I. Preliminary Matters

Roll Call

Board of Regents: Regent Hinds, Regent Olopai-Taitano, Regent Guerrero, Regent Orilla, Regent Sablan, Regent Cabrera, Regent Furey, Regent Wyatt and Regent Kiyoshi

Legal Counsel: Jesus C. Borja

NMC: Acting President Guerrero

Guests: MCV

Adoption of Agenda

Agenda was adopted with the following amendments:
- Under New Business item A will be C; item B will be A; item B will be the grade change policy;
- Also under New Business add item D announcement of selection of president.

Adoption of Minutes

Meeting Minutes of April 30, 2004 was adopted with the following amendments:
- Page 1 – personnel committee report Regent Hinds stated “this is”
- Page 2 – under President's report on the discussion of PELL, it should read "The second batch consists of 114 files and is still with RGM and will be forwarded"
- Page 3 – first line where Kurt Barnes is talking about the PELL grant, it should read “while the first batch is here” and not “at here”
- Page 5 - under executive session insert "no action was required"

Meeting Minutes of May 21, 2004 was adopted with the following amendments:
- Page 2 - Change warm blooded to "warm bodied"

Meeting Minutes of July 8, 2004 was adopted with the following amendments:
- Page 4 - change previous school teaches to "taught"
- Page 6 – add "what" before "WASC is telling NMC"

II. Miscellaneous/Public Comments

None.

III. Reports

A. Standing Committees

1. Personnel Committee – Regent Olopai-Taitano reported it will be referred to the fiscal-legislative committee and other personnel matters referred to will be reported under Old Business.

2. Program Committee – Regent Furey reported the program committee has recommendations and will be reported later. She has been busy and has a revised write up on state board licensing policy and will be presented to the board for review. This will be completed in weeks to come. Two actions to be performed are included in the agenda.
3. **Fiscal-Legislative Committee** - Regent Guerrero reported several items were discussed and will be acted upon under Old and New Business. He asked the Regents to refer to the report of Finance Office. It is detailed and well written.

**B. President’s Report** - Acting President Guerrero reported:
- **Pell Reimbursement Status** – Acting President Guerrero requested to refer to the memo attached. He said NMC received funding for the 2nd batch. The 3rd batch is with RGM, ready to send to DOE on Friday at the latest. We are hoping both batches are clean and to get off reimbursement status.
- **Student Enrollment Targets** – we are increasing our marketing efforts and are targeting for a 10 percent enrollment increase. For fall 2003 we had 1233 and expect to have 1400. We are exploring marketing strategies for Saipan, Tinian and Rota.
- **Annual Western Director’s Meeting For Land Grant Institutions Held In Guam** – it was good a turn out from all land grant institutions in Micronesia. There were lots of networking and an interest in 4-year institutions to work together. Partnerships will be forthcoming.
- **Paravet Training Project** – the project will complete in September. We have mostly CNMI participants, from Saipan, Tinian and Rota. This training will provide desperately needed services.
- **Visioning Conference Report** – this is the initial step to initiate the 2nd Strategic Master Plan. The college is planning for a steering committee to take lead to establish the master plan. This will include input from college community and the public. The current master plan will end in December 2004.
- **Establish a new governance body for NMC staff** - The Staff Senate elected their officers in the month of June. This will help in terms of communication and addressing staff concerns.
- **PBEC** – is working diligently to complete FY 2005 Budget from tuition and fees. As soon as their recommendations are completed, it will be disseminated to the board.

**C. Faculty Senate** - Danny Wyatt reported:
- A meeting was held regarding the two-year contract. The faculty are looking for something more permanent rather than just a 2 year contract.
- Danny Wyatt introduced Lorraine Sonoda. Lorraine is the President of the Staff Senate.
- Lorraine Sonoda reported the staff senate is working on the staff constitution and will be addressing the needs of staff as they arise.

**D. ASNMC** - Jack Kiyoshi reported:
- ASNMC recently adopted the code of ethics and are currently working on student government email policy etiquette.
- Will be working with OSAL on the orientation and welcome back barbecue.
- Will be conducting leadership training with CDI next month with student officers and mentorees, on solicitation protocol, stress/time management.
- Jack Kiyoshi introduced officers: Jocelyn Tagabuel-Treasurer; AJ Sablan, Advisor; Agatha Ketenbegan-Vice President. Cathy Davis is one of the mentorees.
- Student government is initiating a mentoree program and is based on active and outstanding individuals. Basically, they follow the officer and are groomed to hold an officer position next year.
IV. Old Business
   A. Human Resource Policy
   Regent Olopai-Taitano reported the policy is still under the review process. HRO has been receiving college input and will present its findings later.

