

**NORTHERN NEW MEXICO COLLEGE
BOARD OF REGENTS MEETING
DECEMBER 16, 2010**

I. CALL TO ORDER

A regular meeting of the Board of Regents of Northern New Mexico College was held on Thursday, December 16, 2010 in the Boardroom of the Montoya Administration Building on the Espanola Campus. Regents present: Michael P. Branch, Alfred Herrera, Feliberto Martinez, Cecille Martinez-Wechsler, and Theresa Romero-Martinez. Board President Michael Branch called the meeting to order at 9:08 a.m.

Northern New Mexico College staff present: Dr. Nancy “Rusty” Barceló, President; Dr. Anthony Sena, Provost and VP of Academic Affairs; David Schutz, Interim VP of Administration; Frank Orona, Interim Dean of Student Services; Jan Dawson, Assistant Provost for Academic Support/Registrar’s Services; Dr. Dan McLaughlin, Director of Assessment; Susan Pacheco, Chief of Staff; Nancy O’Rourke, Director of Human Resources; Henrietta Trujillo, Director of Business Operations; Julianna Barbee, Director of SBDC; Dr. Matthew Martinez, Director of NPI; Dr. Ken Dvorak, Director of Distance Education; Hilario Romero, Director of EOC; Brandi Cordova, Customer Service Professional; Katie Cadena-Priebe, Administrative Assistant; and Josephine Aguilar, Assistant to the President and Recording Secretary. Faculty present: Tim Crone, Mellis Schmidt, and Nina Klebanoff. Others present: Leo Valdez with Hutchinson Shockey Erley & Company; Steve Murphy with Dudley Ventures; and Chris Mcguinness, Reporter with the Rio Grande Sun.

II. APPROVAL OF AGENDA

Board President Michael Branch suggested that Item F under New Business (Report on Residence Hall and Funding Options) be moved up immediately after Approval of Minutes. Regent Alfred Herrera suggested that Item C under Financial Report (Report of Actuals for FY 2009-10) be deleted from the agenda. President Barcelo stated that Item A under Old Business (AQIP Update) and Item G under New Business (First Reading: Proposed Revisions to Staff Handbook) will also be deleted from the agenda at this time. **Regent Cecille Martinez moved to approve the amended final agenda as presented. Motion carried.**

A. Introduction of new employees.

President Barcelo introduced three new employees to the Board of Regents: Brandi Cordova, Customer Service Professional; Katie Cadena-Priebe, Administrative Assistant in the Business Administration Department; and Dr. Matthew Martinez, Director of the Northern Pueblos Institute.

III. APPROVAL OF MINUTES

The minutes for the regular meeting of November 23, 2010 were approved as presented.

VI. NEW BUSINESS

F. Report: Residence Hall and funding options.

Mr. David Schutz, Director of Capital Projects, stated the College has been exploring various funding avenues for financing a residence hall on the Espanola Campus. The College is currently going through a legislative process that would allow the Rio Arriba County Commission to impose a gross receipts tax

that would fund a bond to pay for an \$8M facility. This will require a referendum by the voters within Rio Arriba County. The College continues to meet with legislators to rally support for this legislation. Mr. Schutz invited Mr. Leo Valdez and Mr. Steve Murphy to give a brief presentation and overview of another option available to the College.

Mr. Valdez is with the investment banking firm of Hutchinson Shockey Erley (HSE) & Company in Phoenix, Arizona. HSE is an investment banking firm specializing in public finance, underwriting, trading and institutional sales of municipal bonds. Their main focus is on issuing, buying and selling municipal and tax-free bonds. Mr. Steve Murphy is with DudleyVentures which runs a series of investment funds that invests almost exclusively in federal and tax credits (Congressionally sanctioned tax credit investing and development, including New Markets Tax Credit Program, the Historic Tax Credit Program, the Low Income Housing Tax Credit Program, Renewable Energy Tax Credits, and various State corollaries).

