

NEW MEXICO JUNIOR COLLEGE

BOARD MEETING

Thursday, December 19, 2019

Zia Board Room – Library

1:30 pm

AGENDA

- | | |
|---|---------------|
| A. Welcome | Pat Chappelle |
| B. Adoption of Agenda | Pat Chappelle |
| C. Approval of Minutes of November 21, 2019 | Pat Chappelle |
| D. President's Report | Kelvin Sharp |
| E. New Business | |
| 1. Monthly Expenditure Reports | Dan Hardin |
| 2. Monthly Revenue Report | Dan Hardin |
| 3. Oil and Gas Revenue Report | Dan Hardin |
| 4. Schedule of Investments | Dan Hardin |
| 5. Consideration of Golf Building | Dan Hardin |
| 6. McLean Hall Update | Dan Hardin |
| 7. Consideration of CDARS Investment | Dan Hardin |
| F. Public Comments | Pat Chappelle |
| G. Determination of Next Meeting | Pat Chappelle |
| H. Adjournment | Pat Chappelle |

**NEW MEXICO JUNIOR COLLEGE
BOARD MEETING
NOVEMBER 21, 2019
MINUTES**

The New Mexico Junior College Board met on Thursday, November 21, 2019, beginning at 1:30 p.m. in the Zia Room of Pannell Library. The following members were present: Ms. Patricia Chappelle, Madam Chair; Mr. Ron Black, Secretary; Mr. Travis Glenn; Mr. Manny Gomez; Mrs. Mary Lou Vinson; Ms. Evelyn Rising; and Mr. Hector Baeza. Dr. Kelvin Sharp, President of NMJC was absent from the meeting.

Ms. Chappelle called the meeting to order and welcomed visitors and guests present: Erica Jones, newly elected NMJC Board Member beginning in January 2020.

Ms. Chappelle invited everyone to help bid farewell and birthday wishes to Mrs. Mary Lou Vinson at the next NMJC Board Meeting in December.

Upon a motion by Mr. Gomez, seconded by Mr. Glenn, the agenda was unanimously adopted.

Upon a motion by Mr. Baeza, seconded by Ms. Rising, the Board unanimously approved the minutes of October 24, 2019.

Under President's Report, Coach Jimmy Durham, Head Baseball Coach, introduced NMJC's 2020 T-Bird Baseball Team noting many of the team members went to the World Series last year. He stated although baseball has ended for the fall, the student athletes continue to work hard in their classrooms. Coach Durham expressed his appreciation for the support of the Board and the NMJC campus.

Dr. Charley Carroll, Director of the Physical Plant, provided updates on the NMJC campus projects. The Allied Health Building, with exception of some landscaping and numerous touch ups, is complete. The storm water runoff between the Allied

Health Building and the baseball field is complete. The baseball field parking lot is scheduled to be extended. A classroom in the Entertainment & Music Technology Department located in the Bob & Bonnie Moran Hall will be upgraded to accommodate the NMJC's Music Department to be moved from Watson Hall. A new fire alarm system covering the entire campus is scheduled to be installed. McLean Hall renovations, which will house cosmetology, is progressing well with 90% of the construction drawings complete. Caster Activity Center remodel and renovation will begin in April of 2020. Six new offices are scheduled to be installed in the Student Services area. Construction of a new bus storage facility and a new building for the Police Officer Training Academy will begin in late January 2020. Discussions of a new golf building on the west side of the baseball field have begun and horse stalls to replace stalls destroyed in a storm are 80% complete. In addition, he reported NMJC's Public Auction, by auctioneer James Cecil, is scheduled for December 9, 2019 in the warehouse and invited everyone to attend.

Mr. Dennis Holmberg, Interim Executive Director of New Horizons Foundation (NHF) provided NHF updates. Mr. Holmberg reported the prototype muffler is currently in testing. He further reported the patent on the hydro tool has been completed. Mr. Holmberg provided the Board with recent published advertisements and updated brochures. Recent advertisements have created many interests in investment and expansion opportunities in the community. Mr. Holmberg noted NHF has met with three different groups in the past month to talk about business opportunities. A recent Inventors Forum brought in eight individuals with nine different inventions. With the successful turnout of the forum, additional forums will continue every six months with the next forum scheduled for January 16, 2020. Mr. Glenn asked if the cold spray project is still in operation. Mr. Holmberg responded the company the foundation was working with closed and another company for the product has not been found. He noted the key for success will be to locate champions in the community that believe in the potential of the projects.

