MINUTES OF THE SPECIAL MEETING
of the
Board of Regents
Thursday, June 12, 2008
3:45pm

PRELIMINARY MATTERS

PRESENT:
Board of Regents: Acting Chairman Charles Cepeda, Regent Elaine Orilla, Regent Agnes McPhetres, Regent Malua Peter, Regent Janet King.
Absent/Excused: Chair Dr. Rita Inos, Regent Linsa Lizama

College Staff and Faculty: NMC President Dr. Carmen Fernandez, Honorary Faculty Regent Rep. Eric Plinske, Honorary Staff Regent Rep. Joyce Taro, BOR Special Asst. Mark Mendiola, Director of Institutional Effectiveness Wil Castro, NMC Tinian Administrator Maria Aguon, Dean of Compass Tee Abraham, Dean of Student Services Daisy Villagomez-Bier, Director of IT Adrian Atalig and Helen Camacho (recorder).

Others: Legal Counsel Jesse Borja.

I. OPENING PROCEDURES
A. Welcoming Remarks by Acting Chairman Charles Cepeda.

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

C. Public Comments/Miscellaneous
Eric Plinske spoke about the SBDC training (Business Development Plan Workshop) held this morning at Room 215 in Building V and informed the Board of an incident regarding a client in a wheelchair. Legal Counsel Borja advised that this report should discontinue. BOR Acting Chair Cepeda requested that President Fernandez review the incident and take appropriate actions.

II. OLD BUSINESS
A. WASC Update
President Fernandez reported on her presentation to ACCJC on June 5, 2008 in San Francisco. As required by the January 2008 show cause letter, NMC submitted a March 15 special report regarding the FY2006 audit findings resolution (ACCJC will decide at this meeting whether to accept NMC’s report). An update of the March 15
report was submitted on June 4, 2008. The following are some of the highlights the presentation:

- Travel and Bookstore inventory continue to be a problem. Regarding the travel directive, the agreed upon procedures test found that there was non-compliance. Bookstore inventory test also revealed lack of accuracy.

President Fernandez informed the Board that these are audit findings that can be administratively resolved through proper training and implementation of controls.

- A Compliance Action Plan (CAP) and financing plans was developed.
- Retirement Fund debt issue of $3 Million – NMC is very fortunate that Governor Fitial agreed to commit assuming the FY06-07 debt to the central fund. Public Law 16-2 covers FY2008.
- Governor Fitial approved the reprogramming of $800,000 of CIP for the short-term renovations and repairs of the College.
- Awarding of $375,000 Office of Insular Affairs grant for educational and facilities master planning consultation.
- Compliance Action Plan:
  a) Employee evaluations are 95 percent complete and deadline has been moved up.
  b) Regent Cepeda requested that the Board be kept updated on the process of repairs of the College facilities. Furthermore, the Board requested that they are provided with the October Progress Report before it is disseminated externally.
  c) President Fernandez reported that CFAO Kurapati had to work closely with auditors before finalizing the report and was not able to do so until June 4. The report was not received by the President until June 4 for submission to ACCJC. ALO Dr. Cabrera was working closely with CFAO Kurapati and advised that an update did not require Board review. Nonetheless, the Board should have had the opportunity to see the report at the same time. The President apologized for the oversight as the College is struggling under very tight time constraints.
  d) Regent McPhetres suggested that the CAP should reflect the Board’s involvement in the working progress towards achieving accreditation reaffirmation for the College.
  e) Regent King stated that it would be helpful to the Board if the action chart listed the responsible individuals that are assisting President Fernandez with addressing certain accreditation concerns. President Fernandez stated that the CAP will be more detailed and include critical BOR action dates.
  f) President Fernandez mentioned that the Commission’s only question to her was regarding the CFAO vacancy. She assured the Commission that the official search has already begun and that she is working on identifying an interim CFAO so that there is no gap of service. She
further assured ACCJC that she is watching over the department very carefully.

B. BOR Assessment
President Fernandez reminded the Board about the assessment workshop which needs to be scheduled soon. Acting Chair Cepeda recommended delaying the scheduling of the BOR assessment until Dr. Cabrera’s return from leave.