Northern is eligible for two government programs to fund a dormitory: 1) Because the College is located in a rural area, long-term financing could be provided with a savings of 40% at 3.75% (the present market); 2) the College is in a qualified census tract which means there is a need for employment, and this particular area qualifies for tax credits. The New Markets Tax Credit Program is designed to give projects, such as a dormitory at Northern, an equity boost from the sale of tax credits. A fund run by DudleyVentures would actually be purchasing these credits and investing the resulting equity into the project. (The revenues coming from both the dormitory and commercial side have to pay the debit on the transaction.) By utilizing the federal tax credit program, the investment fund is taking the credits and providing cash to the project—it is actual equity dollars going to the project as a result of doing this transaction and ultimately reduce financing costs. Mr. Schutz stated that the New Markets Tax Credits scenario is advantages in that it enhances the College's equity position significantly. These two options offer the College the possibility of moving forward to build the facility.

President Barcelo stated that if the College is going to continue to grow and is concerned with outreach and retention, a residence hall is a top priority. NNMC will seek Economic Development Administration (EDA) grant assistance for an economic impact assessment and vision plan that will be used in College master planning and decision making in order to promote long-term sustainability, including economic prosperity, a healthy community, and social well-being. The economic impact from a residence hall is an important aspect in both the assessment and planning phases of this proposal. In addition, Mr. Schutz stated that the gross receipts tax matter will be promoted as an economic development project as opposed to just strictly a dorm project.

IV. FINANCIAL REPORT

A Audit Status Report

Mr. Brandon Fryar with Moss Adams, LLC, stated that he has been working with Susan Pacheco to get the FY 2010 audit completed. Moss Adams hoped to get a lot done in December; however, there are key pieces of financial information that need to be reconciled before the records can be audited. Mr. Fryar recommended to Susan Pacheco that the College hire someone on an interim basis to help the College in four areas—fixed assets, reconciliation of main operating cash accounts, fund balance reconciliation, and accrued liabilities. Because of the way data is captured in Banner, the reconciliation of financial information will be time consuming. The Business Office staff will work over the holidays to move forward with reconciliations. It is anticipated that around the second or third week in January, Moss Adams will be able to devote more time to complete the audit. Moss Adams is currently working on the federal grants compliance audit, which is 85% complete. The financial audit is about 10% complete.

B. Budget Status Report.

Ms. Henrietta Trujillo, Director of Business Operations, stated the revised working operating budget for FY11 has been submitted to HED. HED is currently reviewing the budget report for accuracy. If all goes well, the final report will be submitted to the Board for review and approval. Ms. Trujillo reported progress was made to make sure beginning fund balances are correct and now the College and HED are on the same page. Regent Alfred Herrera stated that the Finance Committee of the Board is in full agreement with the information that was presented to the committee by Ms. Trujillo. He stated that a Special Board Meeting may need to take place so the Regents have an opportunity to review the FY10-11 budget. Some of this is contingent on the work that has already been completed for FY09-10. The staff has made significant progress in bringing all the information together. He emphasized the fact that it is important to get the final budget approved as soon as possible.

C. Report of Actuals for FY 2009-10.

This item was deleted from the final agenda.

V. OLD BUSINESS

A. AQIP Update.

This item was postponed.

B. Capital Projects Update Report.

Mr. David Schutz, Interim Vice President of Administration, presented a capital projects update report summarized as follows:

College of Education Building: Construction is 100% complete. Employees will start moving in on December 17.

SERPA: A contract has been executed with Blue Sky Builders. One hundred yards of concrete is currently being poured for the foundation.

El Rito Plaza/Water Project: Construction is 100% complete.

Ramada at the El Rito Plaza: Construction has been delayed until spring 2011.

Espanola Bookstore Expansion: More space is being provided on a temporary basis until other options come forward. A Process Improvement Team has been meeting to recommend improvements to the operation of the Bookstore. These recommendations have been presented to the Leadership Team.

Ben Lujan LRC Addition: A recommendation to negotiate a contract with Franken Construction is being presented under New Business.

Nick Salazar Center for the Arts: A recommendation to enter into a contract with THECO for the acoustic and lighting systems project is being presented under New Business.

