

NEW MEXICO JUNIOR COLLEGE

BOARD MEETING

Thursday, April 16, 2009

Zia Room - Library

4:00 p.m.

AGENDA

- | | |
|--|----------------|
| A. Welcome | Larry Hanna |
| B. Adoption of Agenda | Larry Hanna |
| C. Approval of Minutes of March 19, 2009 | Larry Hanna |
| D. President's Report | Steve McCleery |
| E. New Business | |
| 1. Monthly Expenditures Report | 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 2009/2010 Budget | Steve McCleery |
| F. Public Comments | Larry Hanna |
| G. Announcement of Next Meeting | Larry Hanna |
| H. Adjournment | Larry Hanna |

NEW MEXICO JUNIOR COLLEGE

BOARD MEETING

MARCH 19, 2009

MINUTES

The New Mexico Junior College Board met on Thursday, March 19, 2009, beginning at 4:00 p.m. in the Zia Room of Pannell Library. The following members were present: Mr. Larry Hanna, Chairman; Ms. Patricia Chappelle, Secretary; Mr. Phillip Jones; Mrs. Mary Lou Vinson; Mr. Ron Black; and Mr. Guy Kesner. Not present was Mrs. Yvonne Williams.

Mr. Hanna called the meeting to order and welcomed visitors and guests present: Marie Wadsworth, Hobbs News Sun.

Upon a motion by Mr. Jones, seconded by Mrs. Vinson, the agenda was unanimously adopted, as presented.

Upon a motion by Mr. Kesner, seconded by Ms. Chappelle, the Board unanimously approved the minutes of February 10, 2009.

Under President's Report, Dr. McCleery presented pillars of education to Charley Smith and Dennis Johnston for their service to the Western Heritage Museum Complex. Coach Keith Blackwill and Jeff Becker introduced the women's indoor track and field team who recently placed fourth at the National Junior College Athletic Association's National Indoor Track Championship. Dr. Gratton and Mary Jane Ward introduced the automotive technology instructors who shared with the Board the official notification of NATEF certification.

Under New Business, Cindy Bryan with Accounting & Consulting Group presented the Audit Report. Upon a motion by Mr. Black, seconded by Ms. Chappelle, the board unanimously approved the audit as presented.

Dan Hardin presented the February financial reports and with a motion by Mr. Kesner, seconded by Ms. Chappelle, the Board unanimously approved the expenditures for February, 2009.

Mr. Hardin presented a request to sell the AB Dick 9985 Printing Press. The printing press has not been used since the Graphic Arts program was discontinued. After Board approval, the college must get approval from the Higher Education Department and the State Auditor. Upon a motion by Ms. Chappelle, seconded by Mr. Jones, the Board unanimously approved the request and authorized the administration to reject any bid less than \$12,000.

Upon a motion by Mr. Black, seconded by Mrs. Vinson, the Board unanimously accepted a bid for \$200 for the sell of the obsolete Nortel Meridian Phone System.

Carla Brown presented Bid #1023 – Purchase of Water Chiller for Central Plant. The administration recommended acceptance of the base bid from E.E.S.T., Inc (York) in the amount of \$178,000. Upon a motion by Mrs. Vinson, seconded by Ms. Chappelle, the Board unanimously accepted the recommendation.

Ms. Brown presented Bid #1024 – Pulling Unit Restoration. The administration recommended acceptance of the bid from Pemco of New Mexico, Inc. for \$210,000 exclusive of gross receipts tax. Upon a motion by Ms. Chappelle, seconded by Mrs. Vinson, the Board unanimously accepted the recommendation.

Josh Morgan presented Bid #1025 – Electrical Service Upgrade. The administration recommended acceptance of the Base Bid from Service Electric (\$753,473) as well as the Additive Alternate One (\$62,860) and Two (\$91,486) for a total of \$907,819. Upon a motion by Mr. Jones, seconded by Ms. Chappelle, the Board unanimously accepted the recommendation.

Larry Sanderson presented a request to waive the tuition and general use fee for those students enrolled in transitional classes in Summer 2009. After some discussion and upon a motion by Mr. Black, seconded by Mrs. Vinson, the Board unanimously approved the request.

Dr. McCleery recommended Guy Kesner as the New Mexico Junior College Board member to serve on the Western Heritage Museum Advisory Board. Upon a motion by Mr. Black, seconded by Ms. Chappelle, the Board unanimously approved the recommendation.

John Gratton presented a sabbatical leave request from Ms. Sonya Richardson for the fall 2009 semester. Ms. Richardson will return for the spring 2010 semester and will provide periodic reports to the administration. Upon a motion by Mr. Kesner, seconded by Mrs. Vinson, the Board unanimously approved the request.

