

**MINUTES OF REGULAR MEETING  
SAN JUAN COLLEGE BOARD  
May 12, 2020**

**ITEM A. CALL TO ORDER**

This 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 6:00 p.m. The following members were present:

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

**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, Don Beauregard, Elaine Benally, Sherrie Biringer, Jill Bishop, Josh Bishop, John Boggs, Debbie Chalmers, Alicia Corbell, Sherri Cummins, Gayle Dean, Liesl Dees, Rachael Dworsky, Katherine Elliott, Kristie Ellis, Sandy Gilpin, Lucy Haber, Chris Harrelson, Fionna Harrington, Debby Hibner, Kenny Hibner, Ron Jernigan, Cheryl Jordan, Johnny Jordan, Malisa Keel, Kelly Kelley, Kris Kraly, Kerri Langoni, Brandie Lovato, Jeanette Lukowski, Roy Lytle, Tanda McCombe, Mike McDonald, Nancy Mike, Steve Miller, Michael Ottinger, Jeff Parkes, Sherry Paxson, Janet Peterson, Elizabeth Phelps, Shelley Pickett, Lorenzo Reyes, Eileen Richey, Amanda Robles, Angelique Rodriguez, Chris Rosen, Chris Sanders, Leslie Saavedra, Sherri Schaaf, Rhonda Schaefer, David Scott, Gerald Williams, Jeanne Winchell, and Donna Ellis, Board Recorder

**ITEM C. ADOPTION OF AGENDA**

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

**ITEM D.      REPORTS**

**1. Monthly Presentation**

No Presentation.

**iCare Minute Video**

No Video.

**2. Association Reports**

Student Association representative, Ms. Gladys Varela, deferred to report at the June 2020 Board Meeting.

Faculty Association representative, Ms. Rachael Dworsky, provided the Board with a written report presented in the Board Packet.

Professional Staff Association representative, Ms. Sherrie Biringer, deferred to report at the June 2020 Board Meeting.

Support Staff Association representative, Ms. Paulette Stanley, deferred to report at the June 2020 Board Meeting.

**ITEM E.      CITIZEN COMMENT**

None.

**ITEM F.      CONSENT AGENDA**

**1. April 28, 2020 Work Session Minutes**

The April 28, 2020 Work Session Minutes are presented in the Board Packet for approval.

**2. April 28, 2020 Board Meeting Minutes**

The April 28, 2020 Board Meeting Minutes are presented in the Board Packet for approval.

**3. Correspondence**

None.

**4. Financials**

Financial reports for the month ended March 31, 2020 are presented in the Board Packet.

5. **Personnel Report**

Deferred to June 2020 Board Meeting.

6. **Resolution for Depository Authority: Wells Fargo**

San Juan College has deposits and investments at Wells Fargo Bank. The Bank requires that the San Juan College Board of Trustees adopt a resolution so that updated signature cards may be placed on file.

Resolution

Whereas San Juan College places funds on deposit at Wells Fargo Bank for safekeeping, checking accounts, other accounts and for investment earnings,

Whereas San Juan College requires one or more Agents to open deposit accounts in the name of the College,

Whereas San Juan College requires one or more Agents to place funds on deposit and in the name of the College,

Whereas San Juan College requires that one or more Agents endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with Wells Fargo Bank,

Be it therefore resolved that the San Juan College Board of Trustees hereby authorizes the following College officers and Board officer as Agents to exercise the powers listed herein:

Toni Hopper Pendergrass, President  
Edward M. DesPlas, Executive Vice President  
Kristie Kay Ellis, Controller  
Joseph J. Razor, Chairman of Board of Trustees  
Hoskie Benally Jr., Vice Chairman of Board of Trustees  
R. Shane Chance, Secretary & Treasurer of Board of Trustees

Approved: May 12, 2020

**Recommendation**

I recommend the Board approve and adopt this resolution.

7. **Resolution for Depository Authority: U. S. Bank**

San Juan College Retiree Health Trust ('Trust') has deposits and investments at U.S. Bank Institutional Trust & Custody. U.S. Bank is the Trustee of the Trust, and San Juan College is the Administrator. The Bank requires that the

San Juan College Board of Trustees, as Administrator of the Trust, adopt a resolution so that updated signature cards may be placed on file.

Resolution

Whereas San Juan College places funds of the Trust on deposit at U.S. Bank Institutional Trust & Custody for safekeeping, and for investment earnings,

Whereas San Juan College requires one or more Agents to open deposit accounts in the name of the College,

Whereas San Juan College requires one or more Agents to place funds on deposit and in the name of the College or the Trust,

Whereas San Juan College requires that one or more Agents endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with US Bank Institutional Trust & Custody,

Be it therefore resolved that the San Juan College Board of Trustees hereby authorizes the following College officers and Board officer as Agents to exercise the powers listed herein:

Toni Hopper Pendergrass, President  
Edward M. DesPlas, Executive Vice President  
Kristie Kay Ellis, Controller  
Joseph J. Rasor, Chairman of Board of Trustees  
Hoskie Benally Jr., Vice Chairman of Board of Trustees  
R. Shane Chance, Secretary & Treasurer of Board of Trustees

Approved: May 12, 2020

Recommendation

I recommend the Board approve and adopt this resolution.

