

# NEW MEXICO JUNIOR COLLEGE

## BOARD MEETING

Thursday, October 19, 2017

Zia Board Room – Library

1:30 pm

## AGENDA

- |  |               |
|--|---------------|
| A. Welcome                                   | Pat Chappelle |
| B. Adoption of Agenda                        | Pat Chappelle |
| C. Approval of Minutes of September 21, 2017 | Pat Chappelle |
| D. President's Report                        | Kelvin Sharp  |
| E. New Business                              |               |
| 1. Monthly Expenditure Report                | 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. Closure of Open Meeting                   | Pat Chappelle |
| I. Adjournment                               | Pat Chappelle |

**NEW MEXICO JUNIOR COLLEGE  
BOARD MEETING  
SEPTEMBER 21, 2017  
MINUTES**

The New Mexico Junior College Board met on Thursday, September 21, 2017, 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. Hector Baeza; Mr. Manny Gomez and Mrs. Mary Lou Vinson. Member absent was Mr. Travis Glenn.

Ms. Chappelle called the meeting to order and welcomed visitors and guests present: Dorothy Fowler with the Hobbs News Sun and Mr. BJ Choice.

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

Upon a motion by Mr. Gomez, seconded by Mr. Black, the Board unanimously approved the minutes of August 17, 2017.

***Under President's Report,*** Coach Jeff Becker, Assistant Women's Track Coach, introduced members of the track team. Introduced were Ester Gitahi from Kenya, Cynthia Kipserem from Colorado, Sharon Jerono from Kenya, Abbigale Butler from New York, Christine Moss from Jamaica, and Teresha Jacobs from Jamaica. Coach Becker reported the team has attended three cross-country meets. Ester and Teresha won the relay at Lubbock Christian, the team finished in fourth at Texas Tech and first amongst Junior Colleges and won at the Junior Colleges Western Texas meet this past weekend. He further reported the team is currently ranked No. 13 in the first National Rankings. Coach Becker stated he feels confident if the team continues to work hard, they will do well at Nationals in Fort Dodge, Iowa on November 11.

Mr. Jeff McCool, Vice President of Training & Outreach, provided updates of the 2016-2017 Non-Credit Workforce Training Report submitted to Mr. Clayton

Abbey and to the State of New Mexico on August 22, 2017. He reported there were improvements in all four categories: Participants Served up from 2,020 to 2,027, Student Contact Hours up from 34,563 to 40,609, Total Entities Served up from 229 to 239, and New Entities Served up from 152 to 179. He further reported, compared to our peers in the State, NMJC ranked No. 3 in Headcount, No. 1 in New Entities Served and No. 3 in Student Contact Hours.

Ms. Erin Anderson, Western Heritage Museum Curator, provided updates of the Staked Plains Roundup event held September 14 through September 16. Ms. Anderson reported approximately five hundred third graders attended on September 14 and approximately seven hundred students attended on September 15. Students viewed nine different stations throughout the arena, watched Native American dancers and trick roping by Brice Chapman. On Saturday, September 16, Staked Plains Roundup opened for the public with approximately two thousand people attending. Additional events were added to Saturday to include a chuck wagon cook-off sponsored by the American Chuck Wagon Association. Ms. Anderson reported events for the weekend at the Western Heritage Museum are the “Smithsonian Magazine’s Museum Day Live”, a 1940’s classic film “Boom Town”, shoe exhibit “Walk a Mile”, and “Beauty in Energy”.

Mr. James Britsch, Director of the Library, introduced new employee Ms. Kayla Kasprzak as the new Reference Librarian. Dr. Sharp and Board members welcomed Ms. Kasprzak to the NMJC campus.

Dr. Sharp provided updates of Higher Education Department’s requirement of the common course numbering system. He stated NMJC is continuing to make internal adjustments as this process moves forward. He noted this will be a great opportunity to be more consistent in New Mexico and will provide students with the opportunity to transfer courses across the state without difficulty. In addition, he reported deans and faculty are in the process of evaluating NMJC’s General Education Core in the Associate of Science, Associate of Arts, & Associates of Applied Science degrees. Due to the State’s required reduction to thirty-one hours, there are ongoing discussions as to what courses are going to be included in the General Education Core that articulate what NMJC envisions are the competencies of an NMJC graduate. Dr. Sharp stated he is hopeful this project will be completed

sometime in October so the process of scheduling the right courses for students may begin.

*Under New Business*, Mr. Dan Hardin presented the August, 2017 financial reports. Upon a motion by Mrs. Vinson, seconded by Mr. Gomez, the Board unanimously approved the Expenditure Report for August 2017. In addition, the Revenue Report, Oil and Gas Revenue Report, and Schedule of Investments Report were reviewed.

Ms. Chappelle called for comments from the public. There being none, the next regular Board meeting was scheduled for Thursday, October 19, 2017 beginning at 1:30 pm.

