I. Preliminary Matters

Roll Call

**Board of Regents**: Regent Hinds, Regent Furey, Regent Deleon Guerrero, Regent Orilla, Angie Sills for Regent Danny Wyatt, and Regent Kiyoshi

**Legal Counsel**: Jesse Borja

**NMC Staff and Faculty**: Acting President Guerrero, Chas Algaier, David Atalig, Eric Plinske, Raaj Kurapati, jack Sablan, Dean Papadopoulos, Jerry Smith, John Griffin, Diana Greenough, Melody Actouka, Kurt Barnes, and Reina Camacho as recorder.

**Guests**: Ivan propst, Stanley Mar,
• Raaj Kurapati said to refer to page 18 on the error rate of our first batch.
• David Atalig said on page 34, section 5 we state how we are going to deal with the financial situation.
• Raaj Kurapati asked if we need to be more detailed.
• Acting President Guerrero said we need to inform the commission what are the problems and more details on what we are doing to correct the issue. If it is the GPA, we should mention it and how we are dealing with the issue.
• Chas Algaier said the GPA is based NC (non credit) versus passing. It is an interpretation of RGM compared to our scholarship office.
• David Atalig said on page 38, standard 9, element C1. With our current situation with PELL and with our question costs by WASC in raised in the January and June meetings, we’ve analyzed situation with the potential liabilities. The situation is that we do not have sufficient resources should we have to pay these liabilities back. We have potential liability based on FY 2003 audit of $1.8 million dollars. We have the opportunity to get a waiver of question costs and from audit findings; the administration is still working to clear up the question costs. That is included in the exhibit of planned actions, which is exhibit 10. We know the Governor’s Office has pledge to assist with La Fiesta but no money has been transferred and until it has, we are assuming that it is still a problem. We made comments as our planned action to get that support, but the letter itself is not enough. WASC wants to see a budget or a transaction that funds has been transferred. We will continue to work and follow up especially on federal debt waiver. Should all fail, we know now the process of working on the federal agencies should we be liable, we can appeal to allow time and some federal agencies allow a payment plan should we be liable. All question costs, without debt waiver or any support from the Governor’s Office, we feel confident we can clear the question costs.
• Regent Deleon Guerrero asked if there is a reason we did not include the financial shortfall. He said he would assume that it would be under critical issues affecting currently NMC as the Pell and La Fiesta.
• Raaj Kurapati said he agrees. PBEC has not determined an action plan. He said the shortfall; the Pell and La Fiesta are going to be 3 areas of concern by WASC.
• David Atalig said we identified 4 elements for WASC to keep us on warning.
• Regent Furey said that we were supposed to report on this last year, but we didn’t and when former president went to the June meeting, it was not accepted. Now, this report includes the description, the analysis. The major difference is more information is provided.
• Regent Deleon Guerrero asked what is the estimated time arrival for the PBEC recommendations.
• David Atalig said Debbie Diaz as chair will be calling a meeting this week and the date is tentatively set for April 15.
• Acting President Guerrero asked if the report includes the shortfall.
• David Atalig said yes, it is located in part C of section 5.
• Regent Furey said we need to mention that the Board took action and that we narrowed down the shortfall from $500,000 to $250,000
• Acting President Guerrero said hopefully we could get financial support from the legislature before the April visit.
• David Atalig said the statements of C3 and C4 on financial reserve-we do not have money set aside for reserve or an established plan or policy to address the emergency should we be sanctioned to pay back liabilities. We do have a plan of action found on page 34, which we will prioritize.
• Regent Deleon Guerrero said the truth hurts sometimes. Everyone is facing shortfalls whether self inflicted or by government cut backs, the inevitable we are facing is RIF, reduction in hours or reduction in salary. We are trying to find ways to cut costs and La Fiesta aside we are still losing money.
- David Atalig said the only policy and procedure we have to assist with liabilities is a reduction in force or salary.
- Raaj Kurapati said he completely agrees that there has to be serious financial decisions regarding the shortfall. We have never planned for the future; money comes in and goes out. Our audits show huge operating deficit.
- Regent Deleon Guerrero asked if PBEC is considering RIF or salary.
- David Atalig said the committee has not convened since last meeting and is looking at revenue generating.
- Regent Hinds asked for comments.
- Chas Algaier said that for everyone’s knowledge, WASC reads every newspaper article that pertains to the college. They've seen the article on Governor's Office support for La Fiesta.
- Eric Plinske said he wants to reemphasize the college is severely lacking in marketing. The biggest resource the college has is its students. We need to promote and we should have an aggressive marketing campaign to recruit students. We have huge potential to recruit local students and if we get a few hundred, it could cover our expenses.
- Regent Furey said the Board is in the processing of reviewing all existing policy; perhaps we can make it a priority in our policy to include reserve and set the parameters.
- Ivan Propst said policy alone would not prompt the commission’s decision. On several fronts, the college will need to take dramatic action, i.e. letter from Governor’s Office and RIF plan as a contingency to show the college has taken action and will be noted. The team’s report on their visit will
- Angie Sills said with the existing instructional faculty alone, we are committed, but more FTE needs to be identified for the additional students or increase the number of adjuncts.
- John Griffin said we could accommodate more students in business classes.
- Ivan Propst said regarding student enrollment; retention is extremely low, lower than national average. If we keep our students, we can still operate.
- Regent Kiyoshi said we should help the Foundation increase alumni for support.