Dr. Gratton recommended Ms. Patricia Stutzman for the Recruiter for Automotive Technology position at an annual salary of \$36,460. Upon a motion by Mr. Jones, seconded by Ms. Chappelle, the board unanimously approved the employment of Ms. Stutzman effective April 1, 2009.

Ms. Chappelle moved the board go into closed session for the discussion of limited personnel matters and the purchase of real property under the provisions of section 10-15-1-H (2) of the New Mexico Statutes Annotated 1978. Mr. Jones seconded the motion. The roll call vote was as follows: Mr. Jones – yes; Mr. Black – yes; Ms. Chappelle – yes; Mr. Kesner - yes; Mr. Hanna – yes; and Mrs. Vinson – yes.

Upon re-convening in open meeting, Mr. Hanna stated that the matters discussed in the closed meeting were limited only to those specified in the motion for closure.

The budget work session is scheduled for April 9, 2009, beginning at 9:00 a.m. and the next regular board meeting was scheduled for April 16, 2009, beginning at 4:00 p.m.

Upon a motion by Mr. Jones, seconded by Mr. Kesner, the board meeting adjourned at 6:00 p.m.

NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

To: **New Mexico Junior College Board Members**
From: Dan Hardin
Date: April 8, 2009
RE: Expenditure and Revenue Reports for March 2009

We have completed nine months or 75% of the fiscal year. The total year-to-date funds expended and/or encumbered through the month of March is \$28,502,415.00.

The total current unrestricted fund expenditures for Instruction & General through March are \$14,302,875.00, which is 74% of the projected budget. There are two areas within the I & G departments that are over the 75% of the budget for the year. Instruction expenditures are over the 75% due to expensing the faculty summer pay during the year. Operation & Maintenance is over the 75% due to encumbrances for the janitorial supplies. The janitorial supply crosses over fiscal year, so at year end a large portion of the encumbrance will be released. The total current unrestricted fund expenditures through March of 2009 are \$18,321,403.00. In the unrestricted funds all of the areas are over the 75% budget for the year. All of these areas have large expenses or encumbrances that occur at the beginning of the semesters or the fiscal year.

Restricted Funds had \$153,735.00 in expenditures for the month of March. Restricted Student Aid expenditures are slowing down, but the Grants expenditures will continue. Total year-to-date restricted expenditures are \$4,504,511.00.

Plant funds had \$168,131.00 in expenditures for the month for the capital projects, most of the expenditure was an encumbrance for the student housing landscaping project. Total year-to-date plant fund expenditures and/or encumbrances are \$5,676,501.00.

The total expenditures year-to-date through March 2009 is \$28,502,415.00.

The revenue report for March 2009 shows \$1,081,864.00 as the revenue for current unrestricted funds. This is mainly from the state appropriation and oil and gas revenue. The total year-to-date revenue for unrestricted funds is \$24,965,060.00. At this time last year our current unrestricted revenue was \$24,555,968.00, which is a difference of \$409,092.00. We are showing a decrease in other revenue of \$157,591.00 for the month. In February the College received pass through funds in the amount of \$210,000.00 from the State for faculty endowment as an ACH credit. These funds were booked into miscellaneous revenue and then a check was cut payable to the Foundation. The check was not cut until the first part of March. So, February was overstated by the \$210,000.00.

There was \$110,772.00 drawn in for restricted funds in March. The total year-to-date revenue in the restricted funds is \$4,089,473.00.

Also, there were no Plant funds drawn for the month of March. The total revenue year-to-date for plant funds is \$1,068,860.00.

The total revenue year-to-date is \$30,123,393.00

Oil and Gas revenue continues to decline, with the allocation for February coming in at \$451,576.00. The total revenue year-to-date for the oil and gas equipment tax is \$1,698,862.00. Total year-to-date for oil and gas and oil and gas equipment tax is \$9,810,450.00 including the \$350,000.00 accrual. We expect the year-to-date revenue total for oil and gas and oil and gas equipment to be almost eleven million at year end.

The investment report shows no activity in March from the LGIP, with the total investments to \$11,625,000.00. The interest income from the LGIP was \$5,076.00. Attached is the latest correspondence from the LGIP. We currently have \$11,209,731.28 in the LGIP portfolio and \$415,268.72 in the Reserve Contingency Fund.

