

NEW MEXICO HIGHER EDUCATION DEPARTMENT



SUSANA MARTINEZ
GOVERNOR

DR. BARBARA DAMRON
CABINET SECRETARY

Subject: Luna Community College
Special Audit

Date: October 26, 2016

To: Mr. Leroy Sanchez, President
Luna Community College

A handwritten signature in blue ink, appearing to read "Barbara Damron".

From: Dr. Barbara Damron, Cabinet Secretary
New Mexico Higher Education Department

SECTION I – Background & Methodology

In accordance with §9-25-8 and §21-16-1 NMSA *et seq.*, the New Mexico Higher Education Department (NMHED) performed a special audit as a result of concerns, complaints and allegations voiced by Luna Community College (LCC) officials, faculty, staff, and the general public. The objective of the audit was to determine the validity of these concerns.

Intergovernmental Communication

The Attorney General's (AG) Office and Office of the State Auditor (OSA) have also received complaints and allegations regarding LCC. Both authorities were made aware of the execution of this audit and will receive copies of this report.

Background

LCC is a comprehensive community college located in the city of Las Vegas, New Mexico, which provides education opportunities to citizens within seven school districts located within five counties. In addition to the main campus, the College has two satellite campuses in Santa Rosa and Springer, and a site in Mora. The College is funded through state appropriations, mill levy property tax revenues, and tuition/fees. In addition, LCC receives federal grant funds from various sources in support of educational related programs. The College offers associate degrees and certificate programs with areas of study including: Allied Health, Business, Early Childhood Education, General Studies, Humanities, Nursing, Science, Technology, Engineering & Math (STEM), and Vocational Education. The College has four accredited programs: Dental Assistant, Nursing, School of Business, and Vocational Education.

Audit Scope

On June 21st, 2016 an entrance conference was held with the following participants:

- LCC President Leroy Sanchez;
- LCC Board Chair Daniel Romero;
- LCC Chief Financial Officer (CFO) Donna Flores-Medina;
- NMHED Cabinet Secretary Dr. Barbara Damron;
- NMHED Deputy Secretary Andrew Jacobson;
- NMHED General Counsel David Mathews;
- NMHED Institutional Finance Director Dr. Harrison Rommel; and,
- NMHED Institutional Auditor Scott Eccles.

Field work at the LCC Campus was performed following the entrance conference and concluded on September 7, 2016.

The following are specific areas of concern that were reviewed by NMHED staff:

1. Presidential Search, Hiring and Compensation;
2. Nepotism and Favoritism;
3. Employee Misrepresentation;
4. Fiscal Health Status;
5. Open Meetings Act (OMA) Violations;
6. Integrity of Inventory;
7. Adult Education (AE) Program Compliance;
8. Misuse of College Equipment; and
9. Family Educational Rights and Privacy Act (FERPA) Violation.

In order to determine validity of these concerns, interviews were conducted with LCC officials, faculty, staff, and students. Reviews were conducted on the laws, rules, regulations, policies, and procedures pertinent to achieving the audit's objectives. Primary laws and policies include the Community College Act (CCA), Governmental Conduct Act (GCA), §21-1-16.1 NMSA (Presidential Search), OMA, FERPA, and LCC's policies and procedures including Board Policies and Staff Handbook.

Human Resource (HR) related information reviewed included: position vacancy notices, job position advertisements, applications for employment, hiring committee results, final job candidate selections, promotions/transfers, raises, salary schedules, unsuccessful applicant notices, and non-renewal letters of employment.

Reviews and assessments were also performed on: Board agendas and meeting minutes, President's employment contracts and compensation, letter of reference, faculty and staff employment contracts, general ledger expenditures, fixed assets, vehicle check out forms, and AE federal reporting requirements.

Governance & Administration

LCC is governed by a Board consisting of seven elected members from seven school districts. The Board members are elected for staggered terms of six years and must reside in the single-member districts from which they were elected. Based upon the CCA, it is the duty of the Board to: (a) Determine financial and educational policies. (b) Provide for management and execution of financial and educational policies by selecting a competent president. (c) Upon the president's recommendation, employ other administrative personnel, instructional staff or other personnel as may be needed for the operation, maintenance, and administration, and (d) Promote the general welfare of the institution for the best interest of educational service to the people of the community college district.