Under New Business, Mr. Dan Hardin presented the October 2019 financial reports. Upon a motion by Mr. Gomez, seconded by Mr. Baeza, the Board unanimously approved the Expenditure Report for October 2019. In addition, the

Revenue Report, Oil and Gas Revenue Report, and Schedule of Investments Report were reviewed.

Mr. Dan Hardin presented a consideration of McLean Hall Renovations with a request to approve Bradbury Stamm as the contractor for the renovations using their Cooperative Education Services (CES) Unlimited Contract, which will expire on November 23, 2019. Mr. Hardin noted the architects and Mr. Charley Carroll met with CES administrators to confirm that Bradbury Stamm will be able to use their current contract to renovate McLean Hall if a purchase order is in place by November 22, 2019. The cost of construction is estimated to be \$4,630,000.00. If Bradbury Stamm is approved as the contractor, administration will provide the final cost of construction to the Board in the December 2019 meeting. Upon a motion by Mr. Black, seconded by Ms. Rising, the Board unanimously approved this request.

Mr. Josh Morgan presented a consideration of opening a new bank account with Lea County State Bank. NMJC plans to begin services with Pension Concepts at the beginning of the next calendar year. Pension Concepts will administer the Cafeteria Section 125 Plan, a qualified employee benefit plan allowed under Section 125 of the Internal Revenue Code by allowing employees to pay certain unreimbursed medical expenses and dependent daycare costs before tax and not after. The new account will be to facilitate the Cafeteria Plan transactions. Upon a motion by Mr. Glenn, seconded by Mr. Gomez, the Board unanimously approved this request.

Ms. Chappelle called for comments from the public. There being none, the next regular board meeting was scheduled for Thursday, December 19, 2019 beginning at 1:30 pm.

Upon a motion by Mrs. Vinson, seconded by Mr. Glenn, the board meeting adjourned at 2:13 pm.

Pat Chappelle, Chair

Ron Black, Secretary

NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

To: **New Mexico Junior College Board Members**

From: Dan Hardin

Date: December 13, 2019

RE: Expenditure and Revenue Reports for November

November is month five or 42 percent of the 2019/2020 fiscal year. The expenditure report reflects expenditure totals that include funds expended and encumbered. The total year-to-date funds expended and/or encumbered through November 2019 is \$27,455,233.00.

Looking at the expense report for November, the Total Current Unrestricted Funds expended year-to-date is \$11,601,696.00 or 40% of the budget. As you compare this total to the November expenditures in November of 2018, the trends are similar. Instruction and General is on track for the amount of expenditures for the first five months of the fiscal year. In the other unrestricted funds, Internal Services is currently over budget because of the maintenance agreements that are paid for at the beginning of the fiscal year. The other departments in unrestricted, which include Student Aid, Auxiliary Enterprises, and Athletics, are normally over budget at this point in time. Typically, it is because of start of semester expenses or for Athletics it is the Grant-In-Aid awarded at the beginning of the semester. Auxiliary Enterprises expenditures are less this fiscal year than in FY 19. Most of the difference has to do when books are ordered or when Food Services invoices are received. Robert Adams and his Bookstore staff are doing a great job of making sure the right books and the right amount of books are on the shelf for the NMJC students as well as for the dual credit students up and down the County.

In the restricted funds, Grant spending is at 32% of the budget. Restricted Student Aid expenditures are consistent with expenditures in November of 2018. Total expenditures for restricted funds are \$2,483,593.00.

Plant fund expenditures for November were \$4,563,577.00; the total year-to-date including encumbrances is \$13,369,944.00. The expenditures for the month are mostly from encumbering funds for the McLean Hall project.

Total expenditures and encumbrances through November 2019 are \$27,455,233.00, which is 40% of the budget.

The Revenue remains positive for the fiscal year of 2019/20. With the two months of Oil and Gas revenue in this fiscal year, the Oil and Gas revenue is over two million dollars over budget. Auxiliary Enterprises revenue is at 61% of the budget as of the end of November. This is positive for Auxiliary revenue, and the revenue is up as compared to last year. The increase in enrollment has impacted the housing revenue. The revenue for the restricted funds has increased over Fall of 2018. The restricted student aid revenue is slightly higher this year as compared to FY 19.