This is the finance report for March 2009



New MexiGROW
Local Government Investment Pool

New Mexico State Treasurer's Office

March 31, 2009

Dear *New MexiGROW* LGIP Participant,

In our announcement on February 27, 2009, we explained the LGIP's plan in response to the Reserve Primary Fund's decision to modify future distributions as a result of anticipated and pending litigation against it. We also told you at that time that we would notify participants in writing as to how the revised plan would affect each participant's account(s). For your reference, we enclose a copy of the announcement dated February 27, 2009. In a separate letter to participants on February 27, 2009, regarding the LGIP end-of-month procedures, we told you that a third party would review and certify the account balances of participants affected by the Reserve Primary Fund's actions. Since that time, Fiscal Strategy Group, Inc., has reviewed the LGIP's revised plan, verified the accuracy of the LGIP's calculations, and provided its opinion regarding the methodology used to implement the revised plan.

The LGIP continues to operate the same procedurally, although you may have noticed that the returns earned have recently declined. Please be aware that this decrease is attributable to a shift in strategy by which the LGIP has been divested of all money market mutual funds and has invested those assets in Treasury bills and fully-collateralized bank deposits to focus on safety, liquidity and return in that order.

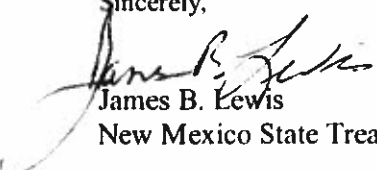
Going forward, you will continue to receive monthly statements on both the LGIP and the RCF. Please be aware that your pro rata share of the Reserve Primary Fund investment is at this time a non-performing asset that represents claims against future distributions of principle from the Reserve Primary Fund. As such, your balances in the RCF will not earn interest. As principal distributions are made from the Reserve Primary Fund, your pro rata share will be paid directly to you and your balance in the RCF will be reduced by a like amount.

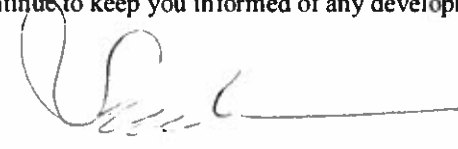
In an effort to maintain complete disclosure regarding your holdings in the LGIP, this month's statement package for the LGIP looks a little different and includes the following additional information:

- **March 2009 LGIP Statement** – This statement reflects the transfer of your pro rata share of the Reserve Primary Fund investment from the LGIP to the new Reserve Contingency Fund.
- **March 2009 Reserve Contingency Fund (RCF) Statement** – This statement reflects the deposit of the Reserve Primary Fund investment into the RCF from the LGIP.
- **RCF Worksheet** – This worksheet illustrates the calculations that determined your pro rata share of the Reserve Primary Fund that was deposited into the RCF.
- **Independent, Third-Party Verification** – As we stated above, the State Treasurer's Office (STO) engaged Financial Strategy Group, Inc., of Albuquerque to confirm participant account balances in the LGIP as of specific dates; review the methodology used to implement the plan; and verify the calculations used to allocate a portion of participant account balances to the Reserve Contingency Fund with regard to the LGIP's investment in the Reserve Fund Primary Fund.

The STO continues to evaluate information received from the Reserve Primary Fund to determine whether the STO has any recourse in light of the Reserve Primary Fund's actions. The STO will continue to manage LGIP funds with discipline and expertise, and we will continue to keep you informed of any developments affecting the RCF and the LGIP.

Sincerely,


James B. Lewis
New Mexico State Treasurer


Scott Newman, CFA
Interim, Chief Investment Officer



2019 Galisteo Street, Building K
P.O. Box 608
Santa Fe, NM 87504-0608
www.stonm.org (505) 955-1120

New MexiGROW LGIP deposits are not guaranteed or insured by any bank, the State of New Mexico, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other agency. *New MexiGROW* LGIP deposits involve certain investment risks. Yield and total return may fluctuate and are not guaranteed.

