

NEW MEXICO JUNIOR COLLEGE

BOARD MEETING

Thursday, October 18, 2018

Zia Board Room – Library

1:30 pm

AGENDA

- | | |
|--|---------------|
| A. Welcome | Pat Chappelle |
| B. Adoption of Agenda | Pat Chappelle |
| C. Approval of Minutes of September 20, 2018 | 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. Quarterly Financial Action Report | Dan Hardin |
| F. Public Comments | Pat Chappelle |
| G. Announcement of Next Meeting | Pat Chappelle |
| H. Adjournment | Pat Chappelle |
| I. NMJC Allied Health Building Tour | Kelvin Sharp |

**NEW MEXICO JUNIOR COLLEGE
BOARD MEETING
SEPTEMBER 20, 2018
MINUTES**

The New Mexico Junior College Board met on Thursday, September 20, 2018, 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; and Mr. Hector Baeza. Ms. Evelyn Rising was not present.

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

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

Upon a motion by Mr. Gomez, seconded by Mr. Glenn, the Board unanimously approved the minutes of August 16, 2018.

Under President's Report, Coach Jeff Becker introduced four athletes that will run cross-country this fall for the NMJC women's track team. He reported the team has attended the West Texas meet in Snyder, TX and the Texas Tech meet in Lubbock, TX. He reported NMJC finished third at West Texas and fourteen at Texas Tech and stated due to sickness and injuries, the full team was not able to compete. Coach Becker invited everyone to attend the Hobbs cross-country meet scheduled at Harry McAdams Park on September 28 with the NMJC team running at 5:00 pm.

Coach James Berry introduced the NMJC men's golf team and reported the team took a second in Pueblo, CO with two team members taking a first and second individually. He stated the team will be traveling to Ruidoso, NM this weekend to play in the Ruidoso High Country Shootout, JUCO Tournament. He further noted the team is currently No. 10 on the Pre-season National Ranking.

Dr. Darrell Beauchamp provided updates of The Staked Plains Roundup event scheduled from September 20 through September 22. He reported the first day brought in approximately 700 fourth grade students including teachers and chaperones from Hobbs, Lovington, and Eunice public/private schools. The second day is expected to bring in an additional 700 Hobbs students with the last day to bring in approximately 1500-1700 members of the community. Dr. Beauchamp stated all events were moved to the NMJC rodeo arena this year. He stated students visit nine stations followed with entertainment by Native American performers Nino Reyos and Trick Roper, Brice Chapman. Dr. Beauchamp expressed his appreciation for the volunteers and noted it would not be successful without their help.

Dr. Sharp stated GO Bond presentations are being done throughout the county with various service organizations/groups and are expected to continue for the next few weeks. In addition, Dr. Sharp provided discussion regarding a recently attended Legislative Finance Committee in Taos, New Mexico to discuss the anticipated finances for the coming session. He reported, due to the current oil and gas activity, there will be approximately \$1.2 billion in new funding at the January, 2019 meeting. In addition, Dr. Sharp stated NM Higher Education Department Secretary Barbara Damron shared a statewide report. Secretary Damron reported that although enrollment is not growing in the institutions in New Mexico, there has been a significant increase in certificates and associates degrees in Junior Colleges and branch campuses. She further stated this type of increase was not seen in the bachelor's or in the master's degrees. It was also reported that there has been a significant increase in the number of students that are completing at community college levels. Dr. Sharp stated he anticipates legislators will have significant discussions about using the funding formula to address these issues.

Under New Business, Mr. Dan Hardin presented the August 2018 financial reports. Upon a motion by Mr. Black, seconded by Mr. Baeza, the Board unanimously approved the Expenditure Report for August 2018. In addition, the Revenue Report, Oil and Gas Revenue Report, and Schedule of Investments Report were reviewed.

Mr. Josh Morgan presented a request for consideration of disposition of unused inventory through public auction. He stated upon approval, a letter will be sent to the Office of the State Auditor and HED notifying them of the intent to dispose the inventory at public auction. He further stated NMJC will wait 30 days after the notices are sent to hold the public auction. Upon a motion by Mr. Gomez, seconded by Mr. Glenn, 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, October 18, 2018 beginning at 1:30 pm.

Upon a motion by Mrs. Vinson, seconded by Mr. Gomez, the board meeting adjourned at 2:03 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: October 10, 2018

RE: Expenditure and Revenue Reports for September

September represents month three or the end of the first quarter of the 2018/2019 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 September 2018 is \$18,236,395.00.