In accordance with LCC policies and procedures, the President is accountable to the Board on all matters regarding the duties as Chief Executive Officer (CEO) of the College and is responsible for executing, administering, and implementing the Board's policies, procedures, and directives. As CEO, the President is the leader of the College and is accountable for all operations including establishing the organizational structure. The President is responsible for the assignment of work, employment, promotion, compensation, discipline or discharge of employees, administrative assignments, and to make any other changes in personnel duties, offices, as considered necessary.

Both the Board and President are cooperatively responsible for participating in planning long-term goals in which the President is accountable for implementing through day-to-day management of the College.

Accreditation Status

The College is accredited by the Higher Learning Commission (HLC) of the North Central Association of Colleges and Schools to grant associate degrees and certificates. Review of current accreditation records reveals LCC's accreditation status was continued (in good status) with the next reaffirmation being 2024-2025. As part of the standard HLC monitoring activities, a comprehensive evaluation will be performed in 2018-2019.

SECTION II – Audit Concerns

Concern #1 – Presidential Search, Hiring Process, and Compensation

Conditions

1. Due to concerns voiced that the presidential search process was flawed, a review of related documentation and interviews with LCC staff were conducted. This review revealed that although statewide and local public notice was given specific to the presidential search, the Board failed to adhere to all requirements stipulated within §21-1-16.1 NMSA, which are:
 - At least twenty-one days before the date of the meeting of the governing board of a public institution of higher education, at which final action is taken on selection of the person for the position of president of the institution, the governing board shall give public notice of the names of the finalist being considered for the position;
 - The board shall consider in the final selection process at least five finalists;
 - The required notice shall be given by publication in a newspaper of statewide circulation and in a newspaper of countywide circulation in the county in which the institution is located; and,

- Publication shall be made once and shall occur at least twenty-one days and not more than thirty days before the described meeting.

According to §21-1-16.1 (D) NMSA, failure of the Board to adhere to all requirements results in the actions taken being void. Therefore, the validity of the Board's hiring of the President may be questioned due to the requirements not being met.

2. Due to concerns voiced that the presidential hiring process was flawed, examinations were performed on the President's employment contracts and associated payroll registers. In addition, reviews were conducted on meeting minutes, and interviews were performed with the President, Chief Financial Officer (CFO), and HR Director, in which the following information was ascertained:
 - On July 10, 2015, the Board Chair advised the Board that the Interim President's position had been offered (to the current President) and was accepted;
 - On July 11, 2015, the Board reviewed and discussed applications, and qualifications of presidential candidates, and also discussed possible candidate questions;
 - On July 21, 2015, the Board made the decision to "not consider" other presidential candidates and elected to hire the President with contract dates showing August 1, 2015 to June 30, 2017;
 - In March of 2016, the Board decided to pay the President for the month previously volunteered (July 2015), and as a result, the President was compensated as such;
 - In March of 2016, the Board amended the President's contract term to end June 30, 2016 instead of the original contract term date of June 30, 2017; and,
 - On June 8, 2016, the Board renewed the President's contract with new contract dates from July 1, 2016 to June 30, 2018.
3. In response to the concern voiced that the President potentially received an extra \$50,000 in compensation, interviews were conducted with the HR Director and review of payroll registers was performed. Based upon the extent of the review, and the additional assurance letter provided by the CFO attesting to such, this concern was deemed unsubstantiated.

Recommendations

1. Interviews with the College's staff indicated LCC's Board was under the impression that §21-1-16.1 NMSA was only applicable to Constitutional Institutions and not Community Colleges. Based upon the significance of non-compliance, it is our recommendation that LCC's Governing Board obtain a legal opinion from the AG's Office to ensure validity of the President's hiring.
2. The decision by the Board Chair to make a presidential employment offer prior to Board approval and prior to the Board assessing any other candidates may be cause for concern. In addition, the decision to compensate the President for the month of service that was previously provided on a volunteer basis may also be questionable. As such, we again recommend that LCC's Governing Board obtain a legal opinion from the AG's office to ensure validity of the President's hiring.

