NEW MEXICO JUNIOR COLLEGE

BOARD MEETING

Thursday, December 17, 2020 Ben Alexander Building – Daniels Room & Via Zoom 1:30 pm

AGENDA

A.	Welcome	Pat Chappelle
B.	Adoption of Agenda	Pat Chappelle
C.	Approval of Minutes of November 19, 2020	Pat Chappelle
D.	President's Report	Kelvin Sharp
	 New Business Monthly Expenditure Reports Monthly Revenue Report Oil and Gas Revenue Report Schedule of Investments Consideration of Vocational Training Building Planning & Design Public Comments	Dan Hardin Dan Hardin Dan Hardin Dan Hardin Dan Hardin Pat Chappelle
	 Phone Number (575) 492-2595 Fax Number (575) 492-2559 	
G.	Determination of Next Meeting	Pat Chappelle
H.	Adjournment	Pat Chappelle

NEW MEXICO JUNIOR COLLEGE BOARD MEETING NOVEMBER 19, 2020 MINUTES

The New Mexico Junior College Board met on Thursday, November 19, 2020, beginning at 1:32 p.m. in the Ben Alexander Building, Daniels Room. The following members were present: Ms. Patricia Chappelle, Madam Chair; Mr. Ron Black, Secretary; Mr. Travis Glenn; and Mr. Hector Baeza. Mr. Manny Gomez, Ms. Evelyn Rising, and Mrs. Erica Jones attended via Zoom.

Ms. Chappelle called the meeting to order and welcomed guests attending via livestream due to the current COVID-19 pandemic and the current Public Health Order requiring social distancing. She commented in response to the Governor's order, guidelines continue to be followed. Ms. Chappelle encouraged the public to participate and provide public comments at the end of the formal agenda to either (575) 492-2595 or by fax to (575) 492-2559.

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

Upon a motion by Mr. Black, seconded by Mr. Glenn, the Board unanimously approved the minutes of October 15, 2020.

Dr. Sharp shared the NMJC family was saddened with the recent sudden loss of an NMJC faculty member, Mrs. Kori Thompson. On behalf of the Board, administration, staff and faculty, he expressed condolences to the Thompson family. In addition, Dr. Sharp made the Board aware that employees have received notification that special compensations will be distributed in early December. Dr. Sharp expressed appreciation to the Board from administration, faculty and staff for this continued support.

Under President's Report, Dr. Sharp invited Mr. Steve Sauceda to acknowledge him for his outstanding accomplishments as the host of "Untucked with Steve Sauceda" on the KNMJ TBird Radio Station, which recently aired its 100th episode live on Facebook with live call-ins. Dr. Sharp and the Board expressed their appreciation to Mr. Sauceda for

sharing his many talents with New Mexico Junior College. Ms. Rising noted Mr. Sauceda's messages connect with people and make them feel valued and cherished. Mr. Sauceda thanked the Board for the opportunity and thanked his support team for all the work that takes place behind the scenes.

Dr. Sharp invited Dr. Larry Sanderson and Mrs. Cathy Mitchell to provide campus updates. Dr. Sanderson reported face to face classes will be completed at close of business on Friday. He accredited the success of the semester to the willingness of faculty and students and to the leadership of Mrs. Mitchell. He reported the spring semester will have face to face classes as well as online classes. Classes will be reduced in size and continue to adhere to social distancing and wearing of masks. Spring inservice for faculty will be done virtually. NMJC will work closely with the high schools given that they are not expected to return until late January or February. He noted adjustments will be made to ACT Academy. Faculty loads will be adjusted with the focus on full-time faculty teaching classes in the event face to face classes are directed to go online. Over a two year period, credit hour enrollment is down 7.7%. Dr. Sanderson emphasized there was a gain in the previous year but lost ground this year by 15%. NMJC has received GEER Grant funding in the amount of \$150,000 from the Higher Education Department (HED). In addition, a match was made by the NMJC Foundation in the amount of \$75,000. Funds will be used between NMJC and the high schools for professional development in online education for teachers. NMJC has partnered with CCSSE (Community College Student Engagement) and is on board to do focus groups in January and May with high school/college students and high school/college faculty. In January, there will be communication with students on the current status of their education. A benchmark of the data will be provided to faculty to apprise them of the challenges students are facing. In May, focus groups will follow up with students on feedback of the semester. Mrs. Mitchell thanked the faculty and staff from various departments for their assistance and cooperation during a strenuous but successful semester. Dr. Sharp and Ms. Chappelle thanked Dr. Sanderson and Mrs. Mitchell for their leadership.