The year-to-date Revenue for November 2019 is \$16,335,913.00.

The Oil and Gas report shows the actual Oil and Gas revenue for July and August, and the accrual of \$465,000.00 per month for September, October and November. The first two months of actual Oil and Gas revenue is \$2,995,121.00 over budget. Additionally, the College received \$207,513.03 in November for Oil and Gas Equipment Tax revenue. The College should be receiving a large distribution of mill levy property tax revenue from the Lea County Treasurer around the 17th of December.

The Investment report reflects the \$24,593,127.00 invested with LGIP at the beginning of November, Josh sent \$2,000,000.00 to LGIP during November bringing the total in LGIP at the end of November to \$26,593,127.00. Additionally, the College has \$3,000,000.00 invested with Lea County State Bank in a CDAR. Interest income for the LGIP funds for the month of November was \$44,257.00.

Board members please know that the full-time employees across campus appreciate the Board, we all are so grateful for the support that you as the New Mexico Junior College Board give to the faculty and staff. Thank you!

This is the Financial Report for November 2019.

NEW MEXICO JUNIOR COLLEGE

Expenditure Report

November 2019

42% of Year Completed

Fund	2018-19			2019-20			
	Final Budget	Year-to-Date Expended or Encumbered	Percentage of Budget Expended	Budget	Current Expended or Encumbered	Expended or Encumbered	Percentage of Budget Expended
CURRENT UNRESTRICTED FUND							
Instruction and General:							
Instruction	11,045,223	3,720,245	34%	11,164,306	775,237	3,494,287	31%
Academic Support	2,757,049	1,040,368	38%	2,428,049	159,561	924,385	38%
Student Services	2,095,643	814,589	39%	2,131,949	141,386	769,976	36%
Institutional Support	4,394,266	1,697,581	39%	4,448,578	284,503	1,714,578	39%
Operation & Maintenance of Plant	3,851,780	1,454,396	38%	3,865,271	549,016	1,534,493	40%
Subtotal - Instruction & General	24,143,961	8,727,179	36%	24,038,153	1,909,703	8,437,719	35%
Research	907,233	212,084	23%	0	10,056	60,054	
Public Service	50,000	9,896	20%	50,000	2,872	12,005	0%
Internal Service Departments	151,334	135,555	90%	92,356	73,384	256,480	278%
Student Aid	691,472	296,823	43%	685,880	29,992	322,848	47%
Auxiliary Enterprises	2,590,768	1,543,041	60%	2,102,655	170,830	1,397,585	66%
Athletics	1,993,976	767,120	38%	2,027,118	234,539	1,115,005	55%
Total Current Unrestricted Fund	30,528,744	11,691,698	38%	28,996,162	2,431,376	11,601,696	40%
CURRENT RESTRICTED FUND							
Grants	881,786	305,850	35%	910,875	60,264	291,452	32%
Student Aid	4,188,219	2,258,977	54%	3,853,901	26,740	2,192,141	57%
Total Current Restricted Fund	5,070,005	2,564,827	51%	4,764,776	87,004	2,483,593	52%
PLANT FUNDS							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from Institutional Funds	26,665,238	9,647,692	36%	27,423,205	4,452,427	9,372,888	34%
Projects from State GOB Funds	289,894	279,930	97%	4,764,218		3,086,500	65%
Projects from State STB Funds	114,064	114,064	100%	0			0%
Projects from General Fund				938,466	39,195	446,600	48%
Projects from Private Funds							0%
Projects from State ER&R	1,088,803	176,992	16%	332,720	3,340	77,075	23%
Projects from State BR&R	1,540,047	446,218	29%	597,281	68,615	386,881	65%
Subtotal - Capital and BR&R	29,698,047	10,664,896	36%	34,055,890	4,563,577	13,369,944	39%
Debt Service							
Revenue Bonds	0	0	0%	0			0%
Total Plant Funds	29,698,047	10,664,896	36%	34,055,890	4,563,577	13,369,944	39%
GRAND TOTAL EXPENDITURES	65,296,796	24,921,421	38%	67,816,828	7,081,957	27,455,233	40%