Concern #2 – Perception of Nepotism/Favoritism

Conditions

Due to the nature of the concerns noted here within, it is important to define nepotism and favoritism. In simple terms, nepotism is the display of partiality to relatives and favoritism is the display of partiality towards friends or associates. The GCA defines family as “an individual’s spouse, parents, children, and siblings, by consanguinity (related by blood) or affinity (by blood relation to a spouse).”

The Board made the decision in February 2014 to relax the College’s nepotism policy to allow for the hiring of direct family members and close relatives of Board members. Soon after the initiation of this audit (June 26, 2016), the Board made the decision (July 20, 2016) to allow the hiring of the President’s direct family members and close relatives with the exception that the Board would have sole hiring authority involving a family member of the President.

It is important to note that it is not within the scope of this audit to determine whether the individuals mentioned within this concern possess the qualifications and past performance to be hired, or receive promotions and raises, and as such, in no way are the following issues intended to imply such.

1. As a result of concerns voiced that a direct family member of the President was hired based upon preferential treatment, reviews were conducted on personnel file data which revealed the Board approved the President’s decision to hire this family member as the Assistant Softball Coach under a temporary part-time contract on October 1, 2015 at an annual salary of \$17,000. It was further noted that at the time of this hiring, the College’s nepotism policy did not allow direct family members of the President to be hired. In addition, the job position was not advertised for others to apply, and this individual was not assessed by a hiring committee. Therefore there was not a competitive hiring process for this position.
 - Although it is understood the assistant coaching position was a temporary part-time position, the President’s direct family member was hired based upon the President’s recommendation at a time when the College’s nepotism policy did not allow direct family members of the President to be hired. The sequence of actions therefore lends itself to the appearance of nepotism.

It was recently determined that on September 7, 2016 the Board approved the Vice President (VP) of Instruction’s recommendation to hire this family member as the full-time Assistant Softball Coach at an annual salary of \$35,567. The job position was advertised in accordance with LCC policies and this individual was the sole applicant.

2. As a result of concerns voiced that a direct family member of a Trustee was hired based upon preferential treatment, reviews of personnel file data revealed this individual, who was originally hired by LCC in August of 2015 under a temporary part-time contract as a Dual-Credit Course Instructor, was recently hired into the newly named job position of “Satellite Manager” earning an annual salary of \$51,579.

Subsequent reviews revealed the following information: (a) The President made the decision to re-name the job title of the “Satellite Campus Director’s” position to “Satellite Campus Manager”. (b) The Satellite Campus Manager’s job position at one of the two satellite campuses was advertised on the College’s website from June 10, 2016 to June 16, 2016. (c) The President transferred the existing Satellite Campus Director to an off-site job position effective July 1, 2016. (d) The President hired the Board member’s direct family member on July 6,

2016 as the new Satellite Campus Manager based upon a hiring committee's recommendation (the Trustee's family member ranked higher than the sole other applicant/candidate).

- Based upon this information, it could be perceived the President put the Board member's direct family member in a position that was conducive to obtaining this job position therefore lending itself to the appearance of favoritism.
3. As a result of concerns voiced that a relative of the President through affinity (relationship by marriage), who has been employed by the College for ten-years was promoted based upon preferential treatment, interviews were conducted and examinations of personnel file data revealed the following: (a) The President promoted this individual to the HR Director's position on July 23, 2015 resulting in an annual salary increase of \$12,970. (b) The President granted an annual salary increase of \$4,000 on October 1, 2015 based upon this individual assuming additional job duties. (c) The President then issued this individual an annual raise of \$6,739 on July 1, 2016 based upon "President's determination for department stability".
- Although LCC's policies give the President full discretion to decide which staff members are internally promoted, granted extra compensation for assuming additional job duties, or are given raises, the collective decisions made by the President to increase the annual salary of a relative by \$23,709 over a one-year period leaves the appearance of favoritism.
4. As a result of concerns voiced that a Trustee's direct family member who has been employed at the College for nine-years was promoted based upon preferential treatment, personnel data reviews revealed the following: (a) The President granted this staff member an annual salary increase of \$7,177 on September 16, 2015 based upon assuming additional job duties. (b) The President then promoted this individual through internal job promotion/transfer to the Information Technology (IT) Director's position on February 16, 2016 with an annual salary increase of \$8,363.

