

**NORTHERN NEW MEXICO COLLEGE
BOARD OF REGENTS MEETING
SEPTEMBER 10, 2013**

I. CALL TO ORDER

A special meeting of the Board of Regents of Northern New Mexico College was held on Tuesday, September 10, 2013 in the Boardroom of the Montoya Administration Building on the Espanola Campus. Regents present: Michael P. Branch, Alfred Herrera, Cecille Martinez, Rosario (Chayo) Garcia, and Feliberto Martinez. Also present was Lisa Salazar Co-Student Representatives to the Board of Regents. Regent Branch called the meeting to order at 8:06 a.m.

Northern New Mexico College staff present: Dr. Nancy “Rusty” Barceló, President; Domingo Sanchez, VP of Finance and Administration; Dr. Anthony Sena, Provost and VP of Academic Affairs; Ricky Serna, VP of Institutional Advancement; Frank Orona, Dean of Student Services; Bernie Padilla, Director of Human Resources; Ryan Cordova, Head Men’s Basketball Coach and Athletic Director; Carmella Sanchez, Director of Institutional Effectiveness; and Amy Pena, Assistant to the President and Recording Secretary. Faculty present: Gilbert Sena. Also present was Lindsey Bright, reporter with the Rio Grande Sun.

Monument, LLC staff present: Mick Friedman, Vice President of Business Development; Tim Pitcher, President; John Petelik, Vice President of Operations and Eric Andrew, Director of Higher Education

II. APPROVAL OF AGENDA

Regent Branch requested that Item III - Public Input be removed from the Agenda but later it was decided it should remain on the Agenda. **The final agenda was approved as presented.**

III. PUBLIC INPUT

Student Carlos Diaz addressed the Audit/Finance/Facilities Committee Charter and feels three members are excluded from crucial information which would allow them to make informed decisions. Mr. Diaz stated if only two members of the Board of Regents are on the Committee they could possibly influence other Board Members to make decisions which they recommend. Mr. Diaz urged the Board of Regents to examine the Charter in light of the harms it could create for Northern if it is not properly administered. Mr. Diaz stated he is in opposition to the Charter and asked the Board not to approve the Charter.

IV. OLD BUSINESS

A. Student Housing Contract received and approval by Domingo Sanchez

Mr. Sanchez, Vice President for Finance and Administration, explained the RFP process for entry into public/private partnership with Northern. Regent Herrera requested clarification of approvals needed for project. Mr. Sanchez stated the following items would be needed:

1. The Board of Regents would need to approve the project.
2. The Board of Regents would need to approve property use.
3. The Foundation would need to approve their interest in participating in the Residence Hall with regards to the funding vehicle through USDA.
4. Northern would need to provide an informational letter to Board of Finance regarding pursuit of the Residence Hall and presentation. This item has been provided.
5. Northern would need to provide the Five-Year Capital Improvement Plan. This item has been provided.

6. Northern would need to speak with the Capital Outlay Committee (Higher Ed, LFC, DFA) to provide a formal presentation regarding the residence hall. This item has been provided.

Mr. Sanchez stated the residence hall will indirectly generate revenue as part of the funding formula. It will assist in enrollment, fees collected and payment by students for residence halls.

Mr. Sanchez introduced representatives of Monument, LLC, who presented RFQ 13-003, explained funding, discussed L.E.E.D. certification, sustainable and renewable energy, gave an overview of Monument, LLC, gave an overview of Lucket & Farley Architecture and Engineering Firm and responded to questions from the Board.

Regent Branch stated the study Monument will provide to Northern is crucial because the number given for the residence halls is not necessarily a fixed number but it is a starting point for Northern.

Regent Garcia requested Monument explain the fees for Northern from the starting point of the project. Monument explained a minimum financial commitment is approximately \$150,000 for everything and the maximum could be approximately \$200,000. However, when a letter of commitment is signed with Monument, Northern does not owe Monument any monies. The only items incurred are travel costs which will be billed to Northern. For the contracting stage, Monument will work with Northern on specifics (timeline, steps, agreements, pricing). Money will not change hands initially (depending on financing, Foundation or Joint Venture) it will be rolled into the project.