NEW MEXICO JUNIOR COLLEGE

Revenue Report

November 2019

42% of Year Completed

2018-19

2019-20

Fund	Final Budget	Year-to-date Revenue	Percentage of Budget Received	Budget	Current Revenue	Year-to-date Revenue	Percentage of Budget Received
CURRENT UNRESTRICTED FUND							
Instruction and General:							
Tuition and Fees	3,717,544	2,502,265	67%	3,887,000	810,523	2,992,400	77%
State Appropriations	5,805,900	2,422,492	42%	6,546,216	505,284	2,661,939	41%
Advalorem Taxes - Oil and Gas	17,622,322	5,053,415	29%	7,235,000	2,214,123	5,527,766	76%
Advalorem Taxes - Property	8,530,000	395,309	5%	8,530,000	360,330	360,330	4%
Interest Income	10,000	140	1%	10,000	60	259	3%
Other Revenues	144,400	130,968	91%	204,646	45,432	220,800	108%
Subtotal - Instruction & General	35,830,166	10,504,589	29%	26,412,862	3,935,752	11,763,494	45%
Research			0%				0%
Public Service			0%				0%
Internal Service Departments	8,000	3,733	47%	9,302	14,443	40,985	441%
Auxiliary Enterprises	2,681,906	1,479,390	55%	2,685,015	32,478	1,626,717	61%
Athletics	459,815	193,811	42%	568,984	48,741	256,516	45%
Total Current Unrestricted	38,979,887	12,181,523	31%	29,676,163	4,031,414	13,687,712	46%
CURRENT RESTRICTED FUND							
Grants	881,786	311,191	35%	910,875	69,462	308,694	34%
Student Aid	4,188,219	2,098,468	50%	3,853,901	58,291	2,147,169	56%
Total Current Restricted	5,070,005	2,409,659	48%	4,764,776	127,753	2,455,863	52%
PLANT FUNDS							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from State GOB Funds	289,894	279,416	0%	4,702,500			0%
Projects from State STB Funds	114,064	51,704	0%	0			0%
Projects from General Fund			0%	792,000			0%
Projects from Private Funds			0%				0%
Interest Income (LGIP)	102,000	98,934	97%	250,000	44,257	192,338	77%
Total Plant Funds	505,958	430,054	85%	5,744,500	44,257	192,338	3%
GRAND TOTAL REVENUES	44,555,850	15,021,236	34%	40,185,439	4,203,424	16,335,913	41%

NEW MEXICO JUNIOR COLLEGE

Oil and Gas Revenue Report

November 2019

42% of Year Completed

		OIL		GAS		COMBINED		
Sales	Month of	Price per BBL	Lea County BBLs sold	Price per MCF	Lea County MCF sold	Monthly Revenue	2018-19 Original Budget	Variance Over (Under) Budget
	Distribution							
Actual	July	\$53.17	15,826,651	\$1.87	40,911,285	1,918,511	465,000	1,453,511
Actual	August	\$50.64	16,662,235	\$2.04	44,356,736	2,006,610	465,000	1,541,610
Accrual	September					465,000	465,000	0
Accrual	October					465,000	465,000	0
Accrual	November					465,000	465,000	0
Accrual	December						465,000	(465,000)
Accrual	January						465,000	(465,000)
Accrual	February						465,000	(465,000)
Accrual	March						465,000	(465,000)
Accrual	April						465,000	(465,000)
Accrual	May						465,000	(465,000)
Accrual	June						465,000	(465,000)
Y.T.D. Production Tax Revenue						5,320,121	5,580,000	(259,879)
Y.T.D. Equipment Tax Revenue						207,645	1,655,000	(1,447,355)
Total Year-to-Date Oil & Gas and Equipment Tax Revenue						<u>5,527,766</u>	<u>7,235,000</u>	<u>(1,707,234)</u>

Source: New Mexico Taxation and Revenue Department

NEW MEXICO JUNIOR COLLEGE

Schedule of Investments

November 2019

42% of Year Completed

Financial Institution	Amount Invested	Account Number	Interest Rate	Interest Earned
State of New Mexico Local Government Investment Pool	24,593,127	7102-1348	1.685%	44,257
Plus deposits	2,000,000			
Less withdrawals	0			
Total LGIP investments	26,593,127			44,257
Lea County State Bank CDAR	3,000,000		2.30%	