In addition, it was noted that based upon LCC's internal policy, the IT Director's position was not advertised, this staff member was not required to submit an application or be interviewed, therefore resulting in a non-competitive hiring process.

- Although LCC's policies give the President full discretion to decide which staff members are granted extra compensation for assuming additional job duties, and which staff members are internally promoted, the President's decisions to increase the annual salary of a Trustee's direct family member by \$15,540 over a five-month period leaves the appearance of favoritism.
5. Concerns voiced that a Board member's direct family member was promoted based upon preferential treatment. As a result, examinations of personnel file data revealed this family member, who was originally hired as Interim Coordinator at a Satellite Campus on February 3, 2014, was promoted through internal job transfer to the Satellite Director's position by the President on August 17, 2015 resulting in an annual salary increase of \$15,795. It was further determined that based upon LCC's internal promotion/transfer policy, the Director's position was not advertised, and this individual was not required to apply or interview for the position, therefore resulting in a non-competitive hiring process.
- Although it was determined this individual was promoted in accordance with LCC's promotion/transfer policy, the appearance of favoritism could be perceived due to the non-competitive nature of the promotional process.

6. As a result of concerns voiced that a relative of a Board member through affinity (relationship by marriage) was hired based upon preferential treatment, interviews and examination of personnel file data revealed the President hired this individual on July 5, 2016 as the Life/Safety Coordinator at an annual salary of \$54,190.

In addition, the following information was ascertained: (a) The job position became vacant due to the President's decision to not renew the employment contract of the previous Life/Safety Coordinator effective June 30, 2016 due to "elimination or modification of educational programs, departments, or assignments". (b) Although the open Life/Safety Coordinator's position was advertised, a hiring committee was not established, therefore resulting in a non-competitive hiring process. (c) The President then conducted an informal interview and made the decision to hire this individual.

- Based upon this information, it could be perceived that the President put the Board member's relative in a position conducive to obtaining this job position therefore lending itself to the appearance of favoritism.
7. As a result of concerns voiced that the Financial Aid Director of the College received additional compensation based upon preferential treatment, review of salary data revealed the following: (a) The President issued a raise to this individual on September 1, 2015 in the amount of \$2,100.00 based upon "Presidents determination of department stability". (b) The President then increased this employee's annual salary by \$6,751.00 based upon assuming additional job duties. (c) The President then issued a raise to this individual on July 21, 2016 in the amount of \$2,000.00 based upon "Presidents determination of department stability".
- Being this staff member received raises totaling \$10,851.00 over a ten-month period lends itself to the appearance of favoritism.

Recommendation

It is evident that concerns are warranted based upon the number of direct family members and relatives of the Board and President that have been hired, promoted, or given raises since the current President was contracted thirteen (13) months ago. In addition, concerns over favoritism are also valid based upon the number of instances noted.

With this in mind, it is important to note that the Board has revised LCC's nepotism policy twice in the past two-years to allow for the hiring of the Board and President's direct family members and relatives. Although it is understood that being in a rural area with a smaller worker pool contributes to the climate in which the hiring of family and relatives occurs with greater frequency than in more populous areas, it is our recommendation based upon the polarized climate resulting from the numerous complaints, allegations and from the concerns noted here within, the Board of Trustees considers revising LCC's Anti-Nepotism policy to exclude family members and relatives of the Board and President from being hired. Family members and relatives in this case would be defined as being related through consanguinity and affinity to the fourth degree.

We performed an analysis to determine if the utilization of an independent hiring committee to make the actual decision on whether or not to hire family members or relatives of the Board and President would comply with applicable laws, rules, and regulations. The results of this review revealed that the CCA mandates that the President makes all hiring decisions. As such, this alternative method appears to not be an option.