Regent Branch requested clarification of how Monument, LLC will be operating in New Mexico. Monument will register to do business in New Mexico as an LLC and licensing for various entities. During the due diligence process Monument will ensure registration in New Mexico.

Regent Herrera requested Monument elaborate on costs and obligations Northern would have at certain points in the project. Monument explained fees are determined based on the scale of services provided. For Northern it will be a percentage of the overall project as a development fee. Monument has a range from 6% of the total cost of the project to as high as 10%. However, it will be tailored to the size of the project based on a formula. Again, all preliminary fees will be wrapped into the development fee.

Regent Branch discussed the amortization with a previous development company Northern worked with and he would like to ensure Northern does not have an open end deal with Monument. Monument explained Northern will understand everything involved before anything is started. Monument also explained the financing will have its own costs associated. If Northern at some point in the project has a solution to the financing it does not change the work done with development.

Regent Herrera requested explanation of an infrastructure (utilities, etc.) and how it will be analyzed. Monument explained Engineers will determine the capabilities. There will be infrastructure issues regarding the town that will need to be considered. There will also be considerations regarding what will occur in the future. If there are issues, determinations of what adjustments will need to be made will be done in the process. The goals of Northern and the Espanola community should align.

Regent Branch stated in addition to the infrastructure, the location of the Residence Halls will need to be tied into the Northern campus. All costs would need to be tied into the Master Plan.

Regent Garcia stated it is imperative Northern start something to enable Northern and Espanola to grow economically. Regent Garcia believes Monument and Northern is a good match. Regent Martinez-Wechsler also believes Northern and Monument, LLC are a good match, the project should be completed in steps and there should be no change orders.

Regent Herrera requested information regarding the needs assessment, surveys, and initial stages for the foundation/approach of next phase. Monument stated they will have student segment surveys (questions will

have frame of context for student to have meaningful response), student focus groups, and leadership meetings. Monument envisions a hybrid where Northern takes the residence halls over. This would allow Northern to have a timeline for the transition. Regarding Marketing, Monument will make recommendations to Northern regarding timing and implementation of marketing.

President Barceló stated the current recruiting radius for Northern is 40 miles because Northern believes this is what students can do. However, if there is housing, students from Chama would come to Northern if there is housing.

Regent Branch stated the scope of the project is currently more extensive than imagined. Regent Branch is concerned with timeframe; however, once the initial study is complete, Northern will have more of an idea to prioritize.

Representative Padilla stated what the students are receiving off campus as far as housing and what they would receive at Northern is a concern. Monument stated it is about what the value (proximity, quality, amenities) is not about the cost. Northern must also recognize the residence hall will affect the community with regard to price structure and amenity comparison. The value of the residence hall is always better and Northern will want to be right on pricing.

Regent Branch recommended Northern enter into a Letter of Intent with Monument, LLC. Regent Branch explained a Letter of Intent is simply an understanding of how Northern and Monument, LLC will move forward. Monument would have to work with Northern to enter into a contract to be definitive. Monument stated they will immediately begin negotiations related to the contract, defining the positioning study and preparation of the Master Plan. There will also be very specific items regarding timeline and what it means regarding overall development. Monument and Northern will need to develop scope to get to the next stage. Mr. Sanchez would like to work with Monument over a two week period and they would be placed on the next Board of Regents Meeting. Regent Branch would like every Board Member to be given sufficient time to review the contract before the next Board or Regents meeting. Regent Branch requested Mr. Sanchez review the document before it is presented to the Board of Regents.

Lisa Salazar, Co-Student Representative to the Board, asked the Board if the capital is available to start the project. Regent Branch stated this would be part of the overall cost of the project and would be incorporated into the price of the project. Mr. Sanchez stated the money could be taken from BR&R.

President Barceló recommended that Northern move forward with Monument, LLC. President Barceló is also confident with Mr. Sanchez and Mr. Cordova's analysis and involvement. The Residence Hall has created a campus wide discussion and community leaders also understand the value in terms in what it means to the community.