   B. Student Development Policy
   Regent Furey moved to adopt the proposed Student Development Policy. Regent Guerrero seconded the motion.
   Discussion:
   • Regent Furey stated there are existing policies, so the policy is revised. The staff and the program committee have been reviewing the policy for about 8 months now.
   No further discussion. Motion was carried.

   C. Fiscal Responsibility Policy
   Regent Guerrero tasked the leadership to amend policy to 1) require the college to operate under a balanced budget no matter what kind of budget we are given or generate from operations; we maintain a balance budget each fiscal year. 2) establish a reserve fund which would be 5 percent of total of tuition and fees collected to ensure a rainy day fund. This will only be used as an absolute last resort and to use all other funding source before we tap this fund. Regent Furey seconded the motion.
   Discussion:
   • Regent Guerrero said the amendments were discussed at the committee level. He wants to make sure the motion is for the amended policy.
   No further discussion. Motion was carried.

   D. La Fiesta - tabled.

V. New Business
   A. Recruitment Requests
   Regent Guerrero said there are three different motions he would like to make and will state each separately for purposes of discussion.

   • Regent Guerrero moved to amend the BOR Action Plan to Address the Financial Shortfall, specifically #5 of the plan. It currently reads "Accept the immediate freeze on all hiring, reassigning, reclassification, appointments and any action that will result in an increase in salary for anyone. This excludes federal funded vacancy where the funding will lapse if vacancy is not filled." Regent Guerrero proposed the last sentence be added the following statement "to exclude federally funded vacancies as well as positions where all funds will pay for the hiring." Regent Furey seconded the motion.
   Discussion:
   • Regent Olopai-Taitano asked to hear from Raaj Kurapati.
   • Regent Guerrero said there is no money affected in any way. This includes all costs.
   No further discussion. Motion was carried.

   • Regent Guerrero moved to allow for exception to BOR Action Plan to Address the Financial Shortfall to allow for announcement and recruitment in the CREES department for the following positions: Associate Director, Plant Pathologist, and Entomologist, effective October 1, 2004 when the new fiscal year has begun. Regent Furey seconded the motion.
   Discussion:
   • Regent Guerrero said this was discussed at length, due to threat of invasive species to the CNMI, it was important to recruit plant pathologist and entomologist and is critical to fill.
   No further discussion. Motion was carried.
• Regent Guerrero moved to allow for another exception to BOR Action Plan to Address the 
Financial Shortfall Allow to allow for the immediate replacement for one English instructor on 
the Tinian campus. Regent Furey seconded the motion.

Discussion:
• Regent Guerrero said an instructor position on Saipan can be filled via adjunct, Tinian does 
not have that luxury. The semester begins in a few weeks and we cannot have an instructor 
teach 15 credit hours.
No further discussion. Motion was carried.

C. Grade Change Policy – Regent Furey reported
Regent Furey moved to amend Educational Policy #3016, as recommended by the 
administration. Regent Orilla seconded the motion.

Discussion:
• Jack Sablan said basically the amendment is to change the 2 grades that are currently 
warrented for development programs: Math & English. The changes are NC grade to NP and 
F grade to TF because it is a technical failure. The purpose is to satisfy our current situation 
with the NC grade and PELL as well as to assist at risk students.
No further discussion. Motion was carried.

Executive Session
All were asked to leave the room except the Board of Regents, Acting President, and Legal 
Counsel. Executive session was entered at 3:40 p.m.

Regular Meeting was resumed at 4:01 p.m. Regent Hinds reported Personnel items were 
discussed, the Election of BOR Chairperson and President Position.

V. New Business continued
C. Election of BOR Chairperson
• Regent Guerrero opened nominations for BOR Chairperson
• Regent Furey nominated Regent Hinds
• Regent Guerrero moved to close the nominations and motion was seconded.
• Chairperson elected is Regent Hinds.
• Regent Hinds said thank you for everyone’s continued confidence. The decision was made 
collectively as a group. It is an honor to be on board, and has learned a lot on a personal 
and professional level. She has matured and has NMC to thank for that. Thank you.

Committee Appointments
• Fiscal-Legislative Committee Chairperson maintains Regent Guerrero
• Personnel Committee Chairperson maintains Regent Olopai-Taitano
• Program Committee usually handles two committees: the program matters of NMC and 
postsecondary licensing matters for the CNMI. Regent Furey is Chairperson for 
Postsecondary Licensing and the new Program Committee Chairperson is Regent Orilla.

D. Announcement of NMC President
• Regent Olopai-Taitano said the Personnel Committee selected Acting President Guerrero 
as the new NMC president. Regent Guerrero seconded the motion.