Dr. Sharp invited Mr. Charley Carroll to provide campus construction project updates. The Facility Management System project is 55% complete. The new fire alarm system is 65% complete. The McLean Hall cosmetology project is progressing well and scheduled to be completed by February 21. The Caster Activity multi-phase renovation project is scheduled to complete the first phase in January. The Literacy Alliance inside renovations were completed in August and the outside is currently undergoing a facelift with Austin stone to be completed within the next thirty days. Construction of the police academy and bus storage facility, which began in March, has been completed. The construction of the golf building is scheduled to be completed by February 1. The re-roof project for the WHM will begin after Thanksgiving and is scheduled to be completed by end of year. The museum terrazzo art project will begin after Thanksgiving and is scheduled to be completed by end of year. The new shade structure project near the snack bar area will begin in December and is scheduled to be completed by April 1. The new LED sign at Training & Outreach is completed and a separation wall between Allied Health and the WHM is scheduled to be completed by March 1.

Dr. Sharp invited Mr. Deron Clark to provide athletic updates. Mr. Clark recognized student athletes that signed with colleges during the NCAA signing period last week. Mr. Clark provided significant discussion of the continued restrictive mandates placed on athletics in New Mexico causing teams from other colleges to move to other areas to be able to compete. He stated he will be meeting with student athletes and will encourage the students wanting to return to NMJC with an understanding that NMJC will continue to follow all guidelines as set forth by the Governor. Approximately fifty-five students taking finals will remain on campus during Thanksgiving. Approximately twenty-three will remain on campus on/after December 10. Mr. Clark thanked the coaching staff for a tremendous job. Dr. Sharp thanked Mr. Clark for all of his efforts and leadership.

Dr. Sharp congratulated Jeff & Kristen McCool and family for the accomplishment of their son, Brevin McCool, who was awarded the Jack Maddox Distinguished Scholarship.

Under New Business, Mr. Dan Hardin joined the meeting to present the October 2020 financial reports. Upon a motion by Mr. Glenn, seconded by Mr. Baeza, the Board unanimously approved the Expenditure Report for October 2020. In addition, the Revenue Report, Oil and Gas Revenue Report, and Schedule of Investments Report were reviewed.

Mr. Hardin presented a request to move forward with the replacement of air handlers at Heidel Hall Building and the Mary Hagelstein Instructional Arts Center. Replacement cost of the air handler at Heidel Hall is estimated to be approximately \$600,000. Mr.

Hardin stated during the last legislative session, severance tax bonds were received in the amount of \$750,000 for replacement of air handlers in both Heidel Hall and Mary Hagelstein buildings. Administration will encumber all severance tax money and is therefore requesting to move forward with the Mary Hagelstein air handler replacement as well. Engineering for the projects is Bridger and Paxton and the contractor will be Donner Plumbing. Final cost of the projects have not been determined. Administration will provide final cost and scope of work at the January meeting. Administration requested approval to submit the projects to HED by December 11 for approval at the January HED Capital Project Committee Hearing, and approval to move \$400,000 from reserves to the Mary Hagelstein air handler replacement fund. Mr. Gomez asked if there are sufficient funds in reserves to accomplish this request. Mr. Hardin responded yes. Upon a motion by Mr. Glenn, seconded by Mr. Baeza, the Board unanimously approved the request to proceed with the projects as requested and to transfer \$400,000 from reserves to the Mary Hagelstein air handler replacement fund.

Ms. Chappelle called for comments from the public. There being none, the next regular board meeting was scheduled for Thursday, December 17, 2020 beginning at 1:30 pm.

Upon a motion by Mr. Baeza, seconded by Mr. Black, the board meeting adjourned at 2:59 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 10, 2020
RE:	Expenditure and Revenue Reports for November

November is month five or 42 percent of the 2020/2021 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 2020 is \$40,312,989.00.

Looking at the expense report for November, the total Current Unrestricted Funds expended year-to-date is \$10,583,314.00 or 37% of the budget. As you compare this total to the November expenditures in November of 2019, the trends are declining. Expenses for Instruction and General are down as compared to FY 20 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. Auxiliary Enterprises expenditures are less this fiscal year than in FY 20. Most of the difference is due to the decline in enrollment. Robert Adams and his Bookstore staff are doing a great job of preparing for the Spring semester making sure the right books and the right number 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 28% of the budget. Restricted Student Aid expenditures are down some as compared to the expenditures in November of 2019. Total expenditures for restricted funds are \$2,094,208.00.

