

NMC FOUNDATION
MINUTES OF THE FOUNDATION MEETING
of the
Board of Directors
Thursday, August 07, 2008
11am`

PRELIMINARY MATTERS

PRESENT:

Directors: Ivan Quichocho, BOR Chair Charles Cepeda, Yoichi Matsumura, BOR Fiscal Chair Regent Janet King, Alumni President Jesse Torres, Joanna Pai.

Excused/Absent: President Ben Babauta, George Fleming, Jay Jones, Jerry Tan, David Burger are all excused absent.

College Staff and Faculty: NMC President Dr. Carmen Fernandez, Office of Institutional Advancement Director Mark Mendiola, Interim CFAO Marylou Ada, Helen Camacho (Recorder).

Others: Smith Barney Senior Vice-President Dan Roland, Smith Barney Junior Vice-President Jason Miyashita.

I. OPENING PROCEDURES

- A. Welcoming Remarks by President Fernandez. President Fernandez informed the Foundation directors that President Babauta would not be able to attend due to an unexpected work related emergency. Foundation members agreed that the meeting could continue with President Fernandez serving as acting Chairperson for the meeting.
- B. Roll Call: President Fernandez called roll call. Six members of the Foundation Board were present; a quorum was established.
- C. President Ben Babauta, George Fleming, Jay Jones, Jerry Tan, David Burger are all excused absent.
- D. Review and Adoption of Agenda
Motion: BOR Chair Charles Cepeda moved to adopt the agenda.
Second: Director Joanna Pai seconded the motion.
Vote: Unanimous.
- E. Review and Adoption of Minutes – February 27, 2008
Motion: Director Ivan Quichocho moved to adopt the February 27, 2008 minutes.
Second: Director Joanna Pai seconded the motion.
Vote: Unanimous.

II. COMMITTEE REPORTS

A. Scholarship Committee –

Scholarship Committee Chair Jay Jones unfortunately resigned. OIA Director Mark Mendiola reported for committee at the request of President Babauta.

□ President Babauta requested Mark to come up with a list of the members for the Scholarship Committee that was formulated when he was first elected president.

Those members are as follows:

Jay Jones, Chairperson
Yoichi Matsumura, Member
Felicidad Ogumoro, Member
Joanna Pai, Member
Danny Wyatt, Member
Mark Mendiola, Member

- The composition of the committee has actually changed since the appointment of the committee members.
- There were discussions between the committee members regarding the target that they were going to raise for the initial Foundation Scholarship. The agreed upon fundraising goal was for Ten Thousand Dollars as seed money for scholarship.
- Chair Jones wanted to have the scholarship focus on a certain need. He was looking at part-time students because currently there's not that many scholarships that go around for students who are currently employed that would like to attend NMC but need the additional financial resources.
- OIA Director Mark Mendiola mentioned that President Babauta would like for the Board to consider a replacement for the outgoing Scholarship Chair.

Nomination: Director Ivan Quichocho moved to nominate Ms. Felicidad Ogumoro to Chair the Scholarship Committee.

Second: Director Joanna Pai seconded the nomination.

Vote: Unanimous.

B. Special Events Committee –

- Director Ivan Quichocho informed the Board that the committee is planning to hold the Golf Carnival on September 27, 2008, but due to other scheduled golfing events (mentioned by BOR Chair Charles Cepeda) that will occur for the month, it was decided to postpone the event for sometime in October. Ivan will meet with his committee to plan on another date.
- Director Ivan Quichocho informed the Board that his committee is planning to bring back Augie Tulba for another comedy concert. Mark is currently in direct communication with him to try to get a year-end event that would tie in perfectly with his event on Guam. Ivan said that this way the cost can be further reduced by picking up the airfare between Guam and Saipan.
- Director Ivan Quichocho is very hopeful that the event will be a good turn out as was the last time (if not better). The venue will be the same – Club V.

