

NEW MEXICO JUNIOR COLLEGE

BOARD MEETING

Thursday, November 21, 2019

Zia Board Room – Library

1:30 pm

AGENDA

- | | |
|--|---------------|
| A. Welcome | Pat Chappelle |
| B. Adoption of Agenda | Pat Chappelle |
| C. Approval of Minutes of October 24, 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 McLean Hall Renovation | Dan Hardin |
| 6. Consideration of Opening New Bank Account | Josh Morgan |
| F. Public Comments | Pat Chappelle |
| G. Determination of Next Meeting | Pat Chappelle |
| H. Adjournment | Pat Chappelle |

**NEW MEXICO JUNIOR COLLEGE
BOARD MEETING
OCTOBER 24, 2019
MINUTES**

The New Mexico Junior College Board met on Thursday, October 24, 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; Mrs. Mary Lou Vinson; Ms. Evelyn Rising; and Mr. Hector Baeza. Mr. Gomez was absent.

Ms. Chappelle called the meeting to order and welcomed visitors and guests present: Dorothy Fowler, Hobbs News-Sun.

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

Upon a motion by Ms. Rising, seconded by Mr. Black, the Board unanimously approved the minutes of September 19, 2019.

Under President's Report, Coach Stewart Kinley and Coach Clay Bonner introduced the NMJC's Men's and Women's Rodeo Team. The teams have competed in four rodeos this fall and are scheduled to compete at Texas Tech University in Lubbock, Texas on October 31 through November 2. Coach Kinley stated the team had a slow start this semester but noted they did well in their last rodeo in Canadian, Texas hosted by Frank Phillips College. He reported the women's team came in fourth, men's team came in seventh and Ms. Maddy Rice won the goat tying.

Mrs. Cathy Mitchell, Vice President for Student Services, provided updates of the October 2, 2019 Discover Day event. She reported approximately 800 students from 12 high schools and 100 English as a Second Language (ESL) students attended the event. She stated they began the day in Caster Activity Center with registration and a welcome from Mr. Steve Saucedo. Following games and

morning events, students were divided into groups based on their interest of the college. Instructors and people from different departments led the groups on a tour. Students were able to visit the areas for the programs of interest for hands-on activities and events. Tables were setup in the courtyard and served as the information area run by various departments on campus. Mrs. Mitchell stated students completing surveys were offered free t-shirts. She reported 623 surveys were received and on a scale of 5, no survey was graded below a 4.5. Mrs. Mitchell and the NMJC advisors thanked the Board for their continued support, the NMJC Foundation for the funding and the staff for their assistance in making the event a huge success.

Dr. Sharp provided updates of the recently attended ACCT Conference in San Francisco, CA. Dr. Sharp and the Board reported it was an excellent professional development activity and stated topics of the sessions were current and very informative. Dr. Sharp noted topics included conversations of the implementation and funding of free college and what to look out for and the importance of athletics in Junior Colleges'. Ms. Chappelle noted other colleges stated they change officers every two years. In addition, she stated staff members of both Democratic and Republican Senators attending the conference were informative on things coming down the pike. Mr. Black echoed the sessions were very informative and stated he is of the opinion that NMJC is making good progress and headed in the right direction. He commented on the benefits and value that athletics brings to Junior Colleges, the students it attracts, and the stories of athletes who become very successful in life. Ms. Rising stated she was proud to represent NMJC at the conference and for the opportunity to belong to a cohesive Board. Ms. Rising attended 12 sessions and noted she was impressed with a session on Institutional Diversity and commented the speaker presented effectively and answered all questions well. In addition, she attended a Pre-Congress Academy on Effective Board Governance with the focus on free speech and the powerful impact a Board member can make. Mr. Baeza commented additional topics of discussion included email cyber threats and the services that staff and faculty provide to the students on campus. He expressed his appreciation for the opportunity to attend. Mr. Glenn stated he was not able to attend the conference this year and shared he agrees it is a worthwhile and informative conference. Mr. Glenn also expressed his appreciation to NMJC for the "Avery Johnson Reunion" event recently held on the campus. In

addition, he thanked the staff and faculty for the services they provide to students to make them feel like NMJC is home. Dr. Sharp added the ACCT Conferences are a great professional opportunity with great exposure to ideas and practices going on across the country. He expressed his appreciation to the Board for their attendance.

Dr. Sharp reminded everyone of Election Day on November 5, 2019.