III. NEW BUSINESS
A. BOR Meeting Schedule

Motion: Regent McPhetres moved to suspend the organizational meeting to July.
Second: The motion was seconded by Regent Peter.
Vote: Unanimous.
Discussion: The Board discussed possible dates and agreed on July 18.
Amended Motion: Regent McPhetres amended her motion to reflect the Board’s schedule of its organizational meeting for July 18, 2008 at 3:30pm in the BOR Conference room.
Second: The motion was seconded by Regent Peter.
Motion: Regent McPhetres moved that the Board hold regular monthly Board meetings.
Second: The motion was seconded by Regent Peter.
Discussion:

- Regent Peter preferred to keep the current policy of holding quarterly meetings. Special meetings should suffice.
- Regent McPhetres said that her suggestion for meeting on a monthly basis is because there are a lot of issues that the College is currently facing and the Board needs to be more involved by meeting regularly.
- Regent King inquired if it would help the President if the Board held monthly meetings over quarterly meetings.
- President Fernandez explained that the administration prefers to operate with the existing system.
- Regent Orilla felt that the Board’s quarterly meetings have been working for them and didn’t see a need to have monthly meetings because in emergency situations, the Board can always call a Special meeting.
- Regent King said that she was reviewing the exigency resolution and it highlighted the period of show cause where the Board can meet in a Regular and Special meeting as needed to address any actions required. She proposed to amend the motion that’s been made to state that the Board conducts monthly meetings. Regent King felt that the fiduciary duty of the Board is very important for an institution and such responsibility ultimately rests with the Board members.
- Regent Orilla endorses monthly meetings for this period of show cause and suggested that the Board make another motion to suspend the policy for quarterly meetings.
Regent Peter was firm with keeping the original system and felt that the only way to address certain issues is for the Board to become aggressive with conducting committee meetings.

**Motion:** Regent McPhetres withdrew earlier motion.

**Motion:** Regent King moved to suspend current policy as stated in the BOR policy (1015) and to change it to monthly meeting as stated in the exigency resolution 08-01.

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

**Vote:** Yes – 3  No – 1

- Regent King – Yes
- Regent McPhetres – Yes
- Regent Orilla – Yes
- Regent Peter – No

**BOARD HONORARIUM**

**Motion:** Regent King moved to suspend the honorarium policy for all meetings to become effective immediately until the College is off show cause.

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

**Vote:** Unanimous.

**Discussion:**
Counsel Borja informed the Board that this action might be challenged because it was not in the agenda.

**B. BOR Meeting via VTC and other modes**

President Fernandez informed the Board that the College Council met to discuss this item. Acting Chair Cepeda asked why the College Council is addressing Board policy.

Counsel Borja explained that it’s a procedural step. The policy states that if any changes or additions need to be made to the NMC policy that it needs to go through this process.

Acting Chair Cepeda begged to differ and wanted to see something in writing that supports this process. A good example is with the Board action that was recently made to suspend BOR policy 1015 which did not need College Council’s approval. Acting Chair Cepeda said that the procedure is to inform the College Council but not to get their approval.

Counsel Borja pointed out three items on the draft VTC policy that he would like to bring up:

1. Extenuating circumstances – suggested to President Fernandez to give examples of what extenuating circumstances mean.
2. Existing Policy – Counsel Borja recommended that the Board amend the existing policy that defines emergency. In the recent exigency resolution, the
Board made it an emergency (show cause order) because it was not specifically stated in the policy as to what is an emergency.

3. Basic differences between the two drafts – Counsel Borja pointed out that one draft requires a quorum before teleconference can be allowed (no quorum means no teleconference).

Acting Chair Cepeda suggested that Counsel Borja together with President Fernandez draft a policy that will be presented to the Board at its next meeting.

Motion: Regent Peter moved to table this item and to have the President and Counsel Borja draft the policy which will then be brought back to the Board for its consideration.
Second: The motion was seconded by Regent McPhetres.
Vote: Unanimous.

IV. EXECUTIVE SESSION
A. Legal Matters
The Board did not go into executive session for this meeting.

VII. ADJOURNMENT
The meeting adjourned at 6:10pm.