**MOTION**: Regent Deleon Guerrero moved to include the shortfall and action plan in the Progress Report. The motion was seconded. No further discussion. Motion carried.

2. **Focused Mid Term Report**

- Chas Algaier said the report was put together by team; Ivan Propst worked on the WASC recommendations; He and a team worked on the on the progress report; and a special focus on SOE and an outlook not addressed in self-study and current situations is included in the report. The reports were made available for people on campus to review. We conducted two group sessions to discuss the report. The attachments have been mailed on Saturday morning.
- Regent Deleon Guerrero asked when would they review it.
- Chas Algaier said the commission would review the report when they receive them. The visit will follow as a follow up to the report. The visitors will be Lily Owyang, Jim Albanese and Delores Escobar.
- Regent Hinds said this is different from what we submitted previously.
- Chas Algaier said yes, we submitted the table format and what they wanted was narrative. We have a document that is 240 pages.
- Regent Deleon Guerrero asked how does this jive with progress report.
- Chas Algaier said the same people that worked on progress report also submitted report for the mid term report.
- David Atalig said the college would review the reports to ensure consistency.
- Regent Deleon Guerrero agreed that one final check is a good idea.
- Acting President Guerrero wanted to recognize Ivan Propst for working with Chas Algaier and the team. For the visit, this mid term report is more procedural; the hard thing for us
to address is the progress report. The recommendations they made, what we've done and they are following up. The big concern is the financial progress report.

- Regent Furey requested to have copies of the report available in the library, especially for those who do not have access to the N drive.
- Chas Algaier said Danny Wyatt has made copies available for faculty.
- Regent Hinds asked for any comments on the report.
- Chas Algaier said this is the report that has to be signed by the Board Chair and President.

**MOTION:** Regent Deleon Guerrero moved to adopt the Mid-Term Report. Regent Furey seconded the motion. No discussion. Motion carried.

Jerry Smith commented that Chas Algaier has been in contact with commission to ensure that we report what they want.

3. **Substantive Change Report**

- Chas Algaier said this report has been sent to all 3 campuses, includes the feedback from the campus and the Board of Regents. It also includes prime feedback by Lily Owyang. We are not doing this to raise money; we are doing this to bring diversity to our campus, what it does for programs, how it impacts our programs and the community. He sent in 6 copies as stated in the website, however, Lily requested additional 2 copies of the supporting documents. We also sent the substantive change budget including a worse case and best-case scenario. Starting from 16 students, 25, 50, and 100 students; etc.
- Acting President Guerrero asked if we provided an update on latest business plan.
- Chas Algaier said the business plan would go with financial progress report.
- Regent Hinds said she likes the fact that the substantive change report is more conservative.
- Chas Algaier said it is based on the recommendation from Lily.
- Regent Deleon Guerrero said he wants a copy of appendix B. He asked if the budget reflect different numbers.
- Chas Algaier said the business plan reflects the scaled down numbers for the different scenarios.
- David Atalig said for the substantive change report, it is based on 16, 32, 50, etc. And best case scenario is at 300 students at once.
- Eric Plinske said he wants an understanding that we are requesting for approval on something that we've already begun. What number can we expect WASC to approve?
- Chas Algaier said they want report. It’s a transparency issue; they want to see what we want to do. They are not going to come out and play a numbers game. We are not looking at your numbers; we are looking if you are planning for this wisely. What we are sending in is a reasonable proposal.
- Ivan Propst said David Wolfe comment on the commission’s passage on substantive change. There are other institutions that are ready to embark on their project, but the Executive Director can send out a notice to the commissioners to do a provisional condition to start the project.
- Chas Algaier said Barbara Beno said they want the report by April 1. So that by April 15, they can make decision.
- Eric Plinske said he is not worried that we busting at the seams with students.
- Chas Algaier said there is nothing about having international students enrolled in college, we are just.
- Regent Deleon Guerrero said the beginning enrollment for 16 students
- David Atalig said yes, at 12 credits.
Regent Deleon Guerrero said we would have to recruit 100 students in order to realize profit of $40,000.

