MINUTES OF THE SPECIAL MEETING
of the
Board of Regents
Tuesday, April 15, 2008
3:45pm

PRELIMINARY MATTERS

PRESENT:
Board of Regents: Acting Chairman Joey P. San Nicolas, Regent Elaine Orilla, Regent Agnes McPhetres, Regent Malua Peter, Regent Charles V. Cepeda.
Absent/Excused: Chair Dr. Rita Inos, Regent Linsa Lizama.

College Staff and Faculty: NMC President Dr. Carmen Fernandez, Honorary Staff Regent Joyce Taro (representative), Honorary Faculty Regent Eric Plinske (representative), Honorary Student Regent Ivan Mereb, Student Services Acting Dean Marian Tudela, Dean of COMPASS Tee Abraham, Dean of Academic Programs Dr. Debra Cabrera, Office of Institutional Effectiveness Director William Castro, Languages & Humanities Chair Mark Haag, BOR Special Asst. Mark Mendiola.

Others: Legal Counsel Jesse Borja, Saipan Tribune Reporter Rianne Pangelinan

I. OPENING PROCEDURES

A. Welcoming Remarks by Acting Chairman Joey P. San Nicolas.

B. Roll Call: Acting Chairman Joey P. San Nicolas called roll call. Five members of the Board of Regents were present; a quorum was established. Chair Dr. Rita Inos and Regent Linsa Lizama are excused absent.

C. Public Comments/Miscellaneous
1. Honorary Student Regent Ivan Mereb reported on a very successful 2008 Charter Day event which included good participation from the public and the members of the Board of Regents. Dr. Fernandez also echoed the same sentiments and thanked the various individuals that participated (especially the student leaders) in making this event a success. She also took this opportunity to apprise the Board that the College was approved to receive $375,000.00 dollars in grant money from the Office of Insular Affairs.
2. Acting Chair San Nicolas recognized the hardworking individuals (including the students, staff and faculty) who prepared for weeks to make the Charter Day, CREES Open House and Library Re-dedication a success. He also mentioned...
that during a lunch meeting with Retirement Fund’s Legal Counsel, Ms. Viola Alepuyo, she was invited to attend the Board’s Special Meeting to discuss the College’s retirement issue.

II. NEW BUSINESS
A. FY09 Budget
Discussion: Regent Cepeda requested the administration to revise the budget based on the recommendations made by the Fiscal committee.

The President gave a summary on the activities and discussions when PBEC and College Council met to discuss the Board’s recommendations.

CFAO Kurapati discussed the current status of the College and its progress. A number of questions were asked and extensive discussions occurred. CFAO Kurapati provided an update on the requested items which were raised for clarification by the Fiscal committee, and also the committee requested that certain worksheets be amended to reflect a presentation that would be easier to follow, specifically relative to vacant positions; for all the vacant positions to be listed together along with any new requests and that any new positions being requested be justified in writing. Secondly, a request was made to do a comparison of the present state of the budgets submitted last year and this year. Furthermore, a request was also made to provide a justification of any positions that were not in the 2008 budget, but are being requested in the 2009 budget.

Break called at 9:20am
Back at 9:45am

CFAO Kurapati explained that there were some changes made to various documents that were requested by the Board to comply with the preferred format, and he would now like to point out those changes:

In order to avoid any confusion, CFAO Kurapati listed the following changes that were made:

- Page 76- listing of employees in their current positions
- Page 77-82, 80-81 vacant positions moved to yellow as requested by the board - Justification included on new positions.
- 105-108 are positions being requested
- Page 89-92 changed 10-36 segregated the positions that are actively being recruited. Page 91 vice nursing chair
- Page 132 warranted positions for WASC
- Page 140 Org charts
- Page 148 changed
- Page 154- 10-66 moved the positions that were under operations. Math instructor positions.
- Page 154 Bookstore position vacated
B. CNMI Retirement Matter

**Motion:** Regent McPhetres motioned to continue with the agenda and table the FY09 Budget.

**Second:** The motion was seconded by Regent Orilla.

**Vote:** There were no objections and the motion passed by a majority voice vote.

**Motion:** Regent Cepeda motioned to go into executive session

**Second:** The motion was seconded by Regent Orilla.

**Vote:** There were no objections and the motion passed by a majority voice vote.

**Executive Session called at 10:15am**

**Back at 11:00am**

Management was excused from executive session with the exception of the President and Legal Counsel.

**Recess called at 11:30am**

**Resume at 3:50pm**

### III. NEW BUSINESS – Continuation

#### A. FY09 Budget

Regent Peter made some announcements before proceeding with further discussions on the FY09 Budget. First, on her discussion with Representatives Yumul and Hocog, they gave their support to the College’s budget proposal and to continuing to work together so that a budget can be put together of what the college needs. She also...
requested that the administration provide a courtesy copy to the Office of Management & Budget once the budget is ready for submission to the Legislature.

Regent McPhetres recommended that the Board set a ceiling so that the administration will have a base amount to work with in terms of what would be the budget that would be in the best interest of the College.

Regent Peter objected to setting the ceiling saying that Representative Yumul had just informed her that the College should submit a budget based on its needs. She further stated that the Governor’s Special Asst. Esther Fleming informed her that it would be up to the Legislature to accommodate the College’s request above the Governor’s ceiling.

After much discussion, Regent McPhetres made the following motion.

**Motion:** Regent McPhetres moved that the budget ceiling be not more than $6 million (Fund 1605) to include CUC and Retirement Fund payments.

**Second:** The motion was seconded by Regent Lizama.

**Vote:** Passed by a majority voice vote.

**Discussion:**

CFAO Kurapati explained that right now the College is operating on a $7 million budget because we have taken approximately half a million from tuition and fees to supplement personnel costs and also utility expenses.

Regent McPhetres noted that she is disturbed by the CFAO’s statement that funding from tuition and fees is taken to supplement personnel and utility obligations. Why is money being taken from tuition and fees to supplement personnel costs when the Board approved budgeted positions?

**Motion:** Regent McPhetres moved to put a ceiling of $1.1 million on the Personnel Budget under P.L. 5-32/P.L. 10-66.

**Second:** The motion was seconded by Regent Peter.

**Vote:** Unanimous

PBEC and the Fiscal committee will meet to further discuss the budget, based on the ceiling. April 24 is the deadline for PBEC to submit the budget to BOR Fiscal Committee for review.

Recess called at 4:15pm
Back at 4:31pm
B. CNMI Retirement Fund
Acting Chair San Nicolas explained that he had an opportunity to meet with Viola Alepuyo, Retirement Fund legal counsel and learned that the Retirement Fund is considering suing NMC in regards to its debt.

CFAO Kurapati explained that the change in rate from 24% to 36% was not by law but rather by regulation. The CNMI Retirement Board is granted this authority to adjust the rate contribution for both the employee and employer based on the actuarial expense that determines what the rate of contribution should be in order for them to continue to provide the benefits as mandated.

CFAO Kurapati also indicated that House Bill 16-54 introduced by Rep. Apatang is to specifically include the College in the bill that exempted the Public School System (PSS) for having to contribute at 36%. This particular bill would be retroactive. The bill should be coming out of committee. However, the audit issue has not been addressed.

Regent Peter will make arrangements for the Board to meet with the HEW Committee.

After much discussion, the Board agreed to table this agenda item for its next meeting.

Acting Chair San Nicolas noted that he would make arrangements with the Retirement Fund Legal Counsel.

IV. ADJOURNMENT:
The meeting adjourned at 5:30pm.