

**MINUTES OF REGULAR MEETING
SAN JUAN COLLEGE BOARD
April 28, 2020**

ITEM A. CALL TO ORDER

This meeting marks the first time in the history of San Juan College (SJC) that an SJC Board of Trustees Work Session and Board Meeting was held in a virtual venue due to the requirements and guidelines from Governor Michelle Lujan Grisham’s office regarding the COVID-19 pandemic. Social distance and other safety measures were observed. The New Mexico Attorney General’s guidance for the meeting, in compliance with the Open Meetings Act, were followed.

Chairman Rasor called the meeting to order at 6:31 p.m. The following members were present:

Joseph Rasor, Chairman
Hoskie Benally, Vice-Chairman
R. Shane Chance, Secretary
Evelyn Benny, Member
Byron Manning, Member
John Thompson, Member
Valerie Uselman, Member

Due to technical difficulties Trustee Benny was unable to make roll call. For the same reason, she was unable to participate in the roll call votes, but she was present.

ITEM B. WELCOME OF GUESTS AND VISITORS

San Juan College administrators and staff in attendance via Zoom Webinar included: Dr. Toni Pendergrass, Edward DesPlas, Boomer Appleman, Adrienne Forgette, Karen Acree, Dawn Barnes, Don Beauregard, Sherrie Biringer, John Boggs, Jill Bishop, Josh Bishop, Alicia Corbell, Sherri Cummins, Gayle Dean, Rachael Dworsky, Kristie Ellis, Sandy Gilpin, Chris Harrelson, Kenny Hibner, Ron Jernigan, Cheryl Jordan, Kris Kraly, Kerri Langoni, Roy Lytle, Mike McDonald, Steve Miller, Michael Ottinger, Jeff Parkes, Sherry Paxson, Elizabeth Phelps, Shelley Pickett, Eileen Richey, Lorenzo Reyes, Amanda Robles, Chris Rosen, Rhonda Schaefer, Paulette Stanley, and Donna Ellis, Board Recorder

ITEM C. ADOPTION OF AGENDA

Mr. Chance moved and Mr. Thompson seconded to adopt the agenda as presented. **MOTION CARRIED** by unanimous roll call vote.

ITEM D. REPORTS

1. Monthly Presentation

No monthly presentation.

iCare Minute Video

No iCare Video.

2. Association Reports

Support Staff Association representative, Ms. Paulette Stanley, provided the Board with a written report presented in the Board Packet.

Student Association representative, Ms. Gladys Varela, provided the Board with a written report presented in the Board Packet.

Faculty Association representatives, Ms. Rachael Dworsky, Ms. Kris Kraly, and Ms. Sherri Cummins provided the Board with a written report presented in the Board Packet.

Professional Staff Association representative, Ms. Sherrie Biringer, provided the Board with a written report presented in the Board Packet.

ITEM E. CITIZEN COMMENT

None.

ITEM F. CONSENT AGENDA

1. March 3, 2020 Work Session Minutes

The March 3, 2020 Work Session Minutes were presented in the Board Packet for approval.

2. Approval of Minutes of Regular Board Meeting on March 3, 2020

The March 3, 2020 Board Meeting Minutes were presented in the Board Packet for approval.

3. Correspondence

Dr. Pendergrass received a card from the Henderson Family thanking the College for everyone's sympathy and support during their time of loss.

Mr. Jeff Bourgeois, President/CEO for San Juan Regional Medical Center sent a letter thanking San Juan College and the School of Health Sciences'

Surgical Technology program for donating 790 surgical masks, 100 surgical gowns, and 4 boxes of shields for their doctors and staff to use in the fight of the COVID-19 virus.

4. Financials

Financial reports for the month ended February 29, 2020 were presented in the Board Packet.

5. Personnel Report

The following appointments were made since the last Board meeting: Briann Chee, Ground Maintenance Worker, Physical Plant, effective March 9, 2020; Jeanna Fresquez, Environmental & Safety Coordinator, Physical Plant, effective March 23, 2020; Sonseeahray Begay-Rodriguez, NASNTI Pathways Coach, Guided Pathways, effective April 20, 2020.