Regent Deleon Guerrero asked if we recruit 16, do we really have to hire 2 additional people; one faculty and one counseling.

David Atalig said based on NACUBO ratio, yes. For every 25 students, we have one faculty, in our case we have for every 16. It is conservative.

Regent Deleon Guerrero asked if we bring in 20 students, we will still stick to the bare minimum requirements at 16 students.

David Atalig said yes. And the following pages are the best-case scenarios, starting at 300 students.

Regent Hinds ask Kurt Barnes if NMC was able to recruit students.

Kurt Barnes said he hoped so.

Eric Plinske said we don't have materials to market, no brochures; there are time constraints. This semester, if we get 20, it is a good number.

Kurt Barnes said he prepared written report for next regular meeting. He does not have actual numbers. He said that we were competing with California colleges.

Acting President Guerrero asked about the tuition comparison.

Kurt Barnes said we were the highest at $250.00. When he went to the embassies, the only country that has restriction on student visa is Mainland China.

Regent Hinds said our assumption that students will be denied visas is false.

Kurt Barnes said yes, 92 percent who apply get their student visa. He said our focus should be Mainland China because they cannot get into the U.S.

Eric Plinske said the market ability of NMC if we develop relationship i.e. UH, they come to NMC for first 2 years. Currently, we don't have much to market. We've spent too much time on La Fiesta, when we should be focusing on recruiting students.

Diana Greenough said if the relationship between UH and NMC is developed, would be great as they have an excellent Bachelor program. We are not marketing to our full potential. By piggybacking with another university, we can offer so much. Let's shift into high gear.

Eric Plinske said another aspect is getting commercials. Not general NMC but by department. We need to work this out.

Melody Actouka said we need a very well developed video that provides an opportunity to see what we do, our campus, programs, activities, and students. Granted money is tight, but it will be money well spent. They want a nice video, not a commercial or short spot.

Diana Greenough said that she would like to mention that the NRM student project this semester is making videos. This helps to promote NRM at NMC. This is 2nd time around with class project on a video. This is an easy tool.

Regent Kiyoshi said let's say we are put on probation, how will this affect our relationship with other universities.

Chas Algaier said no one wants to have a relationship with any institution that is on probation.

Angie Sills said we have a lot of Chinese students on campus and they have a lot of ideas and certainly have excellent networking.

Kurt Barnes said schools that have alumni associations are the greatest asset to recruiting more students

Chas Algaier said we should consider giving $100 cash or tuition waiver for students who bring in other students perhaps include this in Board policy to bring more students in.

Raaj Kurapati said the assumption that students are not getting visa, is an assumption in our business plan; and the tuition rate is high for community colleges. If one of the assumptions does not pan out, it will not make gateway successful. Even dropping the rate to $200 will not make a profit at three hundred students.

Acting President Guerrero said that assumes La Fiesta...if we pursue international students at current campus, the impact is not the same.
• Raaj Kurapati said yes, it would be different.
• Chas Algaier said he needs all comments by 2 p.m. today. The additional changes will be reflected in the report. He will specify the language on page 10 regarding the difficulty of getting student visas

MOTION: Regent Furey motioned to adopt the Substantive Change report with the changes stated. It was seconded. No further discussion. Motion carried.