Mrs. Cathy Mitchell introduced new staff member Ms. Sara Patterson, Dean of Students.

Under New Business, Mr. Dan Hardin presented the September 2019 financial reports. Upon a motion by Mr. Glenn, seconded by Mr. Baeza, the Board unanimously approved the Expenditure Report for September 2019. In addition, the Revenue Report, Oil and Gas Revenue Report, and Schedule of Investments Report were reviewed.

Mr. Dan Hardin presented the Quarterly Financial Action Report for the quarter ending September 30, 2019 for approval. Upon a motion by Mr. Glenn, seconded by Ms. Rising, the Board unanimously approved the report as presented.

Mr. Josh Morgan presented a request for consideration of disposition of unused inventory through public auction tentatively scheduled for late November or early December. He stated upon approval, a letter will be sent to the Office of the State Auditor (OSA) and the Higher Education Department (HED) notifying them of the intent to dispose the inventory at public auction. NMJC will wait 30 days after the notices are sent to OSA & HED to hold the public auction. Mr. Black asked if the public schools are notified of interest. Mr. Morgan responded the public schools are notified and stated computers from the Lea County Distance Education Consortium have been donated. Upon a motion by Mr. Black, seconded by Mr. Glenn, the Board unanimously approved this request.

Mr. JoeMike Gomez presented Request for Proposal #123 – Caster Activity Center Renovation & Addition, Construction Manager at Risk (CMAR) with a request to award the highest evaluated bidder, Bradbury Stamm Construction, with a total bid

of \$1,110,000.00. Mr. Gomez stated three bidders were processed through a three-step point system involving a Request for Qualifications, Request for Proposals, and an Interview. A committee, formed with representatives from NMJC and Dekker Perich Sabatini Architects, evaluated and scored the bidders and Bradbury Stamm Construction scored the highest. Mr. Glenn asked for the benefit of using a CMAR. Mr. Gomez responded NMJC simultaneously works with the Construction Company and the engineers to finalize the plans, saving time and unforeseen costs. Mr. Dan Hardin added a final price is provided in the design and construction drawings with hopes of eliminating change orders resulting in cost savings to the College. Upon a motion by Mr. Black, seconded by Ms. Rising, the Board unanimously approved the request.

Mr. JoeMike Gomez presented Request for Proposal #124 – Academy & Bus Storage with a request to award the highest evaluated bidder, Pluma Construction Systems, with a total bid of \$644,549.24 for the construction of an 8,500 square foot insulated metal building between Bob Moran and the Maintenance Building. The proposed building will consist of two separate areas. A 5,700 square foot physical training area for Law Academy and a 2,800 square foot area for bus storage. In addition, administration requested approval to transfer \$435,000.00 from reserves to the Law Academy Building Fund, which will cover the cost of construction, utilities and gross receipts taxes. Mr. Gomez also noted \$300,000.00 transferred in FY 2019, has been paid for the site assessment. Construction is anticipated to begin in February with completion scheduled in April or May of 2020. He stated the three-point system was used and Pluma Construction Systems scored the highest. Mr. Black expressed his concerns of a metal building looking unattractive on the campus circle. Mr. Hardin responded the building will match the metal buildings that currently house NMJC's vehicles. Upon a motion by Mr. Black, seconded by Mr. Glenn, the Board unanimously approved the bid as requested. Upon a motion by Ms. Rising, seconded by Mr. Glenn, the Board unanimously approved the transfer request.

Mr. JoeMike Gomez presented Request for Proposal #125 – Electrical Services needs on the NMJC campus with a request to award the bid to Hungry Horse with a one-year contract, renewable up to three (3) additional years. The bid summary came in with hourly labor rates of \$55.00 for the lead, \$50.00 for the journeyman,

and \$40.00 for the apprentice. Upon a motion by Mr. Glenn, seconded by Mr. Baeza, the Board unanimously approved this request.

Mr. JoeMike Gomez presented Request for Proposal #126 – Carpentry Work needs on the NMJC campus with a request to award the bid to Doporto Construction with a one-year contract, renewable up to three (3) additional years. The bid summary came in with hourly labor rates of \$35.00 for the foreman and \$25.00 for the laborer. Upon a motion by Mr. Baeza, seconded by Mr. Black, the Board unanimously approved this request.