Concern #3 – Appearance of Employee Misrepresentation

Condition

Upon initiation of the audit it was noted that on June 15, 2013, a LCC staff member who has been a Director of Childhood Education for the past nine years, provided erroneous LCC job history information for an ex-Luna Adjunct faculty member who had applied and was subsequently hired for the Superintendent's position of an area school district. Further reviews were conducted which revealed the incorrect information provided to the New Mexico Public Education Department (PED) by this Director was significant in nature, as the overstated length of teaching experience allowed for the applicant to meet the minimum length of instruction experience required to obtain the state licensing necessary to qualify for the Superintendent's position.

As a result of these concerns, we reviewed the letter of reference that was provided to PED and also reviewed the personnel file of the former Luna Instructor to whom the letter referenced, in which the following discrepancies were noted:

- It is stated in the letter that the ex-faculty member taught eight courses at LCC when in fact only five courses were taught;
- It is stated in the letter that the ex-faculty member taught at LCC from January 2003 through August 2009 when in fact the correct dates were August 2004 through December 2008. This overstated the amount of work experience time by two-years and four months (28 months); and,
- It was stated in the letter that the ex-faculty member was a full-time Adjunct Professor. Being that the LCC staff member that wrote the letter of reference had been the Director of Education for approximately six years at the time the letter was written, we find the claim that this staff member did not realize that all Adjunct Faculty positions are part-time to be questionable.

In addition to reviewing the letter of reference, we examined LCC's internal files in which it was noted the Director in question stated the information provided within the letter was obtained over the phone from either the former HR Director (who was determined to no longer be employed at that time), or an unknown HR staff member.

It is important to note that it was recently reported that the ex-faculty member who was eventually hired for a Superintendent's position was charged with multiple counts of fraud/forgery based upon an investigation performed by the New Mexico State Police.

Recommendation

Although the LCC staff member in question stated there was no intent to purposely provide erroneous job experience information to PED, and it can be understood that providing letters of reference is a normal and customary practice, it is evident that the Director who provided the letter of reference did not take into consideration the potential impact or brevity of ensuring the job experience information provided to the PED was accurate and could not be construed to be misleading in nature.

Based upon these facts, the best practice would have been to refer this matter to the HR Director to ensure any and all information provided to PED was accurate, and had been attested to by the responsible official. As a result of this occurrence, adverse local and statewide publicity has been received which has resulted in a negative impact upon public perception.

As such, it is our strong recommendation a new policy be developed that allows only for the HR Director to provide job related experience information for past and present officials, faculty, staff, and students.

Concern #4 – LCC's Fiscal Health Status

Condition

As a result of the public announcement made by the President in May of 2016 of a re-organization due to necessary budget cuts based upon a pattern of decreasing enrollments and reduced state appropriations, we assessed the fiscal health status of the College in order to obtain a level of assurance that the decisions being made have not had an immediate negative impact upon the College's fiscal health.

As part of the re-assessment, the following key indicators were examined:

- Composite Financial Index Scores;
- Unrestricted Fund Balance;
- Unrestricted Cash & Equivalents;
- Financial Statements Audit Results; and,
- CFO's Fiscal Health Status Assurance Summary.

The results of the assessment reveal the College remains in good fiscal health although continued declining enrollment patterns and reduced State appropriations remain as substantial risk factors.

Recommendation

It is our recommendation that the CFO provide fiscal health status reports periodically (quarterly) at Board meetings in order to provide Board member's the assurance/confidence necessary that the decisions being made by the President, and supported by Board majority, are based upon sound fiscal judgment and are not having a negative effect/impact upon the College's currently stable fiscal health.

Enhanced Fiscal Oversight Designation (EFOP)

As a result of concerns noted during the initiation of this audit, NMHED placed LCC under an EFOP on July 27th, 2016. While the College's fiscal health currently appears stable, NMHED will continue enhanced fiscal oversight and monitor LCC budgets; periodically attend Board meetings, review meeting minutes; and will continue communications with the President, Board Chair, and CFO until confidence in the long-term fiscal stability of the institution has been thoroughly assured.