ARRA – Solar Heating System Upgrades, Espanola: Approval of a contract with Franken Construction is being requested under New Business.

ARRA – Heating System Upgrades, El Rito: This project has been delayed until spring 2011 when the weather is warmer. Consultants are in the preliminary design phase. Alternative plans are in place if the College is precluded from putting in a biomass boiler in El Rito; funds will be used to upgrade the existing boiler systems and lay the infrastructure in the ground for the future as funds and EPA regulations allow.

C. Security Update Report.

David Schutz stated that the college community is extremely concerned with the rash of bomb threats experienced recently at Northern's Espanola Campus. Since the apprehension of the perpetrators (two students), the bomb threats have ceased. The College continues to pursue other leads because there may have been other individuals involved. President Barcelo asked Mr. Schutz to convene immediately a security and emergency preparedness committee. The committee is charged with assessing the current security program at both campuses. A security program report will be presented to the President for review which will recommend short-term and long-term measures that need to take place to improve security. This report will be presented to the Board of Regents at a later date.

D. Approval of Background Checks Policy.

Susan Pacheco presented the final Background Checks Policy (attached) for review and approval by the Board of Regents. There was only one minor change in that the word "patients" was removed from the policy.

Regent Cecille Martinez moved to approve the Background Checks Policy as presented. Motion carried unanimously.

(At this time the Regents recessed for a short break at 10:20 a.m. The open meeting reconvened at 10:30 a.m.)

VI. NEW BUSINESS

A. Report: FY 2009-2010 EOC Report.

Mr. Hilario Romero reported on the final Educational Opportunity Center (EOC) report for FY 2009-10, which was submitted to the U.S. Department of Education on November 18, 2010. A copy of the PowerPoint presentation is attached. The NMEOC provides a large range of services to people who are low income, first generation college bound and adults over 19 years of age. NMEOC is the largest TRIO program in the nation in relation to total square miles (30,000). NNMC serves 14 high schools and 16 Indian Pueblos in north central New Mexico. Services rendered by the EOC office exceeded the expectations required of the program. Some of these accomplishments include the following:

- A total of 2,289 clients were served in 2009-2010, of these 1,088 expressed their interest in attending NNMC.
- NMEOC recruited, identified and selected 2,289 eligible participants.
- NMEOC disseminated 20,016 pieces of information on higher education to all potential participants within the 30,000 square mile, ten county target area.
- A total of 1,857 students enrolled in a postsecondary institution.

B. Report: Nursing Accreditation/Mock Site Visit.

Dr. Nina Klebanoff, Faculty and Director of the RN to BSN Program, reported that two team members from the Commission on Collegiate Nursing Education (CCNE) were on campus December 6-7 for a “mock” accreditation site visit for the RN to BSN program. The evaluators were very impressed and could not say enough good things about the qualification and experience of the faculty and caliber of education the students are receiving at NNMC. The actual CCNE site visit will take place February 9-11, 2011. The self-study will be submitted six weeks before the actual site visit in February. Dr. Klebanoff stated she feels very confident national accreditation will be granted for this program for students who will be graduating in May, 2011.

C. Approval of contract with Franken Construction for addition to the Ben Lujan Learning Resource Center.

Approval was granted at the November 23rd Board meeting for David Schutz to negotiate a contract with Franken Construction of Las Vegas, New Mexico, for construction of the addition to the Ben Lujan Learning Resource Center. Franken Construction’s bid price in the amount of \$4,129,000.00 is \$379,000.00 over the projected Maximum Allowable Construction Cost (MACC) of \$3,750,000.00. David Schutz is in the process of reducing the contract amount to meet the desired MACC by eliminating unnecessary items that won’t adversely affect the building’s functionality. These cuts will be deducted from the bid amount via Change Order after execution of the contract between owner and contractor. Mr. Schutz emphasized that the College is not jeopardizing its LEAD status on any of these cuts. The contract, provided to the Board for review prior to the Board meeting, is attached. Mr. Schutz requested approval to execute this contract as presented.