Mr. JoeMike Gomez presented Request for Proposal #127 – Concrete Work needs on the NMJC campus with a request to award the bid to Doporto Construction with a one-year contract, renewable up to three (3) additional years. The bid summary came in with hourly labor rates of \$35.00 for the lead and \$25.00 for the laborer. Upon a motion by Mr. Baeza, seconded by Ms. Rising, the Board unanimously approved this request.

Mr. JoeMike Gomez presented Request for Proposal #128 – Painting Project needs on the NMJC campus with a request to award the bid to Doporto Construction with a one-year contract, renewable up to three (3) additional years. The bid summary came in with hourly labor rates of \$30.00 for the painter and \$18.00 for the helper. Upon a motion by Mr. Baeza, seconded by Ms. Rising, 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, November 21, 2019 beginning at 1:30 pm.

Upon a motion by Mrs. Vinson, seconded by Ms. Rising, the board meeting adjourned at 2:41 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: November 8, 2019

RE: Expenditure and Revenue Reports for October

The October expense report represents month four or 33 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 October 2019 is \$17,286,776.00.

Instruction and General had total expenditures of \$6,528,016.00 through October of 2019, which is 27% of budget. In the other unrestricted funds Internal Services is well above the budget, there will be credits posting each month and this should be within budget by the end of the fiscal year. Auxiliary Enterprises and Athletics also are above the 33% budget for the year. All of these areas have expenses that are tied to the beginning of the semester. Total current unrestricted funds expended year-to-date is \$9,170,320.00, which is 32% of the budget for unrestricted funds. At the end of October 2018 total current unrestricted expenditures were \$8,762,874.00.

Expenditures year-to-date for grants under the restricted funds is \$231,188.00, which is 25% of the budget for grants. Restricted student aid has expenditures of \$2,165,401.00 which is 56% of the budget for student aid. Financial Aid is consistent with FY 19. Expenditures for Grants at the end of October are the same as expenditures were for FY 19.

Expenditures for plant funds include expenses for Institutional projects BR&R and ER&R. The several major projects that make up most of the expense for FY 20, Technology Upgrades, Fire Alarm Project, and the Caster Activity Center upgrade. There are also several other smaller projects that are ongoing and several projects not yet started.

Total expenditures for the month of October 2019 was \$2,797,379.00, the year-to-date total of expended and/or encumbered funds is \$17,286,776.00.

The total current unrestricted revenue is higher than at this time last year. Tuition and Fee revenue is up compared to this time last year. Oil and Gas revenue is up for

October as compared to October 2018. Property tax revenue will begin in December or January. The other revenue streams are on track as of the end of October. Total year-to-date current unrestricted revenue for FY 20 is \$9,656,298 as compared to \$8,682,374.00 in FY 19.

In restricted funds revenue is consistent with FY 19.

Plant fund revenue for the month is \$46,632.00 which is the interest revenue from the LGIP funds. The total year-to-date plant revenue is \$148,081.00.

Total year-to-date revenue is \$12,132,489.00

The Oil and Gas report shows the first month of revenue for this fiscal year was \$1,918,511.00 as compared to the \$1,751,427.00 for the month of July in 2018. The months of August thru October have the monthly accrual of \$465,000.00 each month. Total Oil and Gas revenue through October including three months of accrual is \$3,313,511.00.

In reviewing the investment report, the LGIP fund remains at \$24,593,127.00 along with the \$3,000,000.00 in CDARs for a total of \$27,593,127.00 for the end of October. Currently, there is \$29,630,937.65 in designated capital projects.

This is the Financial Report for October 2019.

