrie Biringer, Oliver Borden, Dr. Alvin Brown, Kim Coufal, Gayle Dean, Dave Eppich, MaryAnne Facio, Dianne Garcia, Laurie Gruel, Dr. Sher Hruska, J. Pernell Jones, Lynn Lane, Diana Lang, Bill Lewis, Randy Pacheco, Dr. Nancy Shepherd, Tim Warren, and Lisa Wilson. Also in attendance were Al Boogale, Sherri Fowler, Judy Hale, and John Thompson, community members.

Gayle Dean, Executive Director of the San Juan College Foundation, introduced Blake Barnett, Coordinator, Building Trades Program, who presented the Foundation with a check for \$13,268.00, proceeds from a raffle of student-built playhouses. Funds will provide scholarships for students in the Building Trades Program. Mr. Barnett then introduced Mr. Al Boogale from Diamond Vogel Paint and Mr. Matt Broutin from Alpine Lumber and thanked them for their support of the program. Both companies have donated supplies for the Building Trades Program projects over the years.

ITEM C. ADOPTION OF AGENDA

Dr. Pope moved and Mrs. Benny seconded the motion to adopt the agenda with the deletion of Items G and H. **MOTION CARRIED** by unanimous voice vote.

ITEM D. APPROVAL OF MINUTES

Approval of Minutes of Regular Board Meeting on May 4, 2010

Mr. Walling moved and Mrs. Stokely seconded the motion to approve the Regular Meeting Minutes of May 4, 2010. **MOTION CARRIED** by unanimous voice vote.

ITEM E. CORRESPONDENCE

Chairman Chance received a letter from Mr. Walling, resigning his position as a member of the San Juan College Board of Trustees, effective June 30, 2010.

ITEM F. STAFF REPORTS

1. **Personnel Report**

Dr. Alvin Brown, Associate Vice President, Institutional Resources and Planning, reported the following appointments were made since the last Board meeting: Michael Decker was hired as Facility Manager, Health & Human Performance Center, School of Health Sciences, effective April 26, 2010; Russell Litke was hired as Controller, Business Services, effective May 10, 2010; Christopher Caine was hired as CDL Instructor, School of Energy, effective May 17, 2010; and Leslie Welsh was hired as CDL Instructor, School of Energy, effective May 17, 2010.

Changes: Amanda Gutierrez, Administrative Assistant I, was changed to Administrative Assistant IV, School of Extended Learning, effective April 19, 2010; Mindi-Kim Schrum, Financial Aid Advisor, was changed to Assistant Director, Financial Aid, Student Services, effective May 17, 2010.

Separations: Sarah Kennedy, Administrative Assistant II, Health Information Technology, School of Health Sciences, resigned for personal reasons, effective April 30, 2010; Jacqueline Boyer, Director, Talent Search, Student Services, resigned for other employment, effective May 10, 2010; William Cordell, CDL Instructor, School of Energy, resigned for other employment, effective May 15, 2010; Steven Barnard, Custodial Worker II, Physical Plant, resigned for personal reasons, effective May 21, 2010; Terri Stevens, Administrative Assistant II, Veterinary Technician Program, School of Extended Learning, resigned due to relocation, effective May 25, 2010; and Bea Roanhorse, Bookstore Manager, Business Services, resigned for other employment, effective May 31, 2010.

Mr. Walling moved and Dr. Pope seconded the motion to approve the Personnel Report as submitted. **MOTION CARRIED** by unanimous voice vote.

2. **Financial Report**

Mr. J. Pernell Jones, Vice President for Business Services, presented the financial report for the month ending April 2010.

Total Assets at month end amounted to \$106.71 million. Of that total, 16.1% is related to Cash and Investments and 80.6% to Property, Plant & Equipment. Student Accounts Receivable is up from \$300,000 at the end

of March to \$1.64 million at the end of April. This surge is related to early registrations for Summer and Fall. The Operating Budget Variance Report was presented. As discussed previously, an overly conservative final budget was submitted to the state projecting a deficit of \$1.17 million. The April 30 budget variance report indicates that the College is \$1.69 million ahead of that position. If this trend holds, the result of operating activities for the 2009-2010 fiscal year could result in increasing fund balance rather than use of fund balance. This result is largely derived from three circumstances. The first is continued strong performance from student enrollment; second is better performance in both property and production taxes than anticipated; and third is effective containment of expenses across the board. The Budget Variance report for Bookstore Operations was also presented. Through April, the tenth month of the fiscal year, Bookstore operations exceed final budget projections by \$16,000. This is primarily driven by favorable results for Cost of Goods Sold. The final outcome of this line item will be determined by the year end count of inventory that will happen at the end of this month; but ultimately a favorable outcome is anticipated. The Budget Variance report for Food Services indicates that, through April, the operation reported an unfavorable budget variance of \$47,500. While we continue to experience a favorable trend in sales for the program, the College will continue to work with the vendor on unfavorable trends in food and labor costs. As previously reported, 16.1% of the College's assets at April 30 are attributable to Cash and Investments, but only \$3.2 million of that total represents actual investments. This is due to the poor returns available in the investment market. The College has started to increase its position in a money market account at Four Corners Community Bank which is paying 1.25%. Looking at the individual investments, it was noted that the Four Corners rate is significantly better than rates of most of the College investments. The weighted average yield of the College portfolio is 1.5% with a weighted average maturity of 17 months. With the exception of a U.S. government agency, the portfolio is made up of certificates of deposit all within a dollar amount that makes them fully insured by the FDIC.

Mr. Walling moved and Dr. Pope seconded the motion to approve the Financial Report as submitted. **MOTION CARRIED** by unanimous voice vote.