Regent Theresa Martinez moved to approve the contract with Franken Construction for the addition to the Ben Lujan Learning Resource Center. Motion carried unanimously.

D. Approval of contract with Franken Construction for the ARRA Project on the Espanola Campus.

The Regents granted approved for David Schutz to negotiate a contract with Franken Construction for the ARRA Project on the Espanola Campus on November 23. Franken Construction’s price of \$134,000.00 was the low bid. Mr. Schutz requested approval to execute a contract (attached) between NNMC and Franken Construction.

Regent Feliberto Martinez moved to approve the contract with Franken Construction for the ARRA Project on the Espanola Campus. Motion carried unanimously.

E. Approval of contract with THECO for the Nick L. Salazar Center for the Arts acoustic and lighting systems project.

Four bids were received for the CFA project (upgrades to Acoustic and Lighting Systems). THECO from Corrales, New Mexico, is the lowest bidder. A memorandum from David Schutz listing the companies and bid amounts is attached. Mr. Schutz requested approval to enter into a contract with THECO for construction of the above referenced project.

Regent Alfred Herrera moved to approve the contract between NNMC and THECO for the Nick L. Salazar Center for the Arts project. Motion carried unanimously.

F. Report: Residence Hall and funding options.

This item was moved up on the agenda (see page 1 above).

G. First Reading: Proposed Revisions to Staff Handbook.

This item was deleted from the final agenda.

H. Discussion: University Status/CUP Membership.

After attending the last Council of University Presidents (CUP) meeting, President Barcelo realized that NNMC is not included in the performance report for four-year institutions in the state. NNMC's performance is based on the two-year community college basis. NNMC had been invited to participate in the four-year institution report but the College had opted to be assessed on the two-year model. Dr.Barcelo stated NNMC needs to have an equal voice at the table with CUP and seen as a serious player (at the present time, the College does have voting privileges). President Barcelo informed David Lepre, Executive Director of the CUP, that in the future she wants NNMC assessed on the performance standards of the four-year institutions. Discussions should begin in moving this institution to university status; however, not at expense of certificates, vocational training, and two-year degrees which are critical for Northern's progress. There are many issues to be considered (financial implications, how the College is funded, etc.). President Barcelo stated she has sent a letter to Dr. Viola Florez, HED Secretary, informing her that NNMC intends to proceed with implementation of an award received from the US Department of Education for \$2.3M to strengthen the post-baccalaureate certificate programs and to create a solid foundation for future masters-level programs. NNMC will be persistent in its goal to attain equitable graduate access and opportunities for the students of north central New Mexico. Regent Branch stated that the two tuition schedules will be addressed by HED or by the legislature in the near future. He suggested that staff look at alternatives and approach HED and DFA with a proposal on how the College plans to accomplish this issue.

VII. PRESIDENT'S REPORTS AND ANNOUNCEMENTS

1. President Barcelo stated there is a general consensus among Foundation Board Members and College staff to start exploring the possibility of a major capital campaign. The Foundation will look at new strategies to raise funds. Richard Marquez, Chair of the Foundation, is doing a fabulous job in leading the Foundation. Dr. Barcelo stated that Debra Friedman, who was a speaker at the Inauguration and has experience in launching a capital campaign, has volunteered to work with the College and the Foundation in this regard.

2. President Barcelo stated she has put together a marketing committee to come up with ways to market the College. At the first meeting in El Rito, new members were identified to be a part of this committee. With the assistance of Julianna Barbee and the SBDC, the first task of the committee will be to develop a "marketing in motion" plan. A new view book has been developed by Sandy Krolick, Art Director/Designer, and Lisa Powell, Editor/Writer that is professionally done and first class..

3. Dr. Barcelo invited Dr. Sena to speak about the current budget committee. Dr. Sena stated that the Effective Resource Utilization Committee and the Faculty Budget Review Committee have been combined to serve as one committee under the direction of Dr. Sena as the PAC Budget Committee. This committee has met a couple of times, data has been gathered, the budget reviewed and projections made. The committee is looking at a 5% shaving, which is the worst case scenario. The committee will be meeting on a weekly basis throughout the legislative session. Dr. Sena hopes the committee will have

some recommendations by mid-March. Regent Branch suggested that the committee educate the Board on the current status of the budget.