**Regent Martinez-Wechsler moved that Northern enter into a Letter of Intent with Monument, LLC.
Motion carried.**

(At this time the Regents took a short break at 10:07AM. The opening meeting reconvened at 10:01AM.)

B. Audit/Finance/Facilities Committee Charter

Mr. Serna, Vice President for Institutional Advancement, stated a discussion was held regarding the Charter for the Audit/Finance/Facilities Committee. Concerns were addressed regarding the authority, scope, depth of the Committee and responsibilities. Mr. Serna stated this Committee structure is common nationwide. Instructions and language regarding these Committees and how to charter and the function of the committees is provided by the Association of Governing Boards (AGB). When making revisions to the Charter, Mr. Serna's goal was to: (1) at no time can the Committee take official action on behalf of the Board; (2) the scope of work of the Committee is to provide guidance and counsel; (3) to provide an avenue for which some of matters related to

finance and facilities management can be brought underneath microscope and can be looked at in greater detail so details of projects or activities can be conveyed in a more concise way to the Board as a whole. Mr. Serna eliminated language referencing Board's ability to make approvals, including plans or contract work Northern might enter into with other individuals. Mr. Serna placed more references in the Charter to making recommendations for whole Board approval on matters related to Audit, Facilities Management and Finance.

Regent Branch stated all Board members have had an opportunity to review the Charter. Mr. Branch reiterated the structure of the Charter itself is fine. The difficulty Board Members may have is the depth of knowledge they receive regarding items, which is normally on a Committee level. A suggestion was made that the Audit/Finance/Facilities Committee meeting be all inclusive. It would then be a public meeting with all Board Members invited to the meeting. All members interested would have to attend the meeting. Regent Branch would like to ensure all Board Members are comfortable with the Committee Charter. Regent Martinez-Wechsler stated the Committee makes sense because there are a lot of things that need to occur, the Board does not necessarily need to know everything but for the important things the Board should be there. Regent Garcia believes the Finance Committee is imperative to the entire Board. Mr. Branch stated the Committee meeting is informational only. Regent Branch stated it is the responsibility of every Board Member to attend and participate. If not all Board Members are present, business would be carried to the Board Meeting. Regent Branch stated the future Board, if they have a majority, has a right to change the by-laws and committee structure. This is the privilege they are given. Regent Branch stated he is willing to make any changes the Board is willing to do but wants to make sure it is effective.

Regent Herrera believes the revised Charter is explicit regarding expectations in establishing the Committee. Regent Herrera stated the difference between the Committee and the Board of Regents meeting is that the Committee is a little more informal. The Committee is a roundtable discussion.

President Barceló stated that a quorum may not be needed to have a discussion. Decisions are not being made and the information is taken to the Board. Decisions have not been made in the Finance Committee.

Regent Herrera stated the Board of Regents needs to be cautious when speaking of quorum related to a Committee. There is a quorum of the Board and a quorum of the Committee who are the two official members who are the voting members, if it gets to that point. If a Committee is established and there are two Board Members on the Committee, the two Board Members should be a part of the Committee. This would constitute a quorum of the specific committee. Regent Garcia stated a quorum would not be needed if decisions are not being made. Regent Herrera stated decisions are being made to recommend to the Board, not decisions about specific items. Regent Garcia stated this is the concern, the Committee decides what information is given to the Board. Regent Herrera stated this perception would be dispelled by the revised Charter. In a formal Board setting, the Board is expected to attend. The Committee is different unless a Board Member is assigned to the Committee. Regent Garcia stated she believes Finance is a very important Committee which all Board Members need to know what is going on financially within Northern. The other Committees are important but not imperative. The Finance Committee is imperative for each Board Member to have information. Regent Herrera would encourage additional participation in this Committee.