In the review of the Instruction and General, we see normal expenditures for this time of year, with total Instruction and General expenditures of \$4,943,847.00. Total current unrestricted fund expense through September is \$7,085,518.00, which is 25% of the budget. Internal Services, Student Aid, Auxiliary Enterprises and Athletics normally have a higher percentage of their budget spent by this time of the fiscal year. Internal Services which is Computer Services, Document Center, and Motor Pool have credits posted to their departments each month. The expense varies depending on when maintenance agreements and other expenses are encumbered.

Total restricted funds of \$2,318,282.00 were expensed through September, this is 46% of the budget. This is comparable to Restricted fund expenditures in FY 18.

The plant funds are showing expenditures/encumbrances for the first quarter of FY 19, with the bulk of the expenses or encumbrances showing in Technology Upgrades, Smart Classrooms, and Allied Health construction. The difference in Plant Fund expenditures and/or encumbrances in FY 18 as compared to FY 19 is the Allied Health building construction project. Total plant funds expended or encumbered through September is \$8,832,595.00.

Total funds expended or encumbered through September is \$18,236,395.00.

The unrestricted revenue through September is \$6,205,653.00. Most of the revenue is derived from Tuition and Fees, State Appropriation, Oil and Gas revenue accrual and the Auxiliary Enterprises. The College will normally start receiving Property Tax revenue in December and the Oil and Gas revenue will begin in October for the new fiscal year.

In the restricted revenue year-to-date, \$1,987,717.00 has drawn down from the Grants, Pell grant, and direct loan funds through the end of September.

Total revenue for September is \$1,163,519.00 with the total year-to-date revenue of \$8,542,873.00, which is 25% of the projected revenue budget.

The Oil and Gas Revenue report in your packet is the final report for fiscal year 2017/2018. This report shows the oil & gas distribution of \$1,465,399.00 for June. The College is the beneficiary of strong production and stable oil prices, averaging 1.3 million per month for oil & gas revenue for FY 18. It is hard to predict the trends in oil & gas revenue but the current price and production levels make us optimistic for FY 19.

The Investment report shows that the College began the month with \$14,593,127.00 in LGIP funds and ended the month with the \$14,593,127.00. Additionally, three million is in bank cedars for a total invested at 17,593,127.00. At the end of September there were \$16,421,438.66 in designated capital projects.

This is the monthly report for September 2018.

Respectfully submitted,

Dan Hardin

NEW MEXICO JUNIOR COLLEGE

Expenditure Report

September 2018

25% of Year Completed

Fund	2017-18			2018-19			
	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	10,058,717	1,861,886	19%	10,219,294	798,959	1,937,441	19%
Academic Support	2,501,303	719,958	29%	2,656,318	173,258	589,700	22%
Student Services	1,990,627	465,453	23%	2,046,450	169,064	455,575	22%
Institutional Support	3,888,147	1,015,758	26%	4,317,093	410,031	1,032,978	24%
Operation & Maintenance of Plant	3,652,603	940,478	26%	3,731,780	260,384	928,153	25%
Subtotal - Instruction & General	22,091,397	5,003,533	23%	22,970,935	1,811,696	4,943,847	22%
Research	850,000	225,296	0%	850,000	27,286	169,911	20%
Public Service	0	9,165	0%	50,000	895	3,385	7%
Internal Service Departments	87,288	4,076	5%	119,306	113,783	116,894	98%
Student Aid	668,551	204,259	31%	685,880	43,466	249,015	36%
Auxiliary Enterprises	2,066,294	919,548	45%	2,125,946	321,112	1,056,161	50%
Athletics	1,270,979	505,963	40%	1,613,798	79,259	546,305	34%
Total Current Unrestricted Fund	27,034,509	6,871,840	25%	28,415,865	2,397,497	7,085,518	25%
CURRENT RESTRICTED FUND							
Grants	1,977,141	241,874	12%	881,787	77,337	173,096	20%
Student Aid	3,989,359	2,137,869	54%	4,188,219	219,593	2,145,186	51%
Total Current Restricted Fund	5,966,500	2,379,743	40%	5,070,006	296,930	2,318,282	46%
PLANT FUNDS							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from Institutional Funds	9,723,989	1,419,040	15%	18,203,440	1,049,481	8,031,552	44%
Projects from State GOB Funds	3,960,000	27,430	0%	289,894	1,552	278,281	96%
Projects from State STB Funds	596,058	415,759	0%	114,064		114,064	100%
Projects from General Fund	0	4,981	0%				0%
Projects from Private Funds	0		0%				0%
Projects from State ER&R	332,720	55,823	17%	332,720	69,352	96,064	29%
Projects from State BR&R	597,281	181,671	30%	597,281	25,599	312,634	52%
Subtotal - Capital and BR&R	15,210,048	2,104,704	14%	19,537,400	1,145,984	8,832,595	45%
Debt Service							
Revenue Bonds	0	0	0%	0	0	0	0%
Total Plant Funds	15,210,048	2,104,704	14%	19,537,400	1,145,984	8,832,595	45%
GRAND TOTAL EXPENDITURES	48,211,057	11,356,287	24%	53,023,271	3,840,411	18,236,395	34%