- President Fernandez took this opportunity to inform the Foundation Board that the Board of Regents held its election in July and the new BOR Chair is Regent Charles Cepeda and Regent Janet King is the new BOR Fiscal Committee Chair representing the island of Tinian.

III. OLD BUSINESS

A. Accreditation Update

- President Fernandez informed the Board that the College is doing very well. The work is all coming together in regards to updating the strategic plan. The first composite report for program review and assessment is almost complete. She said that recommendations would be forthcoming and that it will be tied together with the budget.
- The results of the program review will also be linked to the operations budget. President Fernandez explained that these are all of the things that the Commission has been asking the College to do for many years. She said that it's been a very exciting process. The program review deliberations were very healthy and interesting. President Fernandez said that the most important part of this process is engaging every level of the institution. The review has allowed all of the employees to come together to talk about how to make improvements to the college.
- President Fernandez expects to ask the Board during the August Board meeting to approve the revised strategic plan and closure plan that is required by the ACCJC.
- The Compliance Action Plan (CAP) was disseminated for the Board's information. The Plan highlights on-going activities regarding accreditation.
- The NMC Website is continuously being updated with all of the accreditation activities and members can view up to date information regarding accreditation activities at the college.
- President Fernandez informed the Board that the College plans to get the Tuition and Fees budget approved (funding from the recommended actions that came from the Program Review) in September. Typically, a fiscal committee meeting is held a week prior to the board meeting and before the budget comes to the Fiscal Chair; it would have already gone through the shared governance process of the institution. The proposed date is September 18, a week prior to the September 25, 2008 BOR meeting where the full Board may approve the budget.
- The 2008 Fall Schedule was disseminated for information.
- OIA Director Mark Mendiola informed the Board that there have been several marketing strategies to help with the recruiting of prospective students that may want to attend NMC for the upcoming semester. The NMC recruitment team is visiting government agencies and private companies encouraging employees to take classes at the NMC. Marketing strategies include Information Sessions, various advertisements (Newspaper and Radio) and also the newly created NMC website have been utilized to reach our target audience.
- BOR Fiscal Chair Regent King inquired about the impact of the services for the Tinian and Rota instructional sites.
- President Fernandez explained that there is Video-Tele Conferencing (VTC) capability, but when the academic programs were suspended, VTC academic classes

also had to be suspended. However, professional development courses and other conference meetings are still offered via VTC.

- President Fernandez explained that the two islands are undergoing a needs assessment and a focus group is working on bringing the community together to get some feedback on what services NMC could provide to meet their specific needs.
- OIA Director Mark Mendiola mentioned that the College continues to recruit potential students from both island communities and emphasized the fact that Federal programs are still operational on Tinian and Rota.
- President Fernandez informed the Board that at their last meeting, the CNMI Scholarship Board approved scholarship for part-time government workers that will start in Spring 2009.

B. 2008 Golf Tournament Close Out

- OIA Director Mark Mendiola reported on the final count for funds collected during the 2008 Golf Tournament. Before leaving island, Chairperson Michael Von Siebenthal provided the following figures:

2008 Golf Tournament Collections

Funds collected - \$88,000
Pending Funds -\$5,000
Total - \$93,000

- Overall, Mark Mendiola informed the Board that the tournament was a huge success and everyone is looking forward to next year's event. An update of all pending collections will be provided to the Board as they are received.

IV. NEW BUSINESS

A. Endowment Fund Report – Smith Barney

- Smith Barney's Senior Vice-President Dan Roland and Junior Vice-President Jason Miyashita were present at the meeting to report on the College's Endowment Fund.
- They provided the Board with the quarterly fund report of the NMC Endowment. Mr. Roland reviewed in great detail the history and performance since the inception of the NMC Endowment Fund. In his presentation, Mr. Roland highlighted the growth of the fund and the performance of the different money managers.
- Mr. Miyashita presented to the Board the investment market outlook and the recent investment market behavior. Mr. Miyashita discussed some of the reasons behind the markets tough times and emphasized the importance of focusing on "Long-Term Investments" to continue the positive trend for the endowment fund. He informed the board that on Friday, August 22nd a mini investment conference would be held on Saipan and invited all Foundation members to participate in the conference.
- With the recent resignation of NMC CFAO Raaj Kurapati, Director Ivan Quichocho inquired as to the official signatories on the Foundation's Account with Smith Barney Citi-Group.