NEW MEXICO JUNIOR COLLEGE
Expenditure Report
March 2009

75% of Year Completed

Fund	2007-08			2008-09			
	Final Budget	Year-to-Date Expended or Encumbered	Percentage of Budget Expended	Budget	Current Expended or Encumbered	Year-to-date Expended or Encumbered	Percentage of Budget Expended
CURRENT UNRESTRICTED FUND							
Instruction and General:							
Instruction	7,793,052	6,524,605	84%	8,549,351	837,569	6,935,754	81%
Academic Support	2,304,125	1,796,925	78%	2,847,873	174,808	2,092,665	73%
Student Services	1,387,536	993,491	72%	1,458,285	100,181	1,052,285	72%
Institutional Support	3,465,063	1,923,062	55%	3,749,521	200,648	2,011,867	54%
Operation & Maintenance of Plant	2,595,811	1,888,666	73%	2,772,595	238,714	2,210,304	80%
Subtotal - Instruction & General	17,545,587	13,126,749	75%	19,377,625	1,551,920	14,302,875	74%
Student Activities	198,537	155,145	78%	202,448	9,495	156,299	77%
Research	0	0	0%	0	0	0	0%
Public Service	0	0	0%	0	0	0	0%
Internal Service Departments	554,239	545,634	98%	592,795	77,483	577,390	97%
Student Aid	463,678	602,497	130%	504,143	10,034	540,978	107%
Auxiliary Enterprises	1,630,359	1,626,194	100%	1,717,072	72,804	1,731,247	101%
Athletics	923,555	784,489	85%	1,116,609	53,712	1,012,614	91%
Total Current Unrestricted Fund	21,315,955	16,840,708	79%	23,510,692	1,775,448	18,321,403	78%
CURRENT RESTRICTED FUND							
Grants	2,058,961	1,026,665	50%	1,935,816	91,308	1,085,316	56%
Student Aid	4,000,000	3,238,240	81%	4,000,000	62,427	3,419,195	85%
Total Current Restricted Fund	6,058,961	4,264,905	70%	5,935,816	153,735	4,504,511	76%
PLANT FUNDS							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from Institutional Funds	12,493,205	9,702,967	78%	15,185,824	168,131	4,234,614	28%
Projects from State GOB Funds	3,072,424	1,620,582	53%	1,555,621	0	227,115	15%
Projects from State STB Funds	1,805,000	320,000	0%	1,910,000		728,268	38%
Projects from General Fund	519,058	424,893	82%	178,282		29,543	17%
Projects from Private Funds	465,801	27,567	6%	574,243		456,961	80%
Projects from State ER&R	226,359	0	0%	193,252		0	0%
Projects from State BR&R	1,058,614	0	0%	679,107		0	0%
Projects from Auxiliary BR&R	14,042	0	0%	302		0	0%
Subtotal - Capital and BR&R	19,654,503	12,096,009	62%	20,276,631	168,131	5,676,501	28%
Debt Service							
Revenue Bonds	0	0	0%	0	0	0	0%
Total Plant Funds	19,654,503	12,096,009	62%	20,276,631	168,131	5,676,501	28%
GRAND TOTAL EXPENDITURES	47,029,419	33,201,622	71%	49,723,139	2,097,314	28,502,415	57%

NEW MEXICO JUNIOR COLLEGE
Revenue Report
March 2009

75% of Year Completed

2007-08

2008-09

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	3,132,649	3,177,408	101%	3,259,000	81,611	3,166,914	97%
State Appropriations	7,990,100	7,847,126	98%	8,299,600	588,809	6,489,714	78%
Advalorem Taxes - Oil and Gas	5,200,000	8,383,843	161%	5,200,000	451,576	9,810,450	189%
Advalorem Taxes - Property	2,800,000	2,402,570	86%	3,100,000	0	2,478,146	80%
Interest Income	285,000	391,781	137%	508,252	9,564	136,964	27%
Other Revenues	229,100	203,593	89%	246,100	(157,591)	310,446	126%
Subtotal - Instruction & General	19,636,849	22,406,321	114%	20,612,952	973,969	22,392,634	109%
Student Activities	0	0	0%	0	0	0	0%
Public Service	0	0	0%	0	0	0	0%
Internal Service Departments	0	0	0%	0	0	0	0%
Auxiliary Enterprises	2,240,048	1,970,322	88%	2,331,600	81,520	2,335,051	100%
Athletics	189,100	179,325	95%	320,500	26,375	237,375	74%
Total Current Unrestricted	22,065,997	24,555,968	111%	23,265,052	1,081,864	24,965,060	107%
CURRENT RESTRICTED FUND							
Grants	2,038,152	933,298	46%	1,979,279	101,418	1,088,994	55%
Student Aid	4,000,000	2,886,113	72%	4,000,000	9,354	3,000,479	75%
Total Current Restricted	6,038,152	3,819,411	63%	5,979,279	110,772	4,089,473	68%
PLANT FUNDS							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from State GOB Funds	1,840,485	1,576,099	86%	1,586,048	0	186,184	12%
Projects from State STB Funds	320,000	0	0%	1,810,000	0	837,676	46%
Projects from General Fund	537,995	0	0%	178,282	0	45,000	25%
Projects from Private Funds	0	0	0%	0	0	0	0%
Interest Income	0	0	0%	0	0	0	0%
Total Plant Funds	2,698,480	1,576,099	58%	3,574,330	0	1,068,860	0%
GRAND TOTAL REVENUES	30,802,629	29,951,478	97%	32,818,661	1,192,636	30,123,393	92%