Discussion:
None. Motion was carried.
• Regent Hinds said one thing different and that is setting clear expectations. This has 
been shared with Acting President Guerrero and will be an ongoing dialogue for the next
week. The expectations are not verbal; they are articulated via a work plan. We face many different issues and we know what lies ahead. NMC is not just the Board and the President; it is the entire community, the stakeholders. In order for us to move forward, it is the whole community. We all need to have an understanding of what we want and where we want to go. Be proactive. If we continually work together and with Acting President Guerrero's leadership, we will get to where we need to be. We are realistic yet confident and will do what is necessary and go where we need to get.

- Acting President Guerrero extended his gratitude and appreciation to all Board of Regents for their confidence in being the next president. Share some personal visions for Northern Marianas College.
- Regent Olopai-Taitano recommended the HRO to expedite President's papers and to notify the other applicants.
- Regent Guerrero moved to recess and reconvene on Fri. at 8 a.m. to discuss the pending items.
- Regent Furey seconded the motion.

Meeting was recessed at 4:20 p.m.

Reconvened on Friday, July 30, 2004 at 8:37 a.m.

Roll Call

- **Board of Regents:** Regent Hinds, Regent Guerrero, Regent Orilla, Regent Sablan, Regent Cabrera, Regent Furey, and Regent Wyatt

- **Legal Counsel:** Jesus C. Borja

- **NMC:** President Guerrero, Sam McPhetres, Debra Cabrera, Kurt Barnes, Dean Papadopoulos, John Griffin, Duane Sablan, Debbie Diaz, Jack Sablan, Raaj Kurapati, Al Johnson, and Reina Camacho.

IV. Old Business - continued

D. La Fiesta – Raaj Kurapati reviewed the Exploratory Team's report

The Exploratory Team was invited by the President two and a half weeks ago to review options to deal with the asset or liability of La Fiesta. The team was comprised of several members. There were two options focused on: Retain or Dispose.

- Report provides several options under keep and same as under dispose. Under each scenario, be informed there are costs involved and depending on what the Board wants to do. There is the risk the building will deteriorate and it will be substantial. We need to maintain it at a minimum level of approximately $15K per month.
- One thing the Exploratory Team wanted to be sure is that there needs to be a decision made. We feel that already La Fiesta has cost us. We are drained, not just financial, but morale as well. And other costs are time spent to work on it. The longer we delay the decision the more costs we incur.
- Regent Hinds asked if the Exploratory Team had recommendations to share
- Raaj Kurapati said there was healthy dialogue but no consensus as it was not the focus or direction provided when grouped. The focus was not to be opinionated, but to explore options. There were healthy discussions on both options.
- Legal Counsel said it might be worthwhile for the board if the Exploratory Team can be said to be representative of the college community.
- John Griffin said he worked on the aspect of keeping. One example is to transform it into a convention center, move MVA and provide meeting rooms, etc. there were other priorities as well.
• Raaj Kurapati said there is a concern by one of the members, the fact that La Fiesta has had negative impact on campus and he was very outspoken about getting rid of La Fiesta. There is one FTE in finance & proc office working on La Fiesta.

• Regent Furey asked if the staff morale is attributed to La Fiesta or is it combination of indecisiveness of the Board.

• Raaj Kurapati said it is a combination. The longer we wait it drains our resources. We continue to process P.O.'s on a regular basis. That money is being reimbursed, but we are using our money before it is reimbursed.

• Regent Furey said she wants to hear what this means to our accreditation.

• Raaj Kurapati said we are not clear on what WASC want; we have no specific direction. They want the Board to have a disposition on La Fiesta.

• Acting President Guerrero said the Exploratory Team indicated the major reason is to dispose because it does affect our accreditation.

• Debra Cabera said she focused on the ‘default’ but as the discussion went on, there are more factors not just to ‘default.’

• Regent Sablan said how can you land exchange when we do not own the property, it is a lease.

• Raaj Kurapati said it was considered as an option, to directly communicate with the landowners. If you decide to sell, it won't happen immediately, if you decide to default, there are legal complications. The focus of discussion has been to sell. He shared his personal opinion the college should consider. If we get rid of it, did we do all we can to explore all options. If selling is the answer, who are we to sell to? We need to look all options; there are lucrative options that we have not explored. There will be an impact of La Fiesta, not immediate, but long term.

• Regent Hinds asked what does it mean to explore all options.

• Raaj Kurapati said designate a person within the college or externally, to go out and research the market for viability. The consequences of inaction will have a very negative image for the college.

• Regent Furey said what she is hearing is that we need more information before we make a decision; we need more time to explore.

• Raaj Kurapati said we have not had time to fully explore, we focus on turning La Fiesta into college and now due to financial resources, we cannot, so we need to explore. So far, La Fiesta only was catering to one aspect of tourism, Japanese shoppers.