4. Annual Report
Chas Algaier said the report is a statistics based documents that we turn in every year. The people that provided data is Raaj Kurapati, Jack Sablan, Lisa Hacskaylo. The difference of this report from previous reports is the operating deficits. The previous reports stated no deficits, and Raaj Kurapati confirmed that we’ve always had a deficit. That is included in this report.

Regent hinds called for a recess. 11 a.m.

IV. OLD BUSINESS
A. La Fiesta
• Acting President Guerrero reported there was a meeting last Saturday with the La Fiesta tenants, of which 11 of 15 attended. We stated the board’s decision to terminate bus service. They understood the situation and want the college to coordinate a meeting with Coco’s and Tasi Tours. They want a contract with Tasi Tours which they will pay bus service directly.
• Regent Hinds said the Board terminated bus service as of April 1. She does not want to see the college using more personnel on La Fiesta. She asked why NMC was asked to step in as third party to coordinate.
• Acting President Guerrero said they want our assistance, as the landlord to set up a meeting. The funding will be strictly between the tenants and Tasi Tours.
• Jesse Borja said the tenants were concerned if only the tenants showed up, Tasi Tours or STS would see dollar signs. They want NMC to intervene to get the best contract.
• Regent Hinds said she does not want to see down the line NMC entering into a contract.
• Legal Counsel said no, it won’t happen. The bus service was raised from $800 to $3,000 which we were paying, that is why Coco needs to talk to Tasi Tours to reduce it again.
• Acting President Guerrero said they did not want to reveal at the meeting whether they will be staying or not and will let Al Johnson know directly of their intentions.
• Regent Hinds said is aware that she released board actions prior to informing the tenants. However, she believes that we need to be as transparent as we can to our community.
• Regent Furey asked if any other matters were raised at the tenant meeting.
• Acting President Guerrero said the Job Fair will be held on Thursday, April 2nd and Charter Day was moved from La Fiesta to the current campus held on April 3 from 4-10 p.m.
• Regent Hinds asked if there was any development regarding CUC.
• Raaj Kurapati said he spoke with Ed Williams, CUC Comptroller. Raaj then distributed and said they are the same as sent on Friday via email.
• Regent Deleon Guerrero said it is time for us to make recommendations or changes before we bring it to them.
• Raaj Kurapati said another fuel purchase will be needed by Wednesday, so if a decision is not made we have to make another purchase.
• Regent Hinds asked how are we doing with finance.
• Raaj Kurapati said we paid our vendors.
• David Atalig said have check of $40,000 ready for pick up from the tenants at La Fiesta.
• Regent Deleon Guerrero said for March we are looking at $49,000 as a loss.
• Raaj Kurapati said yes, actual expenses will not be known till after the month.
• Regent Hinds asked when is the bill going to be ready for the Governor’s Office.
• Raaj Kurapati said 2 days after the close of the month.
Regent Deleon Guerrero said it is good to have an agreement with CUC and the letter.

Eric Plinske asked for clarification if NMC requesting to buy power at 12.5 cents per kilowatt or is it to buy fuel at their rate.

Raaj Kurapati said they [CUC] buy the power and they sell it to us.

Regent Deleon Guerrero asked if we have the current costs of delivery.

Raaj Kurapati said it is built into our current rate.

Regent Hinds asked if the dollar fifty we pay includes fuel delivery.

Raaj Kurapati yes, it is contracted out and not delivered by Mobil oil.

Acting President Guerrero asked Raaj Kurapati find out how much per delivery it would cost.

Raaj Kurapati said the tanks have capacity for 15,000 but because we can only purchase so much at a time. We can look into it.

Acting President Guerrero said it is dependent if CUC is willing to do the delivery.

Regent Deleon Guerrero said he does not know if CUC will agree to absorb the delivery costs.

Regent Hinds referred to the Contract, #.3; NMC will be making necessary capital improvements for the electrical system.

Regent Furey said it ties in with MOA.

Legal Counsel said yes. If the board agrees with the MOA, then the contract will remain as is.

Regent Deleon Guerrero said we are not here to discuss the MOA with potential hook up.

Raaj Kurapati said the MOA requires $100,000 in cash, and we can't do that. Under the terms of fuel efficiency rate, we can't do that either. For your information.1025 is our current fuel efficiency rate.

Regent Hinds asked if CUC is saying they want these 2 things to go hand in hand. This is not acceptable.