Mr. Serna stated all organization runs like this Committee and make formal action. This type of Committee is not uncommon. Mr. Serna recommended the Board have budget hearings and all members would be responsible to attend. This would be a presentation necessary for better understanding of finances. The regular Board Meeting would have a consent calendar to address all items for approval. Mr. Serna stated if any two Board Members can get into a room and concur with something they believe should happen, it could happen anywhere and at any time. Mr. Serna recommended a Budget Hearing (morning to discuss budget matters, afternoon Board Meeting) or official minutes of the Finance Committee be taken and distributed to the entire Board as a whole prior to the regular Board Meeting. President Barceló stated this is how most institutions operate.

Regent Branch stated one of the problems is in the past there was not enough structure in the Committee as to the information being given to the Board. The Board meeting was moved to the last Thursday of the month in order to give staff sufficient time to present the information prior to the meeting. It is still not occurring. As a result, the information is received at the meeting or before the meeting. Now that all Committees are being structured, Regent Branch believes information needs to be received in a sufficient time to make a judgment rather than attending the Board meeting to hear the detail at the last minute. Regent Branch would like an agenda sent out prior to the Finance Committee meeting so if a Board Member would like to attend they are aware of the items. Regent Garcia stated if there is going to be a quorum, public notice would need to be given. Regent Branch stated this meeting will take place one week before the meeting. Regent Martinez-Wechsler stated when she was on the Finance Committee she felt more at liberty to ask questions so more informed decisions could be made.

Regent Herrera requested clarification of Committee structure. Regent Herrera stated the Board may want to be concerned with formal action with something moving to the full Board by taking a vote. Regent Branch believes the Committee should take a vote upon a recommendation to the full Board. Each member attending has the full information on how to make the judgment for the Board Meeting. Mr. Branch stated the Committee structure could work, it is a public meeting and all Board Members are present. The structure must be in place to work.

Regent Herrera requested structure regarding voting perspective and who would have a vote regarding recommendations to the Board. Mr. Branch stated the recommendations made by Association for Governing Boards regarding the structure calls for independence of that committee by the Chief Financial Officer. The Chief Financial Officer participates as a staff member to the Board and so does the internal auditor. The third member would be the financial expert who would give recommendations to the Board itself. Regent Herrera stated the three individuals who are voting members who would vote on a recommendation to the Board would be the two Regents and the one at large. Regent Garcia stated if a board member attends they cannot vote because they are not on the Committee. Regent Branch stated this happens at Finance Committees at any city where the actual committee makes the recommendation and Board Members participate and they are public meetings. Regent Martinez-Wechsler requested all five members of the Board be members of the Committee. She would like to be able to vote. Regent Branch stated the Committee is not making decisions; it is only making recommendations to the Board. The entire Board would make the decisions. Representative Salazar stated the point of the Committee is to discuss the items to get a sense of what you are going to vote or vote against. Regent Garcia would agree to have an all day meeting (Finance in the morning, Board in the afternoon). Regent Garcia stated the Board needs all the information to build a College that everyone envisions. Regent Branch stated the reason for the Committee structure itself was to give all information to the Board and policies and procedures would be written as to how the College operates.

Mr. Serna added that if the Committee meets in the morning, action items could not be added to the Board Meeting. The items would need to be publicized as part of the Open Meetings Act. Mr. Serna recommended the Board host a Budget Meeting on one month and a Board of Regents meeting on another month. This would allow the Board of Regents to listen to the information, make a determination about what would be on the Agenda relative to finances for the subsequent month. This would allow staff to bring concise information with enough time to allow the Board to make decisions outside of finances. President Barceló stated this proposal makes sense for a good use of time for staff. If there are items that need to be addressed, a special meeting could be set. Regent Branch stated there would be an information lag in this process. When there is a routine and there are not a lot of new items, it would be fine. In the interim because there are so many dynamic changes occurring at the College, Regent Branch would not want to wait 60 days to find out something is happening at the College. Regent Garcia would like to review all this information and make a decision at the next Board meeting.