- ❑ President Fernandez shared with the foundation that a search is on-going for the CFAO position of the college.
- ❑ Mr. Miyashita informed the board that a new representative must be named to have access to the Endowment account.

Nomination: Director Ivan Quichocho nominated Dave Burger or Dr. Carmen Fernandez to serve as signatories to the Foundation Smith Barney account.

Second: BOR Chair Charles Cepeda seconded the motion.

Discussion: BOR Chair Charles Cepeda recommended that nomination would depend on Dave Burger's acceptance because he may have a busy schedule.

Motion modified: Director Ivan Quichocho modified his earlier motion. He nominated Dr. Carmen Fernandez or Dave Burger if he's able to accept the responsibility.

Second: BOR Chair Charles Cepeda seconded the motion.

Vote: Unanimous.

B. By-laws Amendment

- ❑ President Fernandez informed the Board that President Babauta is considering changing the number of members on the foundation because there have been difficulties with establishing quorum to hold a meeting.
- ❑ President Fernandez explained that by the current by-laws, a minimum of five (5) working days is required before any amendments can be made. She said that this is to give the Board the information for review and the Board can take action at its next meeting.
- ❑ OIA Director Mark Mendiola gave a brief synopsis of the things that occurred with the by-laws dating back as far as 2001.
 - In 2001, an amendment was made to the by-laws, but it was never registered.
 - The Board needs to adopt the by-laws once more with the changes.
 - The Foundation Board at the time wanted to increase the number of members because the original by-laws allowed for three (3) members.
 - In 2001, the Foundation Board at the time tried to amend the by-laws. There are minutes to support the adoption of the by-laws, however, it was never filed with the CNMI Registrar of Corporations Office.
 - OIA Director Mark Mendiola informed the Board that he discussed this matter with Legal Counsel Jesse Borja and he was informed that it is no longer a requirement to file such documents because of the filing of the annual reports every year. After much research and interviews from previous Foundation members it was concluded that the 2001 amendment of by-laws were never properly filed.
 - OIA Director Mark Mendiola informed the Board that President Babauta believes that in light of the recent resignations it is an opportune time to transition and amend the by-laws correctly. Furthermore, that the Board consider reducing the number of foundation members to nine (9).
 - President Fernandez explained that the original by-laws was filed, however, in 2001 the Foundation Board wanted to make amendments (as indicated in the

- minutes) but it was never transacted to be submitted to the CNMI Registrars of Corporations for recordation.
- The Board is operating on the 2001 amended by-laws with a fifteen (15) Board membership.
 - BOR Chair Charles Cepeda recommended that the by-laws be thoroughly reviewed for accuracy. He mentioned that the by-laws do not clearly state that the BOR members that sit on the Foundation Board are suppose to be the BOR Chair and the Fiscal Committee Chairperson.
 - OIA Director Mark Mendiola informed the Board that currently the Foundation Board has eleven (11) active members. He mentioned that there is a clause in the by-laws for vacancies and or removal of members (for cause).

V. MISCELLANEOUS/ANNOUNCEMENTS

BOR Chair Charles Cepeda briefly talked about the benefits of attending the 8th Annual Pacific Region Investment Conference to be held in Manila, Philippines on October 8-10, 2008. He shared his experience when he attended the APRIC Conference; he was able to learn the latest trends and practices in fiduciary management and recommended it to everyone.

VI. ADJOURNMENT

The meeting ended at 12:45p.m.