Capital Project	11/30/2019
Vehicles	327,641.61
Campus Master Plan	3,046.17
Law Academy Building	721,434.81
Campus Vestibules	450,000.00
Technology Upgrade	597,329.35
JASI	7,333.75
WHM South Gallery	266,594.43
Baseball Field	45,632.36
Rodeo Arena	53,968.16
Fire Alarm Upgrade	2,060,641.27
Luminis Software	2,993.00
Landscaping	278,750.70
Smart Classrooms	133,793.32
Campus Signage	348,034.74
Campus Paving	100,000.00
Dorm/Apartment Refurbish	0.00
Campus Construction	98,791.58
Oil & Gas Training	105,315.56
Workforce Training & Outreach	400,000.00
Public Sector	9,227.00
Campus Security	53,456.74
Lumens Software-Distance Learn	5,000.00
Copier Replacement	60,373.49
Non-Recurring Compensation	750,000.00
Athletics	24,278.81
Student Life Programming	20,432.28
Succession Plan	52,014.15
WHM Exhibits	100,841.34
Track Upgrades	191,866.57
Driving Range Upgrades	700,000.00
McLean Hall Renovations	5,000,000.00
Cafeteria Upgrade	90,846.57
Channel 19 Upgrade	8,115.71
FERPA & Title IX	2,572.10
Equestrian Center	3,000,000.00
Bob Moran Upgrades	24,524.89
Campus/Hospital Fencing	263,616.65
Turf Replacement	82,781.47
HVAC Software-Central Plant	1,823,106.62
Busing Support for Recruiting	5,872.30
HED Faculty Development	152.99
Caster Upgrades	10,977,881.07
Allied Health	185,533.88
Workforce Training Contingency	1,817.69
Total	29,435,613.13

NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

5317 Lovington Highway
Hobbs, NM 88240
Phone: (575)492-2770
Fax: (575)492-2768

To: New Mexico Junior College Board Members
From: Dan Hardin
RE: Golf Building
Date: December 13, 2019

Board members,

In 2012 the Board allocated \$200,000.00 from reserves to a fund for the construction of a Driving Range Building (Golf Building). In 2018, the Board allocated an additional \$300,000.00 from reserves to the fund for a Driving Range Building. In 2019 the Board again approved moving \$200,000.00 into the fund for the Driving Range Building. Today, the administration is asking for your approval to move forward with the Golf Building project which will require taking this project to HED, going out to bid for a contractor to do the construction of the Driving Range Building (Golf Building), and the Administration is also asking for your approval to move \$400,000.00 from reserves to the fund for the Golf Building. With the proposed \$400,000.00 the total allocated for the construction of a Golf Building and the interior practice area will be \$1,100,000.00. The proposed Golf Building will be an insulated metal building located on the NMJC Driving Range in front of the issue building and will be 80 feet by 160 feet with 20-foot side walls for a total of 12,800 square feet. This building will have lighting, heating and cooling, security cameras, full swing capability, simulators, a putting green, bunkers, sand traps, multiple hitting surfaces for chipping and pitching, four indoor hitting bays that open to the current driving range, and the latest technical analysis equipment. This facility will enhance the Golf program and allow for an increase in the number of golfers coming to New Mexico Junior College to have at least two men's teams and/or present the possibility of having a women's Golf team.

