MINUTES for A SPECIAL MEETING of the BOARD OF REGENTS on JANUARY 20, 1997

PEOPLE PRESENT

Board Members

Board members Helen H. Abayare, Justin S. Manglona, Manuel A. Sablan, Vicente N. Santos (Chairman), John I. Schwarz and Teresa I. Taitano were present.

NMC Faculty/Staff

The following staff and faculty were also present: President Agnes McPhetres, Administrative Vice President Tee Abraham, Academic Vice President Jack Sablan, Legal Counsel Ken Govendo, Comptroller Harris Lawrence and Assistant Budget Director Roger Madriaga.

Others

The President of Sunny Corp. was present to take the minutes of the meeting.

CALL TO ORDER & ROLL CALL 1.97.A

At 9:45 a.m. Chairman Santos called the meeting to order in the BOR conference on the As Terlaje campus of the College, and asked the President to call the roll. The members of the Board named above answered “present”, and it was noted that a quorum was present for the conduct of business.

APPROVAL OF MINUTES OF LAST MEETING 1.97.B

The minutes of the meeting held on December 12, 1996 were approved unanimously.

AGENDA ITEMS CONSIDERED 1.97.C

1. FY 1998 and FY 1999 Budgets 1.97.C.1

The first order of business considered by the Board was the proposed budgets of the College for fiscal years 1998 and 1999 which had been prepared by the staff of the College under the supervision of the Administrative Vice President, Tee Abraham.
Ms. Abraham noted that the final versions of the budgets for both these years included revisions which had been suggested in meetings with the Board’s Finance and Budget committees.

Finance Committee Chairman John Schwarz called attention to the written justifications for new FTEs and new line items such as utility payments, retiring of the debt to the CNMI Retirement Fund, construction costs for the all purpose classroom and construction costs for the tourism learning center.

Regent Schwarz also reported that the College is still waiting for an opinion from the Attorney General’s Office on the underpayment of P.L. 5-32 funds.

Regent Manglona asked how employees in “frozen” salary steps will receive relief. The President said that she has told the faculty senate committee working on the new faculty evaluation plan that their work must be completed before the next Board meeting so the new classification plan and salary schedule can be reviewed and approved by the Board. Once this is done, those in “frozen” slots can receive salary increases.

Regent Sablan urged that budgets reflect the College’s mission, goals and objectives, and be based on actual income.

It was pointed out in the discussion which followed that the budget as presented to the Board is a capsule synopsis of the months of study, planning, meetings and discussions by College Departments, Department Chairs, Deans, program heads and staff -- all of it for the benefit of programs and activities which have been approved by the Board in pursuit of the constitutionally and legislatively established mission of the College and the goals and objectives set by the Board of Regents.

Regent Manglona said that the budgets should include capital improvement funds for the Tinian and Rota campuses as well as for the Saipan campus. If the Legislature wants to cut out the funds, let that onus will be theirs. Regent Manglona pointed out that the College did not even have the funds necessary to have a certified survey done of the land which had been set aside for the Rota campus.

It was moved and seconded to APPROVE THE BUDGETS FOR FY 1998 AND 1999 WITH AN INCLUSION OF CIP FUNDS FOR TINIAN AND ROTA.

It was moved and seconded to amend the motion by stating that THE PRESIDENT PREPARE DETAILED INFORMATION TO SUPPORT THE BUDGET.

The amendment was passed unanimously. The main motion, as amended, was also passed unanimously.
2. Popular Initiative to Amend Article XV  1.97.C.2

Chairman Santos reported on the 1/18/97 meeting of the ad hoc joint committee to work on the popular initiative to amend Article XV of the CNMI Constitution. The Committee had carefully reviewed and “fine tuned” the language of the proposed initiative, and had forwarded it to the Board of Regents and the Board of Education for final review and approval.

A lengthy discussion of the initiative followed, particularly of Section 3 which deals with the College. At one point a motion was made to increase the College’s guaranteed annual appropriation to 8% of the CNMI’s annual general revenues, but this motion did not receive a second.

Finally, it was moved and seconded and passed unanimously to CHANGE THE LANGUAGE OF SECTION 3 (D) OF THE PROPOSED INITIATIVE (CONCERNING ANNUAL APPROPRIATIONS FOR THE COLLEGE) FROM FIVE TO TEN PERCENT OF THE GENERAL REVENUES OF THE COMMONWEALTH.

It was then moved, seconded and passed unanimously to APPROVE THE LANGUAGE OF THE PROPOSED INITIATIVE TO AMEND ARTICLE XV OF THE CNMI CONSTITUTION WITH THE CHANGE IN WORDING JUST ADOPTED BY THE BOARD OF REGENTS.

Regent Manglona urged that those chosen to promote passage of the initiative, especially those appearing on TV, should be very carefully chosen.

3. Surplus Computers  1.97.C.3

The President announced that with part of the $800,000 supplemental budget the College had been able to purchase new computers for the computer labs. She suggested that the old Macintosh computers be donated to a youth program operating in San Antonio.

It was moved, seconded and passed unanimously to APPROVE DISPOSING OF THESE SURPLUS MACINTOSH BY DONATING THEM TO THIS YOUTH PROGRAM.

4. NMC Foundation  1.97.C.4

The President reported that she had visited with OIA while in Washington, and had worked with staff there on changes which they wished to have in the investment
policy for the NMC Foundation. The revised version of this policy being presented to the Board for approval contained those changes requested by OIA staff. This was needed for transfer of the endowment funds.

It was moved, seconded and passed unanimously to APPROVE THE WORDING OF THE NMC FOUNDATION INVESTMENT POLICY, AND TO APPROVE THE MANAGEMENT AGREEMENT WITH HAWAII TRUST.

It was then moved, seconded and passed unanimously that THE OFFICERS OF THE NMC FOUNDATION SHOULD BE REGENT SCHWARZ AS PRESIDENT, REGENT MANGLONA AS VICE PRESIDENT, AND REGENT SANTOS AS SECRETARY-TREASURER.

ADJOURNMENT

There being no further business, the Chairman adjourned the meeting at 12:18 p.m.