Legal Counsel said from the organizational point of view, have the board do what it can. And have one board member negotiate. The only way justifying this statement is if executive branch assists NMC.

Regent Hinds said we need cash upfront for in order for her to be comfortable with this decision. And if we go with this, we are not realizing savings.

Raaj Kurapati said actually we will.

Regent Deleon Guerrero said that is assuming that Mobil does not play ball.

Raaj Kurapati said if Mobil agrees, then it costs us more.

Regent Deleon Guerrero said if CUC and NMC sign, this will set the rate for electricity and clearly says CUC will take care of the fuel. So that if Mobil does not play ball, we are not shouldering the cost because the rate for power is set.

Raaj Kurapati said correct. But CUC will not sign if Mobil does not deliver.

Regent Hinds asked to clarify what is the discussion about.

Legal Counsel said as Regent Deleon Guerrero said, we are at the mercy of CUC. Setting aside Governor's Office involvement, the NMC Board needs to make a decision.

David Atalig said the CUC legal counsel wants to see a guarantee. They know we generate money and they want to guarantee that they get paid.

Regent Hinds said we use the money generated to pay for fuel. How do we ensure that we are paying other contracts, i.e. maintenance?

David Atalig said if you look at total revenues, we pay for all electricity we bill our tenants.

Regent Deleon Guerrero said rather than ear marking that revenue, we could use the language ‘identify’.

Legal Counsel said as Brian was talking, they notify tenants and the tenants pay directly.

Raaj Kurapati said it doesn't ease cash flow if it will be by consignment.

Acting President Guerrero said we need a 30-day grace period.

Eric Plinske said we would pay up front now and over time, we can go for the 15-day period.

Raaj Kurapati said it’s a better deal but at the same token, we don't want to use operating cash.

Regent Deleon Guerrero said he agrees with legal counsel, to do the best we can and act in the best interest of the college. And that is change language, to intend to make necessary
improvements and avoid language of ‘earmark’. This is part of the negotiation process. We cannot assume what they want. We need to act and recommend that we separate the MOA.