NEW MEXICO JUNIOR COLLEGE
Revenue Report
September 2018

25% of Year Completed

Fund	2017-18			2018-19			
	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	3,812,000	2,096,022	55%	3,887,000	24,900	1,873,812	48%
State Appropriations	5,629,937	1,407,474	25%	5,805,900	509,456	1,465,974	25%
Advalorem Taxes - Oil and Gas	7,235,000	1,395,294	19%	7,235,000	465,263	1,395,263	19%
Advalorem Taxes - Property	7,700,000	0	0%	8,530,000			0%
Interest Income	10,000	578	6%	10,000		12	0%
Other Revenues	296,538	76,233	26%	320,476		112,146	35%
Subtotal - Instruction & General	24,683,475	4,975,601	20%	25,788,376	999,619	4,847,207	19%
Research	400,000	100,000	0%				0%
Public Service	0	0	0%				0%
Internal Service Departments	12,500	2,705	22%	12,500	1,633	2,505	20%
Auxiliary Enterprises	3,668,000	1,383,015	38%	2,615,000	43,936	1,239,865	47%
Athletics	448,100	112,066	25%	454,600	40,994	116,076	26%
Total Current Unrestricted	29,212,075	6,573,387	23%	28,870,476	1,086,182	6,205,653	21%
CURRENT RESTRICTED FUND							
Grants	1,977,141	244,636	12%	881,787	77,337	173,306	20%
Student Aid	3,989,359	1,995,098	50%	4,188,219		1,814,411	43%
Total Current Restricted	5,966,500	2,239,734	38%	5,070,006	77,337	1,987,717	39%
PLANT FUNDS							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from State GOB Funds	3,960,000		0%	289,894		278,009	0%
Projects from State STB Funds	596,058	0	0%	114,064		23,590	0%
Projects from General Fund	0	0	0%				0%
Projects from Private Funds	0	0	0%				0%
Interest Income (LGIP)	25,000	14,224	57%	102,000		47,904	0%
Total Plant Funds	4,581,058	14,224	0%	505,958	0	349,503	69%
GRAND TOTAL REVENUES	39,759,633	8,827,345	22%	34,446,440	1,163,519	8,542,873	25%

NEW MEXICO JUNIOR COLLEGE

Oil and Gas Revenue Report

June 2018

100% 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	2015-16 Original Budget	Variance Over (Under) Budget
	Distribution							
Actual	July	\$41.11	7,043,447	\$3.16	25,188,223	817,449	465,000	352,449
Actual	August	\$43.06	7,085,620	\$3.71	25,547,110	873,645	465,000	408,645
Actual	September	\$44.66	7,227,236	\$3.79	24,020,104	965,644	465,000	500,644
Actual	October	\$45.76	8,509,170	\$3.65	30,213,740	1,129,761	465,000	664,761
Actual	November	\$52.12	8,315,789	\$3.91	27,529,490	1,371,215	465,000	906,215
Actual	December	\$55.74	9,059,394	\$3.54	30,776,786	1,098,317	465,000	633,317
Actual	January	\$61.57	8,776,392	\$3.64	29,184,430	1,547,258	465,000	1,082,258
Actual	February	\$60.75	8,427,721	\$3.38	29,613,231	1,364,798	465,000	899,798
Actual	March	\$58.25	10,789,008	\$3.07	34,922,274	1,563,902	465,000	1,098,902
Actual	April	\$60.34	10,593,308	\$3.72	29,501,061	1,621,885	465,000	1,156,885
Actual	May	\$61.95	11,062,380	\$3.88	31,222,706	1,815,182	465,000	1,350,182
Actual	June	\$54.63	10,842,228	\$4.44	31,597,577	1,465,399	465,000	1,000,399
Y.T.D. Production Tax Revenue						15,634,455	5,580,000	10,054,455
Y.T.D. Equipment Tax Revenue						1,560,756	1,655,000	(94,244)
Total Year-to-Date Oil & Gas and Equipment Tax Revenue						<u>17,195,211</u>	<u>7,235,000</u>	<u>9,960,211</u>