Changes: Carol Summers, Administrative Assistant II, Physical Plant to Construction & Building Services Projects Assistant, Physical Plant, effective March 1, 2020; Summer Begay, Administrative Assistant II, School of Energy to School Operations Coordinator, School of Energy, effective March 1, 2020; Robert Holman, User Services Network Specialist, Information Technology Center to User Services Architect, Information Technology Center, effective March 1, 2020; Natalia Sells, Academic Advisor (Part-Time/Hourly), Advising & Counseling Center to Academic Advisor (Full-Time/Salary), Advising & Counseling Center, effective March 13, 2020; Joyce Vaughn, School Operations Coordinator, School of Humanities to Operations Coordinator, Center for Workforce Development/Community Learning Center, effective March 30, 2020.

Separations: Leslie Lundquist, Senior Grounds Maintenance Worker, Physical Plant-Grounds, Retirement, effective February 29, 2020; Alison Fuller, Administrative Assistant II, Center for Student Careers & Employment, Separation of Employment, effective March 6, 2020; Karen Tuohey, Director/Assistant Professor, Respiratory Therapy, Separation of Employment, effective March 31, 2020; Mitchell Benally, Custodian, Physical Plant, Separation of Employment, effective April 15, 2020; Cody Elledge, Director, Human & Health Performance Center, Separation of Employment, effective April 30, 2020; Elizabeth Bannowsky, Lead Teacher, Child & Family Development Center, Separation of Employment, effective April 30, 2020; Gaylyn Harris, Senior Administrative Assistant, Information Technology Center, Retirement, effective April 30, 2020; Georgia Cortez, Energy Program Specialist, School of Energy, Retirement, effective April 30, 2020; Patricia Roach, Assistant Professor-Veterinary Technology, School of Health Sciences, Retirement, April 30, 2020.

6. Surplus Equipment Disposal – Deletion of Equipment

College administration recommends the disposition of certain assets that are worn out, unrepairable, cannibalized, obsolete, or otherwise unusable. In accordance with Chapter 13-6-1 through 4 (Article 6) of the New Mexico State Statute, the Board is required to affirm the administration’s recommendation. (The list of the assets recommended for disposition are included in the Board Packet.)

Recommendation

I recommend the Board approve the College administration’s recommendation and approve the listed items for disposal.

7. Information Report: Higher Learning Commission Financial Ratio Analysis – Fiscal Year 2019 Update

Annually, the Higher Learning Commission (HLC) requires each member institution to provide an update on organizational health through the HLC Institutional Update. Part of this annual update is a ratio analysis of the college’s financial condition. The required quantitative review is based on four ratios:

- Primary Reserve Ratio,
- Net Operating Revenues Ratio,
- Return on Net Assets Ratio
- Viability Ratio

These four ratios drive the calculation of the Composite Financial Index (CFI) as developed and recommended by KPMG LLP; Prager, Sealy & Co., LLC; Attain LLC. The ratio analyses are presented below.

The Primary Reserve Ratio measures the institution’s financial strength, emphasizing short-term flexibility. Primary Reserve Ratio = Expendable Net Assets/Total Expenses

Excluding the impact of GASB 68 and 74, San Juan College’s Primary Reserve Ratios are:

FY 2019	0.44
FY 2018	0.42
FY 2017	0.31
FY 2016	0.26
FY 2015	0.22
FY 2014	0.30
FY 2013	0.16

The Net Operating Revenues Ratio identifies whether or not the college is living within its available resources. Net Operating Revenues Ratio= [Net Operating Revenues + Net Non- operating Revenues] / [Operating Revenues + Non-operating Revenues]

Excluding the impact of GASB 68 and 74, San Juan College's Net Operating Revenue Ratios are:

FY 2019	-0.03
FY 2018	-0.02
FY 2017	-0.01
FY 2016	-0.01
FY 2015	0.08
FY 2014	0.09
FY 2013	-0.02

The Return on Net Assets Ratio measures whether the college is financially better off than in the previous year by measuring total economic return or the level of change in total net assets.

Return on Net Assets Ratio = Change in Net Assets/Total Net Assets

Excluding the impact of GASB 68 and 74, San Juan College's Return on Net Assets Ratios are:

FY 2019	-0.01
FY 2018	0.02
FY 2017	0.03
FY 2016	-0.02
FY 2015	0.06
FY 2014	0.12
FY 2013	0.02

The Viability Ratio is a debt ratio, designed to measure the college's ability to satisfy debt obligations. Viability Ratio = Expendable Net Assets/Total Long-Term Debt

Excluding the impact of GASB 68 and 74, San Juan College's Viability Ratios are:

FY 2019	1.58
FY 2018	1.78
FY 2017	1.21
FY 2016	1.61
FY 2015	1.56

FY 2014	1.66
FY 2013	0.82

Each of the four financial ratios has its own assigned Strength and Weight factors that are worked through the composite formula developed by KPMG LLP; Prager, Sealy & Co., LLC; Attain LLC. This calculation yields the Composite Financial Index (CFI), an indication of a college’s financial health.