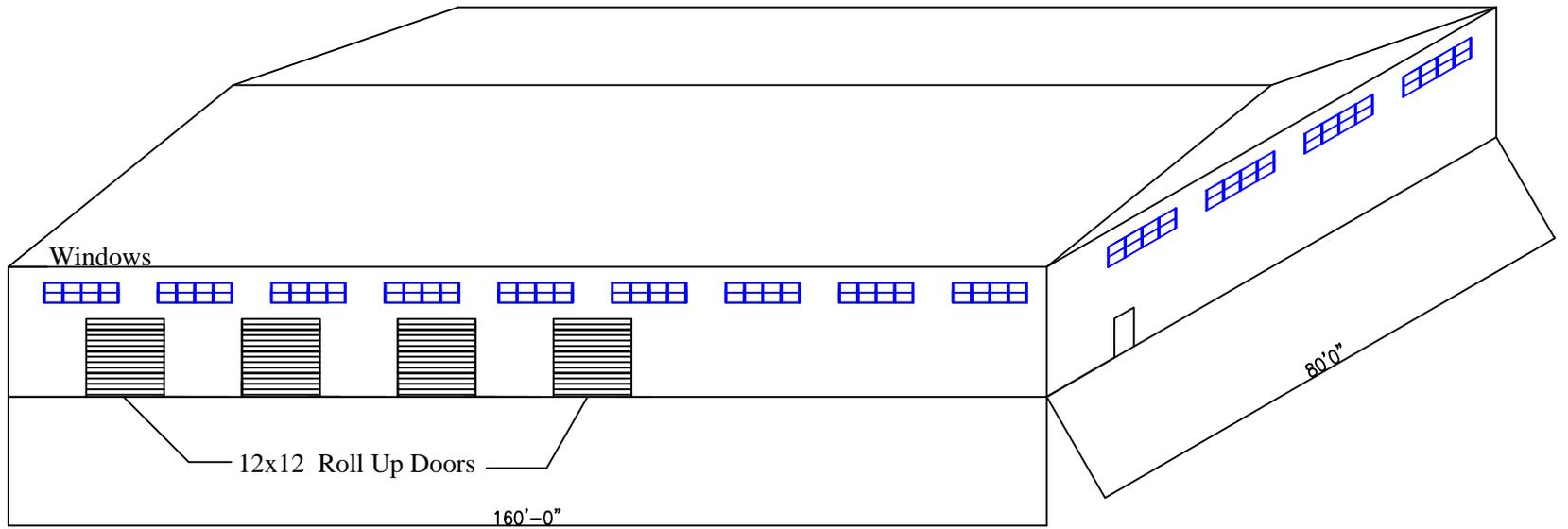
The estimated total for the construction and soft cost for 12,800 square feet insulated building, adding

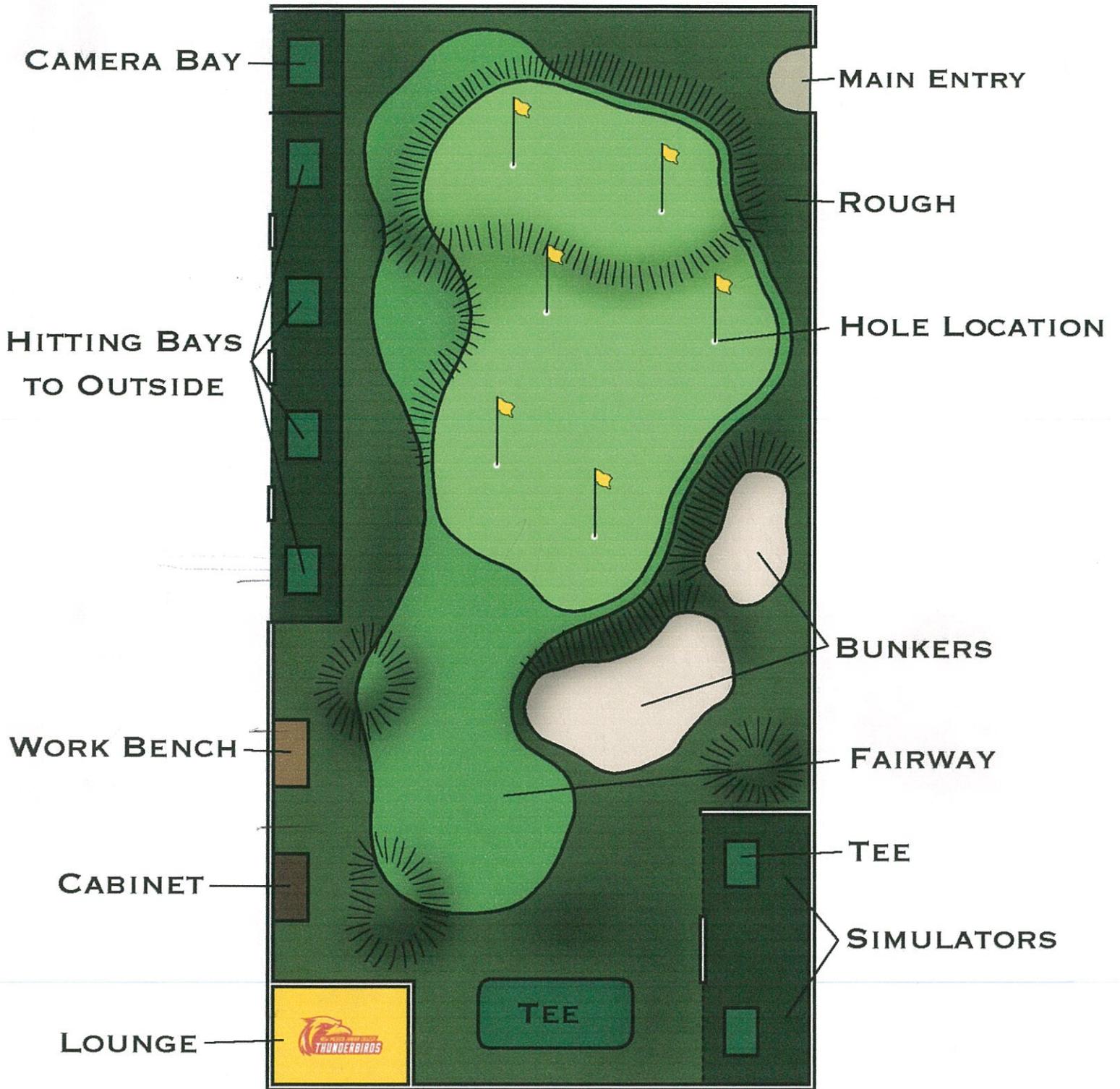
lighting, heating and cooling, an interior golf putting green, bunkers, sand traps, and multiple chipping and pitching surface are \$1,100,000.00. This includes the cost of constructing a metal building, installing artificial surfaces, heating & cooling, lighting, security cameras, connecting to utilities, and gross receipts taxes. Attached is a CADD drawing of the building and proposed interior look.