Plant fund expenditures for November were \$332,056.00; the total year-to-date including encumbrances is \$27,635,467.00. The expenditures for the month are for smaller projects, the large projects such as Caster, McLean, Facility Management, Fire Alarm, and the Golf Building are already encumbered and included in the totals.

Total expenditures and encumbrances through November 2020 are \$40,312,989.00,

which is 60% of the budget.

Total revenue remains positive for the fiscal year of 2020/21. 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. The College also received \$429,785.00 in property tax revenue in November. The College will receive another large allocation of mill levy property tax in December. Auxiliary Enterprises revenue is at 42% of the budget as of the end of November. Auxiliary revenue is down as compared to this time last year. The decline in enrollment has impacted the housing and food service revenue. The revenue for restricted funds has also declined as compared to the Fall of 2019, most of the decline is in restricted student aid.

The year-to-date revenue for November 2020 is \$15,326,325.00.

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. Additionally, the College received \$107,577.03 in November for Oil and Gas Equipment Tax revenue. Below the normal Oil & Gas report are the average production and price of oil and gas for the past five years. This will give you some perspective of current production and price levels.

The Investment report reflects the \$36,593,127.00 invested with LGIP at the end of November. 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 \$6,302.00 with the interest rate of .140. The current CDAR rates are at .08. The College will have to decide on renewing or moving to LGIP the \$3,000,000.00 in CDAR's that will be coming up for renewal in January. At the end of November there was \$33,682,821.08 in allocated capital projects.

One other item that comes up every even year is the State requests that only 50% of the State funding be spent by the end of December. This year New Mexico Junior College was able to get an exemption because the College operates on a semester basis, summer, fall, and then spring. The College and the Board will not be held to the 50% rule.

Board members please know that the employees across campus appreciate the New Mexico Junior College Board, and are so grateful for the support that you give to the faculty and staff. We all wish you a Merry Christmas and Happy New Year!

This is the Financial Report for November 2020.

NEW MEXICO JUNIOR COLLEGE Expenditure Report November 2020

42% of Year Completed

		2019-20			2020	-21	
		Year-to-Date	Percentage		Current		Percentage
	Final	Expended or	of Budget		Expended or	Expended or	of Budget
Fund	Budget	Encumbered	Expended	Budget	Encumbered	Encumbered	Expended
CURRENT UNRESTRICTED FUND	-						
Instruction and General:							
Instruction	11,862,407	3,494,287	29%	10,267,223	741,268	3,406,217	33%
Academic Support	2,569,083	924,385	36%	2,372,925	161,692	807,522	34%
Student Services	2,207,388	769,976	35%	2,121,047	132,058	682,865	32%
Institutional Support	4,648,321	1,714,578	37%	4,566,506	346,919	1,697,045	37%
Operation & Maintenance of Plant	3,988,457	1,534,493	38%	3,983,813	187,995	1,349,757	34%
Subtotal - Instruction & General	25,275,656	8,437,719	33%	23,311,514	1,569,932	7,943,406	34%
Research	0	60,054		0	9,278	48,558	
Public Service	50,000	12,005	24%	50,000	4,805	14,870	30%
Internal Service Departments	189,176	256,480	136%	109,089	(1,344)	126,406	116%
Student Aid	685,880	322,848	47%	710,880	98,956	480,752	68%
Auxiliary Enterprises	2,722,498	1,397,585	51%	2,160,172	162,658	1,229,961	57%
Athletics	2,308,988	1,115,005	48%	2,267,001	55,242	739,361	33%
Total Current Unrestricted Fund	31,232,198	11,601,696	37%	28,608,656	1,899,527	10,583,314	37%
CURRENT RESTRICTED FUND							
Grants	949,794	291,452	31%	908.797	50,772	256,847	28%
Student Aid	3,862,038	2,192,141	57%	3,862,038	164,722	1,837,361	48%
Total Current Restricted Fund	4,811,832	2,483,593	52%	4,770,835	215,494	2,094,208	44%
PLANT FUNDS	-						
Capital Outlay / Bldg. Renewal & Repl. Projects from Institutional Funds	26,982,338	9,372,888	35%	29,729,122	187,110	25,133,690	85%
-							85% 95%
Projects from State GOB Funds	4,764,218	3,086,500	65%	1,702,500	142,797	1,615,257	
Projects from State STB Funds	0			900,000		24.2.000	0%
Projects from General Fund	938,466	446,600		353,400		212,000	60%
Projects from Private Funds							0%
Projects from State ER&R	335,000	77,075	23%	335,000	2,149	148,432	44%
Projects from State BR&R Subtotal - Capital and BR&R	598,000 33,618,022	386,881 13,369,944	<u>65%</u> 40%	598,000 33,618,022	332,056	526,088 27,635,467	<u>88%</u> 82%
Subtotal - Capital and DReR	33,010,022	13,303,344	40 /0	55,010,022	552,050	27,033,407	02 /0
Debt Service							
Revenue Bonds	0		0%	0			0%
Total Plant Funds	33,618,022	13,369,944	40%	33,618,022	332,056	27,635,467	82%
GRAND TOTAL EXPENDITURES	69,662,052	27,455,233	39%	66,997,513	2,447,077	40,312,989	60%