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

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

Upon a motion by Mrs. Vinson, seconded by Mr. Gomez, the board meeting adjourned at 2:40 pm.

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Pat Chappelle, Chair

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Ron Black, Secretary

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# NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

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

From: Dan Hardin

Date: October 6, 2017

RE: Expenditure and Revenue Reports for September

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September represents month three or the end of the first quarter of the 2017/2018 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 2017 is \$11,356,287.00.

In the review of the Instruction and General, we see normal expenditures for this time of year, with total Instruction and General expenditures of \$5,003,533.00. Total current unrestricted fund expense through September is \$6,871,840.00, which is 25% of the budget. Student Aid, Auxiliary Enterprises and Athletics normally have a higher percentage of their budget spent by this time of the fiscal year. You may notice that Institutional Support was over three hundred thousand higher last fiscal year than this year. In FY 17 New Horizons was being reported in Institutional Support, in FY 18 New Horizons is being expensed in a separate fund under research.

In the restricted funds \$2,379,743.00 was expensed through September, this is 40% of the budget. This is comparable to Restricted fund expenditures in FY 17. After this first quarter the expenditures in the grant accounts will decline because the TAACCCT Grant has ended and will no longer be expensing grant funds as has been in the past.

The plant funds are showing expenditures/encumbrances for the first quarter of FY 18, with the bulk of the expenses or encumbrances showing in Technology Upgrades, Dorm upgrades, and Entertainment Technology. The difference in Plant Fund expenditures and/or encumbrances in FY 17 as compared to FY 18 is that at this time last year the College had encumbered funds for the Health Wellness Learning Center now called the CORE. Total plant funds expended or encumbered through September is \$2,104,704.00.

Total funds expended or encumbered through September is \$11,356,287.00.

The unrestricted revenue through September is \$6,573,387.00. Most of the revenue is derived from Tuition and Fees, State Appropriation, Oil and Gas revenue accrual and

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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 funds through the end of September the College has drawn down \$2,239,734.00 from the Grants, Pell grant, and direct loan funds.

Total revenue for September is \$3,174,218.00 with the total year-to-date revenue of \$8,827,345.00, which is 22% of the projected revenue budget.

The Oil and Gas Revenue report in your packet is the final report for fiscal year 2016/2017. This report shows the distribution of \$808,389.00 for June. The June price per barrel of oil is the lowest that is showing in FY 17. The lower price along with production backing off is the reason for the reduction in revenue for June. The revenue for the last eight months has been averaging \$888,736.00 per month. It is hard to predict the trends in Oil & Gas revenue but the current price per barrel has moved back up to the high forties, so we remain optimistic for FY 18.

The Investment report shows that we began the month with \$8,593,127.00 in LGIP funds and ended the month with the \$8,593,127.00. At the end of September there were \$12,024,655.59 in designated capital projects.

This is the monthly report for September 2017.