- Regent Furey said yes, but if we agree to the contract, then she does not want them to say that the Board agrees totally with the contract.
- Regent Deleon Guerrero said we need to tell them that we negotiate the contract on fuel purchase but set aside the MOA.
- Legal Counsel said that NMC only work on the contract and table the MOA. Here are suggestions: NMC intends to directly connect to the CUC. #5 delete ‘makes the required capital improvements and’ next page #3, request to delete this item; #4 regarding delivery costs, we need to negotiate, delete “at any cost of delivery”; #5 is new and was not in the agreement previously discussed and reviewed with Kay. And so are #7, #8, and #9. #9 is in line with #5.
- Raaj Kurapati said for #5, we don’t have coverage for insurance.
- Regent Deleon Guerrero said it is sitting at the Governor’s Office.
- Legal Counsel said even more general than bills it includes claim.
- Regent Hinds asked Legal Counsel said on thoughts for #7, #8, and #9.
- Legal Counsel said #7 is no problem; #8 that is a financial question and cannot answer perhaps David Atalig or Raaj Kurapati. It is dependent upon guarantee of payment, if you cannot guarantee payment then do not sign.
- Regent Deleon Guerrero said leave the last part of last sentence and include giving us 30 days.
- Legal Counsel suggested delete first, change 5 days to 30 days; and delete last sentence.
- Raaj Kurapati said on #8; based on billing cycling, if we do this on monthly basis, it gives us 35 days because we have to wait until end of month; at the end of 30 day cycle, we give them actual numbers of power generation and then the bill us at 12 cents. They might find it
- Legal Counsel said we are asking for 30 days when they bill us. That is the due date.
- Regent Hinds said if it comes back without changes, her name is not on it.
- Legal Counsel said is there confidence the Governor’s Office will support
- Legal Counsel said do what you have to do.
- Acting President Guerrero asked Raaj Kurapati if this can this be treated separately.
- Raaj Kurapati said at management level, there is a consideration of separation, but at the Board level, there is some resistance to entering into contract without MOA.
- Acting President Guerrero said we are not in position to negotiate into agreement; $300,000 this is above our means. He views power purchase as short term and the power hook up as long term.
- Regent Hinds said we are not in position to negotiate into agreement; $300,000 this is above our means. He views power purchase as short term and the power hook up as long term.
- Regent Hinds said if it comes back without changes, her name is not on it.
- Eric Plinske said is there confidence the Governor’s Office will support
- Legal Counsel said do what you have to do.
- Acting President Guerrero asked if it's possible to have the Governor's Office as a co-signer.
- Legal Counsel said based on conversations, the Governor’s Office does not want to be signatory for any document.
- Regent Deleon Guerrero said let's not forget that we are the ones that wanted La Fiesta and Governor’s Office provided money for down payment and money for A & E. We chose La Fiesta.
- Regent Hinds said the MOA pushed me to vote for La Fiesta.
- Regent Deleon Guerrero said we were the ones who put La Fiesta on the table for consideration.
- Regent Hinds said she is not satisfied. She believes the college was pushed into La Fiesta.
- Regent Deleon Guerrero said that was our fault.
- Regent Hinds said it may have been, and now we are looking at empty bank accounts.
- Regent Orilla said we need to look at situation here and now.
Regent Deleon Guerrero said he is not denying that we are not going to deal with the current situation but to blame another.
Regent Hinds said central government is our savior for contingency plans and central government is broke.
Regent Deleon Guerrero said if our bottom line is the bottom line, then we need to explore other options.
Regent Hinds said our options are band-aid options. We are going to get a to a point where there is no other way. It is great that we are doing what we can to minimize cost, but we still need to consider serious issues.
Regent Deleon Guerrero said one understanding of the power purchase agreement is an urgent temporary thing for us to do.
Raaj Kurapati asked how long are we looking at La Fiesta. If we are trying to minimize costs, we need the contract full speed ahead. However, if we are not looking at La Fiesta, then we have to find other options.
Regent Deleon Guerrero said we would spend more if we shut it down.
Raaj Kurapati said that is why we need to determine what to do with it.
Eric Plinske said ideally, best thing is close facility and go to standard level of maintenance and get the sale of 3.5 cents, and sell to Nikko which is half of our output and bring actual cash outlay at $6K per month and then have Gateway.
Regent Hinds said we bought La Fiesta for Gateway. What do we need of gateway, nothing.
Regent Deleon Guerrero said if you inherit a piece of property designed for a certain purpose, it does not change fact that we still inherited a property.
Raaj Kurapati said he sees what Eric Plinske is saying, but we still need the CUC contract.
Legal Counsel said going back to the contract, under general and mandatory term of conditions, suggest to ask CUC to delete part 2 b, 2c, 2d and small letter I and all of 3.
Regent Hinds asked if the Board in agreement of these amendments.
Legal Counsel said he suggests the President set up a meeting with the Executive Director or Deputy and Legal counsel and himself to review the contract for their reaction.
Regent Furey said have #5 contractor designating president and have legal counsel review.
Regent Deleon Guerrero said for section 4, the paragraph 2 of 4 where NMC is responsible for CUC charges on excess of monthly and other is any cost for delivery of lubricants and fuel. Suggest we take out current excess. Regent Deleon Guerrero asked if Mobil does not participate, then it comes to 1.355, which is less than our current rate of 1.505. If that is left in, we will be paying 1.355.
Raaj Kurapati said we should not do that, we would end up paying for it.
Regent Deleon Guerrero said that it’s non negotiable, the excess. The second part is the delivery charge. NMC is responsible for any charges, is that negotiable?
Legal Counsel said the argument is we are not being charged for delivery.
Raaj Kurapati said we can absorb the delivery charge.
Eric Plinske said the $1.35 is exclusive of tax.
Regent Deleon Guerrero asked if that is negotiable.
Regent Hinds said as long as it’s a fixed rate.
Regent Deleon Guerrero asked what if we reword that NMC would arrange for delivery.
Raaj Kurapati said yes, because Mobil will deliver to CUC
Regent Deleon Guerrero said in regards to changes to paragraph 8 it’s not negotiable to ask for 30 and if not then 15 days.
Legal Counsel said #3 the last sentence on under terms; what is the effect if it’s implemented?
Raaj Kurapati said right now, CUC does not owe us any money.
Legal Counsel said this is in regard to the first part of #3. Theoretically, they are trying to justify the our need for power and that NMC will buy power.
Raaj Kurapati said this provides an option for them buy power. We could still be charged what we are paying now. We would want this line deleted.
Regent Deleon Guerrero asked about paragraph 9, is this negotiable?
Legal Counsel said NMC should ask for it to be taken out.
- Regent Deleon Guerrero said if kept in, then the word ‘assert’ is supposed to be ‘asserted.’ What about general mandatory conditions?
- Legal Counsel said it should not be necessary.
- Regent Deleon Guerrero said but is it negotiable.
- Regent Furey said e-2b, c, d – yes, negotiable.
- Legal Counsel said 2b is impractical so take it out; 2d is something to be deleted. If NMC is not paying bills, then stop furnishing fuel to NMC. Try to get it out. And like the remedy to be exclusive, when it is breached, it ends. No other remedies available.
- Regent Deleon Guerrero asked what is negotiable.
- Legal Counsel said 2D and 3.