NEW MEXICO JUNIOR COLLEGE Revenue Report November 2020

42% of Year Completed

-		2019-20			202	20-21	
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:							61 0/
Tuition and Fees	3,931,431	2,992,400	76%	3,914,806	721,813	2,641,074	67%
State Appropriations	6,546,216	2,661,939	41%	5,747,200	473,830	2,430,393	42%
Advalorem Taxes - Oil and Gas Advalorem Taxes - Property	21,663,449 10,500,000	5,527,766 360,330	26% 3%	7,235,000 9,200,000	1,817,379 429,785	4,773,947 429,785	66% 5%
Interest Income	10,500,000	259	3%	9,200,000	429,785	429,785	2%
Other Revenues	204,646	220,800	108%	196,418	88,532	116,484	59%
Subtotal - Instruction & General	42,855,742	11,763,494	27%	26,302,424	3,531,392	10,391,891	40%
Research			0%				0%
Public Service			0%				0%
Internal Service Departments	41,148	40,985	100%	9,000	1,333	1,333	15%
Auxiliary Enterprises	3,008,585	1,626,717	54%	2,846,886	30,730	1,183,263	42%
Athletics	568,984	256,516	45%	535,500	44,625	223,125	42%
Total Current Unrestricted	46,474,459	13,687,712	29%	29,693,810	3,608,080	11,799,612	40%
CURRENT RESTRICTED FUND							
Grants	949,794	308,694	33%	908.797	140,545	391,287	43%
Student Aid	3,862,038	2,147,169	56%	3,862,038	126,025	1,542,273	40%
Total Current Restricted	4,811,832	2,455,863	51%	4,770,835	266,570	1,933,560	41%
PLANT FUNDS							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from State GOB Funds	4,702,500		0%	1,702,500	144,607	1,502,184	88%
Projects from State STB Funds	0		0%	900,000			0%
Projects from General Fund	792,000		0%	353,400	59,029	59,029	17%
Projects from Private Funds	350 000	100.000	0%	120.000	c		0%
Interest Income (LGIP)	250,000	192,338	77%	120,000	6,302	31,940	27%
Total Plant Funds	5,744,500	192,338	3%	3,075,900	209,938	1,593,153	52%
GRAND TOTAL REVENUES	57,030,791	16,335,913	29%	37,540,545	4,084,588	15,326,325	41%

NEW MEXICO JUNIOR COLLEGE Oil and Gas Revenue Report November 2020

42% of Year Completed

			OIL		GAS		COMBINED	
							2019-20	Variance
M	lonth of	Price	Lea County	Price	Lea County	Monthly	Original	Over (Under)
Sales	Distribution	per BBL	BBLs sold	per MCF	MCF sold	Revenue	Budget	Budget
Actual	July	\$37.25	17,319,589	\$1.88	50,434,252	1,561,399	465,000	1,096,399
Accrual	August	\$39.07	17,858,395	\$2.09	56,003,009	1,709,971	465,000	1,244,971
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	. Productio	n Tax Revenue	4,666,370	5,580,000	(913,630)
			Y.T.D.	Equipment	Tax Revenue	107,577	1,655,000	(1,547,423)
Total		Year-to-Dat	te Oil & Gas and	d Equipmen	t Tax Revenue	4,773,947	7,235,000	(2,461,053)