Please approve the Administration taking the Golf Building project to the Higher Education Department Capital Projects committee hearing and allocating as additional \$400,000.00 from reserves to the Golf Building fund. After receiving approval from the Higher Education Department, the Administration will bring the project back to the Board for final approval of the contractor.

Respectfully,

Dan Hardin





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NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

5317 Lovington Highway
Hobbs, NM 88240
Phone: (575)492-2770
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To: New Mexico Junior College Board Members
From: Dan Hardin
RE: McLean Hall Update
Date: December 13, 2019

Board Members,

At the November NMJC Board meeting, the Board approved Bradbury Stamm as the contractor for the McLean Hall renovation project using their existing CES unlimited contract. Administration indicated that the McLean Hall renovation project would be brought back to the Board in December for approval of the final construction cost. At the November Board meeting, Dekker Perich Sabatini had given the College an estimated cost of construction for the McLean Hall renovation of \$4,630,000.00; this estimate was using their 90% construction drawings. After many discussions and as Dekker Perich Sabatini finalized more of the construction drawings, Dekker Perich Sabatini settled on an estimated cost of construction of \$5,512,000.00. Dekker Perich Sabatini is still completing the construction drawings; consequentially Bradbury Stamm has not had the opportunity to work with their sub-contractors to establish their final price of construction. In order to keep the McLean Hall renovation project moving forward, the Administration submitted to the Higher Education Department Capital Projects Committee the McLean Hall Renovation project with a total project cost of \$7,250,000.00 for all construction and soft costs. The Higher Education Department Capital Projects Committee hearing will be January 8, 2020. The available funding for the McLean Hall renovation is \$7,250,000.00, which is 2,250,000.00 in GOB funding and \$5,000,000.00 in institutional funding. At the January NMJC Board meeting, the Administration will present the final construction cost from Bradbury Stamm for the McLean Hall renovation project.

Respectfully,

Dan Hardin

NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

5317 Lovington Highway
Hobbs, NM 88240
Phone: (575)492-2770
Fax: (575)492-2768

To: NMJC Board Members
From: Dan Hardin
RE: Lea County State Bank CDARS
Date: December 19, 2019

New Mexico Junior College Board members,

At the December 2018 NMJC Board meeting, the Business Office asked for your approval to renew the \$3,000,000.00 Lea County State Bank CDARS (Certificate of Deposit Account Registry Service). On January 18, 2019, \$3,000,000.00 was reinvested in CDARS with Lea County State Bank at a rate of 2.30% for one year.

The Administration is again asking for your approval to allow the Business Office to renew the Lea County State Bank CDARS that is maturing on January 19, 2020. Lea County State Bank is asking for a week's notice prior to maturity. The projected rate is currently 1.30% for a one-year CDAR.

Respectfully,

Dan Hardin