NEW MEXICO JUNIOR COLLEGE

Expenditure Report

October 2019

33% 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	2,771,769	25%	11,164,306	820,038	2,719,050	24%
Academic Support	2,757,049	794,810	29%	2,428,049	194,756	764,824	31%
Student Services	2,095,643	609,818	29%	2,131,949	175,497	628,590	29%
Institutional Support	4,394,266	1,032,978	24%	4,448,578	350,672	1,430,075	32%
Operation & Maintenance of Plant	3,851,780	1,132,973	29%	3,865,271	266,920	985,477	25%
Subtotal - Instruction & General	24,143,961	6,342,348	26%	24,038,153	1,807,883	6,528,016	27%
Research	907,233	190,150	21%	0	9,464	49,998	
Public Service	50,000	7,238	14%	50,000	4,853	9,133	0%
Internal Service Departments	151,334	134,153	89%	92,356	73,713	183,096	198%
Student Aid	691,472	253,023	37%	685,880	8,231	292,856	43%
Auxiliary Enterprises	2,590,768	1,207,523	47%	2,102,655	177,521	1,226,755	58%
Athletics	1,993,976	628,439	32%	2,027,118	131,905	880,466	43%
Total Current Unrestricted Fund	30,528,744	8,762,874	29%	28,996,162	2,213,570	9,170,320	32%
CURRENT RESTRICTED FUND							
Grants	881,786	231,991	26%	910,875	60,240	231,188	25%
Student Aid	4,188,219	2,236,145	53%	3,853,901	114,218	2,165,401	56%
Total Current Restricted Fund	5,070,005	2,468,136	49%	4,764,776	174,458	2,396,589	50%
PLANT FUNDS							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from Institutional Funds	26,665,238	9,210,314	35%	27,423,205	352,595	4,920,461	18%
Projects from State GOB Funds	289,894	279,416	96%	4,764,218			0%
Projects from State STB Funds	114,064	114,064	100%	0			0%
Projects from General Fund				938,466	2,295	407,405	43%
Projects from Private Funds							0%
Projects from State ER&R	1,088,803	133,790	12%	332,720	34,956	73,735	22%
Projects from State BR&R	1,540,047	365,260	24%	597,281	19,505	318,266	53%
Subtotal - Capital and BR&R	29,698,047	10,102,844	34%	34,055,890	409,351	5,719,867	17%
Debt Service							
Revenue Bonds	0	0	0%	0			0%
Total Plant Funds	29,698,047	10,102,844	34%	34,055,890	409,351	5,719,867	17%
GRAND TOTAL EXPENDITURES	65,296,796	21,333,854	33%	67,816,828	2,797,379	17,286,776	25%

NEW MEXICO JUNIOR COLLEGE
Revenue Report
October 2019

33% of Year Completed

2018-19

2019-20

Fund	2018-19			2019-20			
	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	1,948,030	52%	3,887,000	119,896	2,181,877	56%
State Appropriations	5,805,900	1,944,233	33%	6,546,216	505,285	2,156,655	33%
Advalorem Taxes - Oil and Gas	17,622,322	3,146,690	18%	7,235,000	1,918,643	3,313,643	46%
Advalorem Taxes - Property	8,530,000	0	0%	8,530,000	0	0	0%
Interest Income	10,000	72	1%	10,000	62	199	2%
Other Revenues	144,400	126,314	87%	204,646	76,972	175,368	86%
Subtotal - Instruction & General	35,830,166	7,165,339	20%	26,412,862	2,620,858	7,827,742	30%
Research			0%				0%
Public Service			0%				0%
Internal Service Departments	8,000	2,646	33%	9,302	907	26,542	285%
Auxiliary Enterprises	2,681,906	1,359,572	51%	2,685,015	57,569	1,594,239	59%
Athletics	459,815	154,817	34%	568,984	48,245	207,775	37%
Total Current Unrestricted	38,979,887	8,682,374	22%	29,676,163	2,727,579	9,656,298	33%
CURRENT RESTRICTED FUND							
Grants	881,786	236,630	27%	910,875	65,494	239,232	26%
Student Aid	4,188,219	2,092,574	50%	3,853,901	301,508	2,088,878	54%
Total Current Restricted	5,070,005	2,329,204	46%	4,764,776	367,002	2,328,110	49%
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	72,388	71%	250,000	46,632	148,081	59%
Total Plant Funds	505,958	403,508	80%	5,744,500	46,632	148,081	3%
GRAND TOTAL REVENUES	44,555,850	11,415,086	26%	40,185,439	3,141,213	12,132,489	30%

NEW MEXICO JUNIOR COLLEGE

Oil and Gas Revenue Report

October 2019

33% of Year Completed

		OIL		GAS		COMBINED		
Sales	Month of Distribution	Price per BBL	Lea County BBLs sold	Price per MCF	Lea County MCF sold	Monthly Revenue	2018-19 Original Budget	Variance Over (Under) Budget
Actual	July	\$53.17	15,826,651	\$1.87	40,911,285	1,918,511	465,000	1,453,511
Accrual	August					465,000	465,000	0
Accrual	September					465,000	465,000	0
Accrual	October					465,000	465,000	0
Accrual	November						465,000	(465,000)
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						3,313,511	5,580,000	(2,266,489)
Y.T.D. Equipment Tax Revenue						132	1,655,000	(1,654,868)
Total Year-to-Date Oil & Gas and Equipment Tax Revenue						<u>3,313,643</u>	<u>7,235,000</u>	<u>(3,921,357)</u>