Excluding the impact of GASB 68 and 74, San Juan College’s Composite Financial Indexes are:

FY 2019	2.20
FY 2018	2.65
FY 2017	2.06
FY 2016	1.80
FY 2015	3.13
FY 2014	4.06
FY 2013	1.20

CFI and Accreditation:

- HLC (Higher Learning Commission) requires annual updates of college financial information and ratios.
- **Public institutions that have a CFI that falls between 1.1 and 10.0 are considered ABOVE THE ZONE and require no additional follow-up.**
- **IN THE ZONE (0 to 1.0) – 1st Year:** If an institution reports a CFI that falls WITHIN THE ZONE for the first time, HLC will issue a Letter of Concern. The institution is required to acknowledge receipt of this letter by submitting an institutional response from the CEO either confirming the financial information that was reported in the Institutional Update or requesting corrections and/or modifications to the financial information submitted. Any modifications to the data require supporting documentation.

IN THE ZONE (0 to 1.0) – 2nd Year: If an institution reports a CFI that falls WITHIN THE ZONE for the second consecutive year, HLC will require the institution to undergo the Financial Panel Review process. The process will require the institution to submit additional financial documents that will be reviewed by a Financial Panel who will submit a recommendation to the Institutional Actions Council.

- **BELOW THE ZONE (-1.0 to -0.1) -** If an institution reports a CFI that falls BELOW THE ZONE, HLC will require the institution to

undergo the Financial Panel Review process. The process will require the institution to submit additional financial documents that will be reviewed by a Financial Panel who will submit a recommendation to the Institutional Actions Council.

Recommendation

I recommend the Board acknowledge the College’s financial analyses ratios that have been submitted to the Higher Learning Commission as part of the Instructional Update for Fiscal Year 2019.

8. Microsoft Products License – Second Year of Three-Year Agreement

The College has almost three thousand (3,000) desktop and laptop computers in service. On a daily basis, the College’s students, faculty, and staff use an array of Microsoft products such as Windows, Outlook, Word, Excel, Power Point, and One Note. Other Microsoft products in use at San Juan College include One Drive, Office 365 Cloud Security, Windows Defender, Sharepoint, Microsoft Project, and Visio. On April 23, 2019, San Juan College’s Board of Trustees approved a three-year license agreement for this portfolio of Microsoft products attained through the University of New Mexico’s price agreement. In the second year of this agreement, the cost will increase by 3.8% or \$3,087 to \$84,764 plus gross receipts taxes. The increase in cost is the result of increasing the number of units on the license.

Recommendation

I recommend the Board acknowledge the College’s financial analyses ratios that have been submitted to the Higher Learning Commission as part of the Instructional Update for Fiscal Year 2019.

APPROVAL OF CONSENT AGENDA

Mr. Chance moved and Mr. Manning seconded to take the recommended actions as presented on the Consent Agenda. **MOTION CARRIED** by unanimous roll call vote.

ITEM G. OLD BUSINESS

None.

ITEM H. INDIVIDUAL ITEMS/NEW BUSINESS

- 1. RESOLUTION OF INTENT TO ISSUE SAN JUAN COLLEGE DISTRICT SYSTEM IMPROVEMENT REVENUE BONDS, SERIES 2020; AUTHORIZING APPLICATIONS TO THE STATE BOARD OF FINANCE AND THE HIGHER EDUCATION DEPARTMENT; AND**

AUTHORIZING OTHER MATTERS RELATED TO THE ISSUANCE OF THE BONDS

On December 19, 2019, the New Mexico Finance Authority (NMFA) approved San Juan College's application for a Public Project Revolving Fund (PPRF) loan in an amount up to \$14,142,417. The PPRF loan is a debt instrument structured through the College's issuance of system revenue bonds. The RESOLUTION OF INTENT TO ISSUE SAN JUAN COLLEGE DISTRICT SYSTEM IMPROVEMENT REVENUE BONDS, SERIES 2020; AUTHORIZING APPLICATIONS TO THE STATE BOARD OF FINANCE AND THE HIGHER EDUCATION DEPARTMENT; AND AUTHORIZING OTHER MATTERS RELATED TO THE ISSUANCE OF THE BONDS has been provided to Trustees in advance of this meeting. This resolution is required to move the matters of financing forward to the New Mexico Higher Education Department and the New Mexico State Board of Finance. At the Work Session that immediately preceded tonight's meeting of the San Juan College Board of Trustees, the College's bond council reviewed and discussed this resolution with the Trustees.