Regent Branch stated this committee has been formulating for over a year and he would like a starting point to commence. Mr. Branch would like to have the Charter in place before there is new Board in place. Regent Garcia stated she would just like information. Regent Garcia stated the budget and other issues will need to be

discussed every month. There are also other items that would need to be discussed each month. President Barceló stated that the Charter should be implemented as suggested by Regent Branch and any changes can be made if necessary. Regent Garcia stated all members should be invited to the Committee meeting and it is their responsibility to be there. Regent Branch invited the Board to the Finance committee on the 19th of September at 9:00AM. President Branch suggested the structure agreed to should be followed. If there are any suggested changes they should be brought forward at the next Board meeting. Regent Martinez-Wechsler would like to wait until the Board Meeting of September 26th to decide on the Charter.

Regent Herrera tabled the decision on the Charter until the meeting of Board of Regents on September 26, 2013. Point of verification - Regent Herrera clarified that the Charter came from the Administration. The Charter is a Board initiative and the Administration has assisted the Board in putting the Charter together. Mr. Branch added it was a series of webinars and information from the Association of Governing Boards. What the Board is trying to do is update policies and procedures to bring them more in line with other institutions across the country.

V. NEW BUSINESS

A. Policy Revision: Benefits for Temporary Employees and approval

Mr. Serna stated there is a suggested revision change that has been vetted by the campus community for 30 days as required by policy. Minimal feedback was received on the policy. There was public concern raised via an article by the Rio Grande Sun regarding how the change to policy intersected with collective bargaining agreements. During labor management meeting Mr. Serna and Mr. Padilla, Director, Human Resources presented this issue to Union President, Tim Crone. At that time Mr. Crone stated the revisions to the policy did not contradict Collective Bargaining Agreements and did not have an impact on any single existing employee at the College. The information was disseminated again to the general public and no feedback was received.

Mr. Padilla clarified this is not a matter that would normally be negotiated with the Union because technically the Union does not oversee temporary employees. Mr. Padilla explained a temporary employee is not a staff member or faculty part time or full time funded position (ex., work studies, advisors, and tutors).

Regent Herrera discussed the ongoing discussion regarding the Board determining renewal of employment. It is very explicit the Board has that discretion and it has been concluded the President has the discretion, not the Board. Regent Herrera suggested discussion take place at the Board Meeting for clarification of this issue.

Mr. Serna stated the revisions to policy are subject to the public vetting. Therefore, if a separate portion of the policy must be amended then it is subject to public vetting. At any point if a different section of the policy would be discussed at a Board of Regents Meeting, the policy review committee can draft the changes on behalf of the Board, send them out to the public for vetting for 30 days and bring them back to the Board for consideration.

Mr. Padilla stated the Labor Management Committee is currently having discussions about the fact that Handbooks (staff, faculty or adjunct) are completely outdated. Most were revised in 2008. They will go through the vetting process and through the Board. It will require Collective Bargaining negotiations as part of the process for employees that are covered and those that are not. Mr. Padilla invited the Board to sit in on one of the meetings after the Board Meeting.

Mr. Serna stated the Faculty Handbook will become a compilation of policies relevant to employment of an individual by the College. The Board by statute is responsible for policies. Whether or not the Board stops renewing or non-renewing contracts for employees, it still has the responsibility to approve the policies that will govern the institution including terms of employment. The Board has responsibility pertaining to the governance and the functioning of the institution. As part of revising the policies, Mr. Padilla and Mr. Serna are trying to revise the policies as part of the policy manual through a series. The faculty and staff handbooks

would then pull in the policies that are relevant to conditions of employment. This would enable the policy as it is changed as part of the policy manual, it is automatically changed in the policy handbook. For Collective Bargaining, the negotiation determines whether a policy needs to be changed or negotiation has to take place around the existing policy.

Regent Herrera moved for approval of policy revision to benefits for temporary employees as presented. Motion carried.

VII. ADJOURNMENT

President Branch handed out a President's Evaluation Form and requested Board Members fill it out for the next Board Meeting, at which time the President will also provide a report regarding activities during the last year.

Regent Martinez-Wechsler moved to adjourn the meeting. The meeting adjourned at 12:00 p.m.

Amy Pena, Recording Secretary

APPROVED:

/s/

Michael P. Branch, Board President

/s/

Cecille Martinez-Wechsler, Secretary