Respectfully submitted,

Dan Hardin

# NEW MEXICO JUNIOR COLLEGE

## Expenditure Report

### September 2017

25% of Year Completed

Fund	2016-17			2017-18			
	Final Budget	Year-to-Date Expended or Encumbered	Percentage of Budget Expended	Budget	Current Expended or Encumbered	Expended or Encumbered	Percentage of Budget Expended
<b>CURRENT UNRESTRICTED FUND</b>							
<b>Instruction and General:</b>							
Instruction	10,189,730	2,027,680	20%	10,058,717	737,656	1,861,886	19%
Academic Support	2,520,941	697,305	28%	2,501,303	269,203	719,958	29%
Student Services	1,996,717	514,154	26%	1,990,627	147,787	465,453	23%
Institutional Support	3,847,809	1,336,306	35%	3,888,147	327,958	1,015,758	26%
Operation & Maintenance of Plant	3,653,853	932,696	26%	3,652,603	241,876	940,478	26%
<b>Subtotal - Instruction &amp; General</b>	<b>22,209,050</b>	<b>5,508,141</b>	<b>25%</b>	<b>22,091,397</b>	<b>1,724,480</b>	<b>5,003,533</b>	<b>23%</b>
Research	0		0%	850,000	89,305	225,296	27%
Public Service	0		0%	50,000	4,700	9,165	18%
Internal Service Departments	85,520	33,333	39%	87,288	(9,177)	4,076	5%
Student Aid	668,551	366,249	55%	668,551	9,264	204,259	31%
Auxiliary Enterprises	2,038,349	867,568	43%	2,066,294	360,032	919,548	45%
Athletics	1,191,478	521,311	44%	1,270,979	144,228	505,963	40%
<b>Total Current Unrestricted Fund</b>	<b>26,192,948</b>	<b>7,296,602</b>	<b>28%</b>	<b>27,084,509</b>	<b>2,322,832</b>	<b>6,871,840</b>	<b>25%</b>
<b>CURRENT RESTRICTED FUND</b>							
Grants	1,977,141	325,995	16%	1,977,141	80,215	241,874	12%
Student Aid	3,989,359	1,977,015	50%	3,989,359	332,182	2,137,869	54%
<b>Total Current Restricted Fund</b>	<b>5,966,500</b>	<b>2,303,010</b>	<b>39%</b>	<b>5,966,500</b>	<b>412,397</b>	<b>2,379,743</b>	<b>40%</b>
<b>PLANT FUNDS</b>							
<b>Capital Outlay / Bldg. Renewal &amp; Repl.</b>							
Projects from Institutional Funds	11,519,140	3,315,273	29%	9,723,989	302,011	1,419,040	15%
Projects from State GOB Funds	4,955,549	4,950,000	0%	3,960,000		27,430	1%
Projects from State STB Funds	785,072	500,900	0%	596,058		415,759	0%
Projects from General Fund	0		0%	0		4,981	0%
Projects from Private Funds	0		0%	0			0%
Projects from State ER&R	332,720	53,634	16%	332,720	31,628	55,823	17%
Projects from State BR&R	597,281	183,141	31%	597,281	161,788	181,671	30%
Subtotal - Capital and BR&R	<b>18,189,762</b>	<b>9,002,948</b>	<b>49%</b>	<b>15,210,048</b>	<b>495,427</b>	<b>2,104,704</b>	<b>14%</b>
<b>Debt Service</b>							
Revenue Bonds	0	0	0%	0	0	0	0%
<b>Total Plant Funds</b>	<b>18,189,762</b>	<b>9,002,948</b>	<b>49%</b>	<b>15,210,048</b>	<b>495,427</b>	<b>2,104,704</b>	<b>14%</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>50,349,210</b>	<b>18,602,560</b>	<b>37%</b>	<b>48,261,057</b>	<b>3,230,656</b>	<b>11,356,287</b>	<b>24%</b>

**NEW MEXICO JUNIOR COLLEGE**  
**Revenue Report**  
**September 2017**

25% of Year Completed

Fund	2016-17			2017-18			
	Final Budget	Year-to-date Revenue	Percentage of Budget Received	Budget	Current Revenue	Year-to-date Revenue	Percentage of Budget Received
<b>CURRENT UNRESTRICTED FUND</b>							
<b>Instruction and General:</b>							
Tuition and Fees	3,667,000	2,033,840	55%	3,812,000	115,003	2,096,022	55%
State Appropriations	5,982,400	1,495,975	25%	5,629,937	469,158	1,407,474	25%
Advalorem Taxes - Oil and Gas	7,235,000	1,395,427	19%	7,235,000	465,294	1,395,294	19%
Advalorem Taxes - Property	7,052,621		0%	7,700,000		0	0%
Interest Income	15,000	61	0%	10,000	261	578	6%
Other Revenues	347,984	212,390	61%	296,538	12,875	76,233	26%
<b>Subtotal - Instruction &amp; General</b>	<b>24,300,005</b>	<b>5,137,693</b>	<b>21%</b>	<b>24,683,475</b>	<b>1,062,591</b>	<b>4,975,601</b>	<b>20%</b>
Research	0	0	0%	400,000	100,000	100,000	0%
Public Service	0	0	0%	0	0	0	0%
Internal Service Departments	39,170	2,668	7%	12,500	2,705	2,705	22%
Auxiliary Enterprises	2,586,000	1,361,757	53%	3,668,000	155,032	1,383,015	38%
Athletics	477,300	117,925	25%	448,100	37,342	112,066	25%
<b>Total Current Unrestricted</b>	<b>27,402,475</b>	<b>6,620,043</b>	<b>24%</b>	<b>29,212,075</b>	<b>1,357,670</b>	<b>6,573,387</b>	<b>23%</b>
<b>CURRENT RESTRICTED FUND</b>							
Grants	1,977,141	331,642	17%	1,977,141	81,670	244,636	12%
Student Aid	3,989,359	1,847,461	46%	3,989,359	1,727,540	1,995,098	50%
<b>Total Current Restricted</b>	<b>5,966,500</b>	<b>2,179,103</b>	<b>37%</b>	<b>5,966,500</b>	<b>1,809,210</b>	<b>2,239,734</b>	<b>38%</b>
<b>PLANT FUNDS</b>							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from State GOB Funds	4,955,549		0%	3,960,000			0%
Projects from State STB Funds	785,072	0	0%	596,058	0	0	0%
Projects from General Fund	0	0	0%	0	0	0	0%
Projects from Private Funds	0	0	0%	0	0	0	0%
Interest Income (LGIP)	10,000	8,005	80%	25,000	7,338	14,224	0%
<b>Total Plant Funds</b>	<b>5,750,621</b>	<b>8,005</b>	<b>0%</b>	<b>4,581,058</b>	<b>7,338</b>	<b>14,224</b>	<b>0%</b>
<b>GRAND TOTAL REVENUES</b>	<b>39,119,596</b>	<b>8,807,151</b>	<b>23%</b>	<b>39,759,633</b>	<b>3,174,218</b>	<b>8,827,345</b>	<b>22%</b>