**8. Resolution for Depository Authority: Four Corners Community Bank**

San Juan College has deposits and investments at Four Corners Community Bank. The Bank requires that the San Juan College Board of Trustees adopt a resolution so that updated signature cards may be placed on file.

Resolution

Whereas San Juan College places funds on deposit at Four Corners Community Bank for safekeeping, checking and savings accounts and for investment earnings,

Whereas San Juan College requires one or more Agents to open deposit accounts in the name of the College,

Whereas San Juan College requires one or more Agents to place funds on deposit in the name of the College,

Whereas San Juan College requires that one or more Agents endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with Four Corners Community Bank,

Be it therefore resolved that the San Juan College Board of Trustees hereby authorizes the following College officers and Board officer as Agents to exercise the powers listed herein:

Toni Hopper Pendergrass, President  
Edward M. DesPlas, Executive Vice President  
Kristie Kay Ellis, Controller  
Joseph J. Rasor, Chairman of Board of Trustees  
Hoskie Benally Jr., Vice Chairman of Board of Trustees  
R. Shane Chance, Secretary & Treasurer of Board of Trustees

Approved: May 12, 2020

**Recommendation**

I recommend the Board approve and adopt this resolution.

**9. Resolution for Depository Authority: Citizens Bank**

San Juan College has investments and depository accounts at Citizens Bank. The Bank requires that the San Juan College Board of Trustees adopt a resolution so that updated signature cards may be placed on file.

**Resolution**

Whereas San Juan College places funds on deposit at Citizens Bank for safekeeping, checking and savings accounts, and for investment earnings,

Whereas San Juan College requires one or more Agents to open deposit accounts in the name of the College,

Whereas San Juan College requires one or more Agents to place funds on deposit in the name of the College,

Whereas San Juan College requires that one or more Agents endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with Citizens Bank,

Be it therefore resolved that the San Juan College Board of Trustees hereby authorizes the following College officers and Board officer as Agents to exercise the powers listed herein:

Toni Hopper Pendergrass, President  
Edward M. DesPlas, Executive Vice President  
Kristie Kay Ellis, Controller  
Joseph J. Rasor, Chairman of Board of Trustees  
Hoskie Benally Jr., Vice Chairman of Board of Trustees  
R. Shane Chance, Secretary & Treasurer of Board of Trustees

Approved: May 12, 2020

**Recommendation**

I recommend the Board approve and adopt this resolution.

**APPROVAL OF CONSENT AGENDA**

Mr. Benally moved and Ms. Benny 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. FISCAL YEAR 2020 YEAR END BUDGET ADJUSTMENT REQUEST**

The New Mexico Higher Education Department (HED) requires that, by May 15, 2020, each higher education institution submit a budget revision for the fiscal year ending June 30, 2020. The year-end budget adjustment request, comprised of numerous adjustments that have been made since the mid-fiscal year 2020 budget was revised and SJC Board approved in January 2020, reflects revised projections for revenues and expenditures that closely approximate anticipated year-end results. Conditions that are causing anticipated changes in major revenue sources were discussed in the March 3, 2020 and the April 28, 2020 Board Work Sessions. The Fiscal Year 2020 Budget was reviewed and discussed again in today's Work Session.

Major factors that impact the fiscal year 2020 year-end revenue budget include:

- A potential decrease of \$1.06 million in projected Tuition and Fees revenue that could be caused by the impact of the COVID-19 pandemic.

- A significant decrease of \$1.2 million in local oil and gas production tax revenue, resulting from an extreme downturn in the gas market.

Reductions in spending and anticipated surpluses within expenditure budgets include:

- A decrease in salaries, wages, and benefits of \$575 thousand, the result of projected year-end surpluses in these account classifications.
- A decrease in expenses of \$775 thousand, resulting from projected year-end unspent amounts in expense classifications.
- A \$350 thousand decrease in the institutional contribution to the Retiree Healthcare Trustee as recommended to the SJC Board of Trustees at this Board meeting.

College leadership anticipates that fiscal year 2020 will close near to break-even position; however, a decrease in fund balance is included in the year-end budget adjustment request to reflect the worst-case scenario. The completed HED-required budget adjustment request forms have been provided to Trustees prior to this meeting. The New Mexico Higher Education Department requires that the Board of Trustees approve the year-end budget adjustment request for the fiscal year ending June 30, 2020.

Mr. Thompson moved and Mr. Chance seconded to approve the Fiscal Year 2020 Year-End Budget Adjustment Request. **MOTION CARRIED** by unanimous roll call vote.