NEW MEXICO JUNIOR COLLEGE

Oil and Gas Revenue Report

March 2009

75% 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	2006-07 Original Budget	Variance Over (Under) Budget
	Distribution							
Actual	July	\$114.17	3,061,229	\$11.67	16,203,348	1,267,202	350,000	917,202
Actual	August	\$131.10	2,682,103	\$12.59	14,217,636	1,222,043	350,000	872,043
Actual	September	\$131.71	2,840,992	\$13.63	16,287,197	1,378,618	350,000	1,028,618
Actual	October	\$113.77	2,857,287	\$10.36	15,889,310	1,141,106	350,000	791,106
Actual	November	\$99.66	2,789,439	\$7.68	13,725,579	920,047	350,000	570,047
Actual	December	\$74.97	2,894,906	\$5.42	19,024,056	812,189	350,000	462,189
Actual	January	\$49.81	2,851,863	\$3.96	16,065,565	568,807	350,000	218,807
Actual	February	\$36.24	2,964,102	\$4.45	19,431,623	451,576	350,000	101,576
Accrual	March					350,000	350,000	0
Accrual	April							0
Accrual	May							0
Accrual	June							0
Y.T.D. Production Tax Revenue						8,111,588	3,150,000	4,961,588
Y.T.D. Equipment Tax Revenue						1,698,862	1,000,000	698,862
Total Year-to-Date Oil & Gas and Equipment Tax Revenue						9,810,450	4,150,000	5,660,450

Source: New Mexico Taxation and Revenue Department

NEW MEXICO JUNIOR COLLEGE

Schedule of Investments

March 2009

75% of Year Completed

Financial Institution	Amount Invested	Date Invested	Maturity Date	Period of Investment (Days)	Account Number	Interest Rate	Interest Earned
State of New Mexico Local Government Investment Pool	11,625,000	N/A	N/A	N/A	7102-1348	0.500%	5,076
Total Investments	<u>11,625,000</u>						<u>5,076</u>

Summary of Current Month's Activity	
Beginning amount	11,625,000
Plus: deposits	0
Less: withdrawals	0
Capital Projects	12,755,046
Reserves Invested	-1,130,046
Total LGIP Investment	11,625,000

Capital Projects	3/31/2009
Technology Upgrade	104,394.40
Workforce Training Center	24,619.00
High Tech Start Up	1,346.40
Vehicles	1,124.08
Drawings & Master Plan	12,805.63
Baseball Field	31,154.22
Rodeo Arena	115,121.91
Dormitory Landscape	0.00
Millen Fence/Landscape	95,119.12
JASI	113,846.39
Computer Equipment Rebates	1,167.75
Marketing	49,932.06
Equestrian Center	448,088.21
Flooring Repair	2,096.14
Student Housing Construction	351,811.04
Testing Center Remodel	3,950,000.00
Frame & Door Replacement	150,000.00
Campus Village Development Proj	19,651.65
Luminis Software	16,991.00
Landscaping	500,883.91
Facility Painting	1,749.01
Millen Drive Signalization	95,000.00
Electrical Upgrade	543,600.50
Campus Signage	38,120.00
Campus Paving	41,099.66
Roof Replacement	271,747.09
Interior Lighting-Energy Retrofit	34,722.22
WHM-Consultant	0.00
Workforce Training-Landscape	275,844.21
Old Dorms Renovation	829,989.17
CDL Truck Driving Program	43,262.14
Millen Dr. Sewer & Water	53,218.82
Board Room	15,786.44
Concrete Upgrade	46,063.48
Campus Construction	135,595.69
Oil & Gas Training Center	302,853.06
Workforce Training/Outreach	3,354.43
Professional Writing/Publishing	37,602.00
Public Sector	1,826.53
Campus Security	8,446.71
Caster Bleachers	131,871.22
Caster Old CHOF Remodel	976,000.00
Track/Arena Area Enhancement	68,372.13
Roadway Entrance-Rodeo/CDL	60,000.00
Lumens Software-Distance Learning	5,000.00
Welding Lab	50,000.00
Copier Replacement	12,917.66
Workforce Training Contingency	2,900.96
Distance Ed Equipment	485,000.00
Non-Recurring Compensation	677,950.00
Central Plant Upgrade	1,515,000.00
Total	12,755,046.04

NOTE: Capital projects total does not include encumbered funds