Source: New Mexico Taxation and Revenue Department

NEW MEXICO JUNIOR COLLEGE

Schedule of Investments

September 2018

25% of Year Completed

Financial Institution	Amount Invested	Account Number	Interest Rate	Interest Earned
State of New Mexico Local Government Investment Pool	14,593,127	7102-1348	1.907%	24,885
Plus deposits	0			
Less withdrawals	0			
Total LGIP investments	14,593,127			24,885
Lea County State Bank CDAR	3,000,000		1.76%	

Capital Project	9/30/2018
Vehicles	186,615.56
Campus Master Plan	60,000.00
Technology Upgrade	218,710.01
JASI	21,912.62
WHM South Gallery	266,594.00
Baseball Field	7,136.00
Rodeo Arena	182,798.02
Infrastructure	642,542.24
Luminis Software	2,993.00
Landscaping	141,280.17
Smart Classrooms	0.00
Campus Signage	96,234.97
Dorm/Apartment Refurbish	59,863.32
Campus Construction	121,741.39
Oil & Gas Training	143,888.70
Public Sector	9,227.00
Campus Security	80,040.41
Lumens Software-Distance Learnng	5,000.00
Copier Replacement	373.49
Non-Recurring Compensation	652,169.10
Athletics	5,534.03
Student Life Programming	20,432.28
Succession Plan	52,014.15
WHM Exhibits	57,031.67
Track Upgrades	1,612,790.75
Driving Range Upgrades	500,000.00
McLean Hall Renovations	750,000.00
Cafeteria Upgrade	134,215.60
Channel 19 Upgrade	8,115.71
FERPA & Title IX	5,610.68
Equestrian Center	3,000,000.00
Bob Moran Upgrades	46,945.64
Turf Replacement	82,781.47
HVAC Software-Central Plant	200,000.00
Busing Support for Recruiting	5,872.30
HED Faculty Development	7,504.87
Caster Upgrades	2,500,000.00
Allied Health	4,531,648.27
Workforce Training Contingency	1,821.24
Total	16,421,438.66

NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

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

To: Board Members
From: Dan Hardin
RE: Quarterly Financial Action Report
Date: October 10, 2018

To comply with the HED (Higher Education Department) mandate that each College Board approve a quarterly financial action statement, attached is the Quarterly Action Statement for the quarter ending on September 30, 2018. This disclosure notifies you as the NMJC Board as well as the HED to any financial problems that might not be evident with an income and expense report. The College has made all required payments, payroll, and scheduled payments to vendors. Please approve the Quarterly Financial Action Report as of September 30, 2018.

Respectfully,

Dan Hardin

QUARTERLY FINANCIAL ACTION REPORT

Fiscal Year 18

Today's Date: 10-18-2018

Period (check one)

1st quarter

2nd quarter

3rd quarter

4th quarter

Institution: New Mexico Junior College

DURING THE TIME PERIOD COVERED BY THIS REPORT, DID YOUR INSTITUTION:

(1) Request an advance of state subsidy? Yes: No:

(2) Fail to make its required payments, as scheduled, to appropriate retirement system(s)?

Yes: No:

(3) Fail to make its payroll payments, as scheduled?

Yes: No:

(4) Fail to make its scheduled debt service payments?

Yes: No:

(5) Fail to make payments to vendors, as scheduled, due to a cash deficiency or a substantial deficiency in the payment processing system?

Yes: No:

(6) Relative to its original budget for the fiscal year, experience any actual or anticipate any projected financial changes (such as unbudgeted decreases in revenues or unbudgeted increases in expenditures) that will result in a substantially reduced year-end fund balance or larger deficit this fiscal year?

Yes: No:

If the answer to any of the above is "Yes," please describe in a separate document: (i) the reason for the occurrence, (ii) the actions taken by your institution to resolve this particular occurrence, and (iii) the actions taken by your institution to prevent events such as this from occurring again.

In addition, if the answer to number 6 is "Yes," please describe in a separate document the nature of the financial changes and describe and assess the impact that the changes will have on your institution's planned year-end financial position.