## **2. FISCAL YEAR 2021 BUDGET REQUEST**

Assumptions and projections for circumstances that impact the College's major revenue sources for fiscal year 2021 were discussed in the February 4, 2020 and the March 3, 2020 Board Work Sessions. Following the conclusion of the 2020 State Legislative Session, refined estimates of conditions that are anticipated to impact the Fiscal Year 2021 Operations and Budget Request were shared with Trustees in the April 28, 2020 Board Work Session. The Fiscal Year 2021 Budget was reviewed and discussed again in today's Work Session.

The assumptions and projections that drive the Fiscal Year 2021 Budget Request include:

- A projected enrollment increase of 1.0% from fiscal year 2020 to fiscal year 2021.

- A 3.26% increase in funding from the state formula appropriation and Research and Public Service Project monies for the Nursing program, the Dental Hygiene program, and the Center for Excellence for Renewable Energy and Sustainability.
- An appropriation that provides for a state mandated 4% salary increase.
- No change in taxable property values, resulting in no change in projected property tax revenue.
- A projected decrease in oil and gas production tax revenue of 50%.

It is important to note that College leadership has been advised that the state is positioning itself to sustain a significant budget shortfall. A special legislative session is anticipated to be scheduled next month, during which, it is likely that the College will receive instructions to reduce its budget. In compliance with instructions from the New Mexico Higher Education Department (HED), the original budget request is being submitted aligned with the state appropriations received in March 2020. The budgeted expenditures of each fund of the Fiscal Year 2021 Budget are balanced within their respective revenues. The Fiscal Year 2021 Budget request is in compliance with HED instructions. The completed HED-required budget request forms have been provided to Trustees prior to this meeting. The New Mexico Higher Education Department requires that the Board of Trustees approve the Fiscal Year 2021 Budget Request and that the Fiscal Year 2021 Budget be submitted to the HED by May 15, 2020.

Mr. Chance moved and Mr. Manning seconded to approve the Fiscal Year 2021 Budget Request and direct staff to submit the budget request to the New Mexico Higher Education Department as per state guidelines. **MOTION CARRIED** by unanimous roll call vote.

### **3. CAPITAL PROJECTS PRIORITIES – STATE FUNDING**

Annually, the New Mexico Higher Education Department (HED) requires institutions to submit Capital Project priorities for consideration by the Governor’s Office and the upcoming Legislature. For the upcoming funding cycle, community colleges were advised by the HED to submit two priorities for funding. The College will be expected to contribute twenty-five percent (25%) of each total project cost. The request is to be approved by the San Juan College Board of Trustees and submitted to the HED. The administration proposes the following Capital Project priorities for state funding:

- 1) Physical Plant Building: demolition of existing Physical Plant Building; repurpose, renovate and add to an existing structure in a different location on campus to replace the Physical Plant Building – \$4,914,368.



- 2) Welding Program: relocation and new facility; repurpose and remodel space to be vacated by Welding program – \$8,457,961.

These figures represent estimates of total project costs. Funding for College's total 25% match, \$3.43 million, will be contingent on a successful local bond election in 2021.

Mr. Thompson moved to and Ms. Benny seconded to approve the proposed Capital Project priorities for submission to the New Mexico Higher Education Department. **MOTION CARRIED** by unanimous roll call vote.

4. **APPROVAL OF CHANGE TO INSTITUTIONAL CONTRIBUTION TO RETIREE HEALTHCARE INSURANCE TRUST FOR FISCAL YEAR 2020**

San Juan College has a Healthcare Insurance Trust in place to provide for College-paid portions of retiree health insurance premiums. This Trust is funded by those active employees who have elected to participate in the Retiree Healthcare Insurance Trust through modest contributions of current pay, through retiree payments of their portions of premiums, and through San Juan College's institutional payments of the College's portion of the premiums. In Fiscal Year 2019, the Trust saw a dramatic improvement in its financial position, the result of: 1) Having discontinued enrollment of new participants and 2) Achievement of more favorable insurance premiums.

To affect a one-shot reduction in expenditures in Fiscal Year 2020, the College is able to reduce its institutional contributions by 25% thereby reducing budget demand by \$350,000.

Mr. Chance moved and Ms. Uselman seconded to approve the \$350,000 reduction in institutional contributions to the Retiree Healthcare Insurance Trust for Fiscal Year 2020. **MOTION CARRIED** by unanimous roll call vote.

**ITEM I. ANNOUNCEMENT OF NEXT MEETING**

The date of the next regular meeting will be **Tuesday, June 2, 2020 at 7:00 p.m.** in the San Juan College Board Room.

**ITEM J. CLOSED SESSION**

No Closed Session.

**ITEM K.     ADJOURNMENT**

Ms. Benny moved and Mr. Benally seconded the motion to adjourn the meeting at 6:22 p.m.

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Mr. Joseph Rasor, Chairman  
San Juan College Board

ATTEST:

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

Date: June 2, 2020