Source: New Mexico Taxation and Revenue Department

	FY 16	FY 17	FY 18	FY 19	FY 20
Oil Production Average	5,901,566	6,495,087	8,977,641	14,022,345	17,112,745
Average Price per Barrel	35.55	42.90	53.33	50.27	43.03
Gas Production Average	17,990,679	21,506,106	29,109,728	38,793,786	45,857,679
Average Price per MCF	2.59	3.41	3.66	3.27	1.94

NEW MEXICO JUNIOR COLLEGE Schedule of Investments November 2020

42% of Year Completed

Amount Invested	Account Number	Interest Rate	Interest Earned
38,593,127	7102-1348	0.140%	6,302
0			
(2,000,000)			
36,593,127			6,302
3,000,000		2.30%	
	Invested 38,593,127 0 (2,000,000) 36,593,127	Invested Number 38,593,127 7102-1348 0 (2,000,000) 36,593,127 36,593,127	Invested Number Rate 38,593,127 7102-1348 0.140% 0 0 0 (2,000,000) 36,593,127

Capital Project	11/30/2020
Vehicles	686,920.58
Law Academy Building	1,685.98
Computer Labs/ITV Upgrade	200,000.00
Campus Vestibules	1,250,000.00
Voc B Airhandler	200,000.00
Softball Field	890,000.00
Technology Upgrade	285,897.62
JASI	9,413.75
WHM South Gallery	266,594.43
Baseball Field	44,173.45
Rodeo Arena	31,890.34
Fire Alarm Upgrade	1,733,351.29
Luminis Software	2,993.00
Landscaping	442,007.15
Smart Classrooms	47,023.76
Campus Signage	553,167.53
Campus Paving	291,198.65
Roof Replacement WHM	500,000.00
Dorm/Apartment Refurbish	22,835.36
Concrete Upgrade	215,870.33
Campus Construction	61,578.18
Oil & Gas Training	88,974.02
Workforce Training & Outreach	250,000.00
Guided Pathways Rob Johnstone	140,000.00
Public Sector	8,047.50
Campus Security	49,936.31
Lumens Software-Distance Learng	5,000.00
Copier Replacement	13,082.22
Non-Recurring Compensation	750,000.00
Athletics	91,044.97
Student Life Programming	20,432.28
Succession Plan	52,014.15
WHM Exhibits	92,825.38
Track Upgrades	87,317.21
Driving Range Upgrades	522,511.27
McLean Hall Renovations	2,551,684.90
Cafeteria Upgrade	69,462.97
Channel 19 Upgrade	6,229.50
Equestrian Center	2,967,069.95
Bob Moran Upgrades	18,992.47
Campus/Hospital Fencing	563,509.84
Turf Replacement	500,000.00
Watson Hall	1,066,056.05
Facilities Management System	1,593,355.20
Busing Support for Recruiting	5,872.30
Caster Upgrades	11,286,783.87
Workforce Training Center	3,000,000.00
Allied Health	144,274.63
Workforce Training Contingency	1,742.69
Total	33,682,821.08
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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
From:	Dan Hardin
RE:	Planning, design, and engineering for a Vocational/Workforce Training building
Date:	December 11, 2020

New Mexico Junior College Board members,

The administration is asking for your approval to move forward with the planning, design, and engineering of a proposed Vocational/Workforce Training Building. This building will be located due west of the Larry Hanna Workforce Training building, and would house the welding program, instrumentation & controls program, and other oil field related programs. During the last legislative session Dr. Sharp was able to secure \$150,000.00 in STB (Severance Tax Bonds) for planning and design of a future Vocational/Workforce Training Building. Because there are State funds involved in this stage of the project, the College must have Board approval to move forward with the design process. The planning and design will be done by Dekker Perich Sabatini along with Bridgers and Paxton providing the engineering. The anticipated cost for planning, design, and engineering will be approximately \$468,500.00, which also includes the gross receipts taxes. Funding for the planning, design, and engineering will come from STB \$150,000.00 and institutional funds totaling 318,500.00. Institutional funds will come from fund number 91599 (Workforce Training Center) that has a current fund balance of \$3,000,000.00.

The administration is only asking for your approval to proceed with the planning, design, and engineering of a Workforce Training Building, which includes taking the Vocational/Workforce Training planning, design, and engineering phase to the HED.

Respectfully,

au Hardin

Dan Hardin