5. At the LFC Higher Education Hearing on Saturday, December 4, Dr. Barcelo reported that three institutions reported on behalf of the CUP and three institutions reported on behalf of NMICC. Both the CUP and the NMICC understand that there is a budget crises and institutions will do what is necessary; however, it is important that budget cuts be equitable. CUP pointed out that institutions be allowed to decide where budget cuts are made, because each institution is different. Regent Cecille Martinez stated that it is important to organize and communicate with legislators via email. It is also important that the College provide facts to the legislators before the legislative session; a draft fact sheet is being prepared that is concise, clear and easy to read. President Barcelo suggested that after the legislative session, legislators be invited to the College to showcase the institution. Regent Branch also suggested that the College invite the LFC, the LESC and other committees to hold their meetings at NNMC.

6. President Barcelo invited Dr. Ken Dvorak, Director of Distance Education, to report on a Blackboard initiative. Dr. Dvorak reported that about three weeks ago he received a call from Eric Steins, Executive Vice President for Strategic Development at Blackboard, who was interested in learning about Northern's history, culture, etc. Blackboard's marketing department was preparing to do a film documentary of New Mexico which included how higher education was leveraging educational technologies, how institutions are reaching out to the students and the community, how the culture is being preserved, etc. As a result of this conversation, NNMC was part of a promotion film that Blackboard put together at no cost to the College. They filmed and interviewed college staff, faculty, and students on Thursday, December 9, at the Espanola and El Rito Campuses. The College will get all the film footage and given full access to use this footage in any way the College sees fit. The College received an invitation to attend the Blackboard Expo, an international conference in Las Vegas, Nevada, in July, 2011. Dr. Dvorak and another faculty member will attend this conference.

7. President Barcelo reported that the first event to recognize summer and fall graduates will take place on Thursday, December 16, at 1:30 p.m. in the Rotunda area in conjunction with a holiday reception. Many of these graduates will participate in the formal Commencement scheduled May 14, 2011.

8. President Barcelo publicly acknowledged Regent Theresa Martinez, whose term ends December 31, 2010 for her support, dedicated service, and untiring efforts the past six years as a member of the Board of Regents. A gift was presented to Regent Martinez from President Barcelo, the Regents, and the College in general. (The gift was a certificate in a hand carved frame made by Daniel Tafoya, instructor in the Spanish Colonial Furniture Making Program.)

VIII. COMMENTS FROM THE BOARD

Regent Branch reported that at an LFC meeting he attended recently, legislators are looking at limiting the number of credit hours students need towards graduation.

Regent Alfred Herrera suggested that the College participate with the City of Espanola when Espanola Day is scheduled at the legislature in order to promote and highlight the College on this day.

IX. PUBLIC INPUT

None.

X. STUDENT INPUT

None.

XI. PERSONNEL MATTERS

A. Personnel actions.

None to report at this meeting.

XII. EXECUTIVE SESSION

President Barcelo requested an executive session to discuss personnel matters. **Regent Alfred Herrera moved that the Board enter into executive session pursuant to Section 10-15-1(H)(2) of the Open Meetings Act to discuss limited personnel matters. Regents Feliberto Martinez, Theresa Martinez, Cecille Martinez, Alfred Herrera and Michael Branch moved in the affirmative to adjourn into executive session at 12:07 p.m.** The open meeting reconvened at 12:50 p.m. Regent Branch reported that no action was taken in executive session.

XIII. ADJOURNMENT

Regent Theresa Martinez moved to adjourn the meeting. The meeting adjourned at 12:51 p.m.

APPROVED: January 20, 2011

Josephine Aguilar, Recording Secretary

/s/ _____
Michael P. Branch, Board President

/s/ _____
Cecille Martinez-Wechsler, Secretary/Treasurer