• Regent Hinds said what about the $200K?

• Raaj Kurapati said even if we sell it, we wouldn't be able to sell it before October. No matter, we are going to assume the $200K. There will be a ‘loss’ if we decide to sell or keep La Fiesta.

• Regent Furey said we need to go to the Governor or Legislature or NMC Foundation for the $200K payment. Personally she does not want to default. There are potential liabilities. We need to decide what to do because we are anticipating a shortfall every month. When it comes to our goal to keep or dispose, we need to lay out our strategies, ie. Substantive change, moving programs to La Fiesta ...how feasible, can we do it with very little money. There is a lot of things to explore and the answers are out there, we just need to put it together. Wish that we had money to contract a professional service to develop a plan. What goal do we want to reach? We need a dedicated person.

• Sam McPhetres said there are several things we need to keep in mind, one is a management team to handle the facility without costing us anything. It would be perfectly normal to have a management team to work on a percentage of the profits. Another is that in September there will be an investment conference and if we had a professional package to present to potential investors. Many things could be done with assets available; it is a matter of biting the bullet. We don't dump it; it's an asset.
• Raaj Kurapati said the December deadline is for our tenants. That was the factor driving our need to make a decision. We need to give tenants 60-day clause. We need to communicate to tenants no later than August 1st.
• Regent Furey asked if NMC requested assistance from the Governor.
• Raaj Kurapati said we did bring the $200K with the Governor. We asked for $428K and were given $200K and said they will consider granting the $200K later.
• President Guerrero said with the limited time we have with the remainder of the fiscal year, if we are to pursue other options, we need to go to the Governor or Legislature because $200K is due in October and need to negotiate for some operations budget to maintain bare operations. Costs for travel, producing of publications. The time is very limited. Regardless of our decision, we need time. We need to go to local leaders to request consideration of covering operations.
• Regent Furey said back in January we have written to Acting Governor for CIP funding assistance and we have not heard about it. Do we have sufficient information? Do we have more time? Is there a designated person or management team?
• Regent Cabrera said we could have two dates; September is the progress date to know where we are with our options and decision-making and December as the final deadline.
• Al Johnson said he agrees with Raaj Kurapati and the committee about having an asset and there is potential and possibility for government occupying the building. We need to explore all options and branch out and not wait till one is expired before we explore another. Need to explore several simultaneously.
• Regent Furey said the information is out there. I.e. how much is government spending on leasing commercial space?
• John Griffin said two things hampered the Team, one is the lack of legal counsel. Another is the point person.
• Raaj Kurapati said the financial statement presented provides some financial options to consider.
• Danny Wyatt said no matter what the choice is, it’s going to cost us money. We need to start planning.
• Acting President Guerrero said our agreement with the architectural firm, we put a hold on the payment. How much do owe the firm?
• Raaj Kurapati said we have not paid them. We owe them at least $490,000 for the whole thing.
• Acting President Guerrero asked how much are we contractually obligated.
• Al Johnson said the contract was routed for signature and is being held up because there’s no money. We did not implement the phase 2.
• Raaj Kurapati said the financial statement includes the liability.
• Duane Sablan disagrees to sell immediately, it may lose community confidence in the college

VI. Executive Session
All except the Board of Regents, President, Legal Counsel, and Reina Camacho were asked to leave the room. Executive session was entered into at 9:20 a.m.

Regular meeting resumed at 11:52 a.m. Regent Hinds said La Fiesta was discussed. Regent Furey moved to retain La Fiesta for current and future students and the community with the following action plan.
1) Extension for leasehold payment
2) Secure funding for lease payment and ops budget due September 15.
3) Concurrently, immediately develop 2 RFPs due September 10 a) property management b) potential tenant for available space

Adopted on September 11, 2004
4) Concurrently, develop promotional materials for upcoming September investment conference
5) Meet on September 15 to review and assess current development and above mentioned action plan.

Discussion
- Regent Guerrero said for the record: we are doing this in the interest in upholding the mission of the college and to better serve our students and community.
- Regent Hinds said for the record Regent Olopai-Taitano is sick and unable to attend and gave the Board her support for the decision today.

No further discussion. Motion was carried.

Executive Session.
All except the Board of Regents, President, and Legal Counsel were asked to leave the room. Executive session was entered into at 12 noon.

Regular meeting was resumed at 12:10 p.m.
Regent Orilla moved to allow exception Finance Policy #4921 for the NMC Foundation's fundraising tournament banquet. Regent Furey seconded the motion.

Discussion
- Regent Guerrero said he hope this does not happen again to suspend policy for failure to follow policy and procedure. There should be consequences faced.

No further discussion. A vote was taken.

VII. Adjournment
Meeting adjourned at 12:13 p.m.