Source: New Mexico Taxation and Revenue Department

NEW MEXICO JUNIOR COLLEGE

Schedule of Investments

October 2019

33% 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	1.909%	46,632
Plus deposits	0			
Less withdrawals	0			
Total LGIP investments	24,593,127			46,632
Lea County State Bank CDAR	3,000,000		2.30%	

Capital Project	10/31/2019
Vehicles	327,641.61
Campus Master Plan	6,282.42
Law Academy Building	721,434.81
Campus Vestibules	450,000.00
Technology Upgrade	473,689.94
JASI	10,379.95
WHM South Gallery	266,594.43
Baseball Field	44,757.50
Rodeo Arena	75,261.88
Fire Alarm Upgrade	2,240,281.60
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	107,467.51
Oil & Gas Training	105,315.56
Workforce Training & Outreach	400,000.00
Public Sector	9,227.00
Campus Security	89,713.24
Lumens Software-Distance Learnig	5,000.00
Copier Replacement	60,373.49
Non-Recurring Compensation	750,000.00
Athletics	47,313.77
Student Life Programming	20,432.28
Succession Plan	52,014.15
WHM Exhibits	109,157.26
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	264,690.03
Turf Replacement	82,781.47
HVAC Software-Central Plant	1,832,249.03
Busing Support for Recruiting	5,872.30
HED Faculty Development	152.99
Caster Upgrades	10,977,881.07
Allied Health	211,657.07
Workforce Training Contingency	1,817.69
Total	29,630,937.65

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: CES Contract McLean Hall
Date: November 15, 2019

Board members,

At the October New Mexico Junior College Board meeting, the Board approved Bradbury Stamm as the CMAR (Construction Manager at Risk) for the Caster Activity Center Upgrade. The next major building renovation that the College is undertaking is the McLean Hall renovation. McLean Hall is located east of Caster Activity Center. The proposed McLean Hall renovation converts McLean Hall from the Nursing program to the Cosmetology program. With Bradbury Stamm on board to renovate the Caster Activity Center, it seemed reasonable to approach Bradbury Stamm about renovating McLean Hall at the same time. Bradbury Stamm still holds an unlimited CES (Cooperative Educational Services) contract, but that contract expires on November 23, 2019. Matt McKim, architect with Dekker Perich Sabatini and Charley Carroll met with the CES administrators to confirm that Bradbury Stamm could use their CES contract to renovate McLean Hall with a purchase order in place by November 22, 2019.

The Administration is asking for approval to use Bradbury Stamm as the contractor for the McLean Hall renovation using their CES contract. Dekker Perich Sabatini is estimating the construction portion of the McLean Hall renovation to cost \$4,630,000.00. If Bradbury Stamm is approved as the CES contractor, the Administration will bring back to the Board in December the final construction cost. The College, Dekker Perich Sabatini, and Bradbury Stamm will work together to evaluate the costs of remodeling McLean Hall.

Respectfully,



Dan Hardin

NEW MEXICO JUNIOR COLLEGE BUSINESS OFFICE

5317 Lovington Highway
Hobbs, NM 88240
Phone: (575) 492-2769
Fax: (575) 492-2768

To: NMJC Board Members
From: Josh Morgan
RE: Consideration of Opening New Bank Account
Date: November 21, 2019

New Mexico Junior College is contracting with Pension Concepts for the administration of the NMJC Cafeteria Section 125 Plan. A Cafeteria Section 125 Plan is a qualified employee benefit plan allowed under Section 125 of the Internal Revenue Code. It enables employers to reduce taxes by allowing employees to pay certain expenses such as dependent day care costs and unreimbursed medical expenses before tax and not after. Lower taxable income to the employees results in lower payroll taxes to the employer. Employees receive greater take-home pay due to the savings of taxes.

NMJC has administered the Cafeteria Section 125 Plan in the past but we have now contracted with Pension Concepts to administer the plan on behalf of NMJC. We are requesting board approval to open a bank account with Lea County State Bank for the purpose of facilitating Cafeteria Plan transactions. Pending board approval, we plan to begin services with Pension Concepts at the beginning of the next calendar year.

Thank you.

Josh Morgan
Accountant/Controller
New Mexico Junior College