3. **San Juan College's Building Trades Program – Then and Now**

Mr. Bill Lewis, Dean, School of Trades and Technology, and Mr. Blake Barnett, Coordinator, Building Trades Program, provided an overview of the Building Trades Program, shared some visual moments of the program and provided a comparison of the updated curriculum with the curriculum offered in the past. Sherri Fowler, a 2008 program graduate, and Derald Polston, an advisory board member and employer, both spoke on the benefits of the Building Trades Program for both students and employers.

ITEM G. CITIZEN COMMENT

ITEM H. OLD BUSINESS

There were no old business items for discussion or approval.

ITEM I. PRESIDENT'S REPORT

Dr. Spencer commented briefly on her activities of the month.

ITEM J. NEW BUSINESS

1. Approval of Provider for Irrevocable Trust and Investment Management Services

In January 2010, the College's Board of Trustees charged the administration with establishing a trust for the prospective funding of long-term obligations associated with the institution's retiree healthcare plan. Legal counsel has advised the College that an irrevocable, Voluntary Employees Beneficiary Association (VEBA) trust, in compliance with Internal Revenue Service code 501(C)(9), is the most appropriate vehicle for this objective.

The College requested proposals for Irrevocable Trust and Investment Management Services. An evaluation committee, as required by state procurement code, reviewed the proposals submitted by five respondents. The proposal judged to be most responsive to the College's selection criteria was submitted by U.S. Bank. U.S. Bank is one of the ten largest banks in the United States. Its Institutional Trust and Custody unit has a demonstrated history in managing post-employment benefit trusts similar to the College's retiree healthcare trust. U.S. Bank's fee proposal of .50% of total asset accumulation was more than two hundred fifty basis points (i.e., .25%) lower than the next respondent.

Dr. Spencer recommended that the Board approve U.S. Bank as trustee and investment manager for the College's retiree healthcare trust and authorize the President and her designee to negotiate and execute the necessary documents for these services.

Mr. Walling moved and Dr. Pope seconded the motion to approve as presented. **MOTION CARRIED** by unanimous voice vote.

2. Approval of External Auditor Contract for the Three-Year Period Ending June 30, 2012

The College opened proposals for external audit services for the 2010, 2011, and 2012 Fiscal Years. Five proposals were received and evaluated by a Selection Committee as required by the New Mexico Procurement Code and

the New Mexico State Auditor's Office. The proposal submitted by Keystone Accounting, LLC of Farmington, New Mexico, was the most responsive to the College's evaluation criteria.

Dr. Spencer recommended that the Board approve the three-year audit proposal submitted by Keystone Accounting, LLC, authorizing the firm to perform the audits for Fiscal Years 2010, 2011, and 2012. The audit fees, including applicable gross receipts taxes, will be set at \$32,249.80, \$34,207.90, and \$36,269.40 respectively. Board approval of Keystone Accounting will also require approval by the State Auditor's Office.

Dr. Pope moved and Mrs. Benny seconded the motion to approve as presented. **MOTION CARRIED** by unanimous voice vote.

3. **Approval of Capital Project Priorities**

Annually, the New Mexico Higher Education Department requires institutions to submit capital project priorities for consideration by the Governor's Office and upcoming legislature. The administration proposes the following capital project priorities:

1. Creative Arts Center Expansion and Renovation
2. Infrastructure Improvements
3. School of Energy Center

Dr. Spencer recommended that the Board approve the proposed capital project priorities for submission to the New Mexico Higher Education Department.

Mr. Walling moved and Mrs. Stokely seconded the motion to approve as presented. **MOTION CARRIED** by unanimous voice vote.

4. **Approval of Colleague Annual License and Maintenance Contract Renewal for 2010-2011**

The College's license and maintenance contract for Datatel Colleague will renew at the beginning of the 2011 fiscal year. Renewal of the license and maintenance contract is estimated at a price not to exceed \$200,925.00 including applicable gross receipts taxes. This pricing also includes the license and/or maintenance contract renewals for certain Datatel Colleague partner-software programs. The expenses have been included in the 2010-2011 operating budget.

Dr. Spencer recommended that the Board approve renewal of the Datatel Colleague annual license and maintenance contract, including the licenses and maintenance contracts for other partner-software programs, at an amount not to exceed \$200,925.00.

Mr. Walling moved and Mrs. Benny seconded the motion to approve as presented. **MOTION CARRIED** by unanimous voice vote.

ITEM K. ANNOUNCEMENT OF NEXT MEETING

Pursuant to Sections 10-15-1 to 10-15-4, NMSA 1978, Subsection E, Paragraph 2, the Board will go into Executive Session to discuss personnel matters. A motion was made at 8:07 p.m. by Mrs. Stokely and seconded by Mr. Walling for the Board to meet in Executive Session. **MOTION CARRIED** by unanimous voice vote. The Executive Session concluded at 8:42 p.m., and the matters discussed in the closed meeting were limited only to those specified in the motion for closure.

Mrs. Benny moved and Mrs. Stokely seconded the motion to return to the Regular Meeting. **MOTION CARRIED** by unanimous voice vote.

The next regular meeting will be held on Tuesday, July 6, 2010, at 7:00 p.m. in the San Juan College Board Room.

ITEM L. ADJOURNMENT

Mrs. Benny moved and Mr. Walling seconded the motion to adjourn. The meeting was adjourned by Chairman Chance at 8:43 p.m.

R. Shane Chance, Chairman
San Juan College Board

ATTEST:

Eva B. Stokely, Secretary
San Juan College Board

Date: _____