MOTION: Regent Deleon Guerrero moved to authorize Acting President and Legal Counsel to negotiate power purchase agreement as discussed with provisions in the preceding discussion. Regent Furey seconded the motion.

Discussion:
- Regent Deleon Guerrero asked for a time line?
- Tuesday, March 30th to meet and discuss the revised contract.

No further discussion. Motion carried.

- David Atalig said NMC still has contracts for engineering. The contract has been reduced for maintenance manpower.
- Legal Counsel said if tenants move out, it would be reflected that the manpower is reduced.
- Regent Deleon Guerrero said the Acting President was authorized to negotiate all La Fiesta contracts.
- David Atalig said the contract expires on 31st.
- Regent Furey asked how much is the contract.
- Legal Counsel said $2,000.
- David Atalig said it was reduced from 4 personnel to three and is $3,900 per month.
- Legal Counsel asked if NMC could reduce to lower than the 3 minimum that is fine.
- David Atalig said this is unlike janitorial or lawn care.
- Bob Schwalbach said by terminating bus service, you have eliminated the customers for tenants who pay based on sales.
- Acting President Guerrero said vendors are interested in negotiating at their own expense. They understand the college's situation.
- Regent Hinds said the previous contract was $800 now it is $3000. We cannot justify paying for bus service.
- Bob Schwalbach said he understands the situation, however, NMC come is dependent on customers and tenants. That does not improve the situation.
- Regent Hinds said it was prompted on money spent on La Fiesta and tenant expressions of not staying longer at La Fiesta. We want a feel for how many are going to leave or stay.
- Bob Schwalbach said it's the chicken and egg situation. If tenants leave, it means a reduction in revenues.
- Regent Hinds said we cannot afford La Fiesta and we cannot continue to go up to Governor’s Office’s office to ask for more money. There is no way we are signing a loan for interim financing because there are many uncertainties with gateway and La Fiesta.
- Bob Schwalbach said sometimes it's best to break the problem down between long term and short term. For starters, do not let uncertainties of gateway cloud La Fiesta. The Board and staff has done excellent job on reducing losses at La Fiesta. He’s tried to work along with you on CUC and close to turning corners.
- Regent Hinds said we don’t have money no matter how you separate the short term and long term. There is no money.
Bob Schwalbach said there has to be other ways of cutting costs.
Eric Plinske said customers coming on the bus is dismal, the best scenario is close the facility and have tenants move out. The numbers will change. If we make a deal with CUC, we get a little bit. We buy time to focus on marketing gateway and have plan B for what the facility could be used for as back up plan.
Chas Algaier said one of the problems is financial. We are on financial life support. We don’t have money to pay for something that is outside scope of the mission of the college. We’ve spent $2.2 and living close to the bone. That is the problem with creditors.
Raaj Kurapati said there is a letter requested from Governor’s Office to put in writing his support of La Fiesta and hoping that we receive that to include as part of our reports.
Bob Schwalbach said it is something to look at.
Raaj Kurapati said the attention has been drawn on La Fiesta by WASC. They want to see something officially.

V. Executive Session:
Entered at 12:45 p.m.
All was asked to leave except for the Board, Legal Counsel and Acting President.

Reconvening of the Special Meeting.
The special meeting was reconvened at 1:10 p.m. Personnel matters were discussed. No action was taken.

VI. Adjournment
Meeting adjourned at 1:10 p.m.