# NEW MEXICO JUNIOR COLLEGE

## Oil and Gas Revenue Report

### June 2017

100% of Year Completed

		OIL		GAS		COMBINED		
Sales	Month of	Price	Lea County	Price	Lea County	Monthly	2015-16	Variance
	Distribution	per BBL	BBLs sold	per MCF	MCF sold			
							Budget	Budget
Actual	July	\$39.01	6,018,599	\$2.97	20,943,874	669,124	465,000	204,124
Actual	August	\$38.71	6,014,911	\$2.94	21,145,798	668,295	465,000	203,295
Actual	September	\$40.18	5,881,993	\$2.97	20,075,420	630,153	465,000	165,153
Actual	October	\$44.27	4,992,790	\$3.81	16,487,829	642,976	465,000	177,976
Actual	November	\$40.85	6,329,185	\$3.09	19,895,927	867,462	465,000	402,462
Actual	December	\$47.27	6,610,540	\$3.85	21,562,618	867,215	465,000	402,215
Actual	January	\$47.68	6,844,208	\$3.97	21,818,831	965,639	465,000	500,639
Actual	February	\$48.54	6,156,981	\$3.93	19,939,636	869,151	465,000	404,151
Actual	March	\$44.43	7,265,497	\$3.11	24,083,587	882,691	465,000	417,691
Actual	April	\$45.33	7,123,823	\$3.53	23,299,852	933,940	465,000	468,940
Actual	May	\$40.54	7,723,753	\$3.52	25,307,231	915,406	465,000	450,406
Accrual	June	\$37.95	6,978,758	\$3.17	23,512,665	808,389	465,000	343,389
Y.T.D. Production Tax Revenue						9,720,441	5,580,000	4,140,441
Y.T.D. Equipment Tax Revenue						1,645,838	1,655,000	(9,162)
Total Year-to-Date Oil & Gas and Equipment Tax Revenue						<u>11,366,279</u>	<u>7,235,000</u>	<u>4,131,279</u>

Source: New Mexico Taxation and Revenue Department

# NEW MEXICO JUNIOR COLLEGE

## Schedule of Investments

### September 2017

25% of Year Completed

Financial Institution	Amount Invested	Account Number	Interest Rate	Interest Earned
State of New Mexico Local Government Investment Pool	8,593,127	7102-1348	0.147%	6,886
Plus deposits	0			
Less withdrawals	0			
<b>Total LGIP investments</b>	<u>8,593,127</u>			<u>6,886</u>

Capital Project	9/30/2017
Vehicles	8,443.50
Campus Master Plan	60,000.00
Technology Upgrade	211,538.89
JASI	10,860.82
WHM South Gallery	266,594.43
Baseball Field	19,862.95
Rodeo Arena	15,815.69
Luminis Software	2,993.00
Landscaping	181,403.99
Campus Signage	247,419.87
Dorm/Apartment Refurbish	66,787.80
Campus Construction	173,042.64
Oil & Gas Training	145,937.32
Public Sector	9,227.00
Campus Security	91,130.63
Lumens Software-Distance Learning	5,000.00
Copier Replacement	274.00
Non-Recurring Compensation	652,169.10
Athletics	3,188.90
Student Life Programming	20,432.28
Warehouse/Cont Ed Remodel	384.00
Succession Plan	52,014.15
WHM Exhibits	65,751.94
Mansur Hall Upgrades	1,961.13
Driving Range Upgrades	200,000.00
Entertainment Technology	151,286.53
Cafeteria Upgrade	175,530.15
Channel 19 Upgrade	19,075.61
FERPA & Title IX	5,610.68
Equestrian Center	3,000,000.00
Bob Moran Upgrades	59,033.91
Turf Replacement	82,781.47
WHM Titanic Exhibit	3,734.85
HVAC Software-Central Plant	200,000.00
Busing Support for Recruiting	5,872.30
HED Faculty Development	17,914.40
Omni Update	7,500.00
Allied Health	5,781,728.23
Workforce Training Contingency	2,353.43
<b>Total</b>	<b>12,024,655.59</b>

# NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

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

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To: Board Members  
From: Dan Hardin  
RE: Quarterly Financial Action Report  
Date: October 6, 2017

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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, 2017. 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, 2017.

Respectfully,

Dan Hardin

## QUARTERLY FINANCIAL ACTION REPORT

Fiscal Year 18

Today's Date: 10-19-2017

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.