Mr. Thompson moved and Ms. Uselman seconded to approve and adopt the resolution. **MOTION CARRIED** by unanimous roll call vote.

2. NEW PROGRAMS: ON-LINE MARKETING AND SMALL UNMANNED AERIAL SYSTEMS (DRONES)

Strategic Direction 1 directs San Juan College "to create an agile and responsive business model that responds to economic changes and focuses on helping all students achieve a high level of success in learning, completion, and employment" and Strategic Direction 2.2 directs the College to "launch new niche programs nationally that will obtain and maintain a positive ROI within three years." Accordingly, we are requesting that the Board approve two new programs to begin in the Fall of 2020 as follows:

Marketing, A.A.

The School of Business has developed a new fully on-line program leading to an Associate of Arts degree in Marketing. The program is a modern marketing degree focused on digital and integrated marketing that leads to entry level employment or transfer to a four-year college or university. It is structured to attract local students as well as students from outside the Four Corners region. San Juan College has the faculty expertise and other resources necessary to launch this program.

Mr. Chance moved and Ms. Uselman seconded to approve the new online A.A. Marketing program to begin Fall 2020. **MOTION CARRIED** by unanimous roll call vote.

Small Unmanned Aerial Systems (SUAS), A.A.S. and Certificate

The School of Trades and Technology has developed a new program in SUAS that builds on offerings in the Geographic Information Systems programs. Specifically, students will now have the ability to obtain FAA licensure to operate drones and obtain high-wage jobs in fields that are adopting this new technology. The SUAS program is the first program of its kind in the State of New Mexico. San Juan College has the faculty expertise, equipment, and initial resources to launch this program.

Mr. Thompson moved and Mr. Benally seconded to approve the new on-line A.A.S. and Certificate program in Small Unmanned Aerial Systems to begin Fall 2020. **MOTION CARRIED** by unanimous roll call vote.

3. INFORMATION TECHNOLOGY REMOTE SERVICES CONTRACT

The current contract for Remote Information Technology Services will expire at the end of June, 2020. Contracted remote IT services augment San Juan College's talent pool and staff power in areas including, but not limited to, strategic IT directions and planning, information and systems' security, Colleague ERP programming, customization and reporting, and other technical assistance as required by the College.

Under the guidance of the College Purchasing Department, a request for proposal (RFP) solicitation for the required services was issued as RFP #20-46506 with a closing date of March 3, 2020. The College followed a detailed and documented process to meet all State of New Mexico procurement requirements.

There were two qualified offerors, OculusIT, LLC and CampusWorks, Inc. Written proposals underwent structured scoring; oral presentations were conducted on March 30, 2020 via a live streaming conference application. Upon completion of the evaluation process, the review team recommends the contract be awarded to CampusWorks, Inc.

The recommended contract is a three-year contract with an optional one (1) year renewal for a total not to exceed four (4) years. The cost of this contract for Fiscal Years 2021–2024 will be \$1,999,600 (\$499,900 per year) plus applicable taxes (to include up to five (5) onsite trips per year). Additional trips, if required, will be at an additional cost. Pricing for this contract is 3% lower than the current contract with CampusWorks, Inc.

Funding for this contract is budgeted in the General Fund.

Mr. Chance moved and Mr. Manning seconded to approve CampusWorks, Inc. for the Remote IT Services contract for Fiscal Years 2021–2024 and that

staff be directed to create annual blanket purchase orders for this agreement as herein described. **MOTION CARRIED** by unanimous roll call vote.

ITEM I. ANNOUNCEMENT OF NEXT MEETING

The date of the next regular meeting will be **Tuesday, May 12, 2020 at 7:00 p.m.** in the San Juan College Board Room.

ITEM J. CLOSED SESSION

No Closed Session.

ITEM K. ADJOURNMENT

Mr. Chance moved and Mr. Thompson seconded the motion to adjourn. Chairman Razor adjourned the meeting at 6:54 p.m.

Mr. Joseph Razor, Chairman
San Juan College Board

ATTEST:

Mr. R. Shane Chance, Secretary
San Juan College Board

Date: May 12, 2020