Concern # 5 – Open Meetings Act Compliance

Conditions

1. As a result of a Board member's concern that by not being allowed to telephonically attend the executive session portion of a Board meeting potentially resulted in a violation of LCC's Board policies and the OMA, we interviewed the Board member, examined Board policy, and obtained a basis for opinion from the College's legal counsel. Based upon this field work, it was determined that at the time of this decision to deny this

Trustee's attendance, LCC's policy allowed for telephonic participation by Board members due to "unforeseen circumstances". The fact that "unforeseen circumstances" is not defined leaves this open to interpretation.

An addition, examination of meeting minutes was performed in which the College's General Counsel stated at a Board meeting on May 5, 2016 the OMA does allow for telephonic appearance if the College's policies allow for such. It was subsequently determined the Board revised wording of LCC's policy on May 5th, 2016 to restrict telephonic participation during the executive session portion of Board meetings.

2. In addition to the telephonic OMA concern, the following other matters were ascertained:

- Board policies and procedures are not available on the College's website resulting in citizens not being able to easily obtain the requirements to address the Board; and,
- The President has not included an "informational item on the agenda at the Board's first regular meeting after an employment offer has been accepted in order to inform the Board of the College's hiring activities", as required by LCC Policies 5.3.3.10 and 5.11.3.

Recommendations

- Regarding telephonic Board participation, it is our recommendation that the College obtains an opinion from the AG's office in order to ensure compliance with the OMA; and,
- In order to promote transparency, the Board of Trustees should ensure the Board's policies and procedures are posted on the College's website as it is important for faculty, staff, students and the general public to understand the steps needed to be taken in order to address the Board and President.
- The President needs to ensure informational items for all new hires are placed on Board meeting agendas as is required by LCC Policies.

Concern #6 – Integrity of Inventory

Conditions

As a result of concerns voiced that the College's inventory is inaccurate and items have in the past been potentially stolen, interviews were conducted with the CFO, Purchasing Director, and Warehouse Technician. In addition, the College's inventory software system was assessed, current inventory list reviewed, physical verification of selected fixed assets performed, and transferring of inventory items analyzed. The following issues were determined:

- Many items are not on the inventory list;
- Obsolete items are on the inventory list;
- Items are missing serial numbers;
- Items are lacking tag numbers;
- Disposals of fixed assets are not being recorded;
- Disposals of assets not being consistently performed; and
- Transfer forms not being completed.

It was also determined that the College recently purchased a new software inventory system and is now recording all new items into inventory as well as into the obsolete system.

Recommendations

- Based upon the facts revealed, it is evident that the LCC's current inventory lacks integrity, placing College assets at risk. As such, it is our recommendation that internal teams perform inventories by Department, and once completed, record all items into the new software system and cease use of the obsolete system; and,
- Regarding dispositions of property, we strongly encourage the College ensure compliance with §13-6-1 and §13-6-2 NMSA in order to properly safeguard College assets.

Concern #7 – AE Program Compliance -Resolved

Condition

Interviews with NMHED's AE Director and staff revealed LCC had a complete turnover of staff in their AE Program resulting in non-compliance with U.S. Department of Education (USDOE) annual data reporting requirements.

In response to these concerns, NMHED's AE staff performed a site visit on July 22, 2016 and verified that LCC has adequate facilities to support the program, equipment is physically present, a new Director was hired, and job advertisements had been posted for Teachers and Data Technician. However, on July 28, 2016 NMHED's AE Director placed LCC under a corrective action plan (CAP) based upon required USDOE data reports not being computed and/or reported.

On September 13, 2016, NMHED AE staff held a follow-up meeting and determined that the LCC's AE Program has satisfactorily implemented the recommended CAP. As a result the program is now in compliance with State and Federal requirements and this concern is considered resolved.

Concern #8 – Misuse of College Equipment - Unsubstantiated

A concern was voiced that a heavy equipment simulator with computer purchased by the College in March of 2016 for \$12,399 is potentially being used by an employee of the College in the course of a personally owned business. As a result, interviews were conducted and LCC's website reviewed which revealed this employee is in charge of the Heavy Equipment Training and OSHA Certification Program at LCC. In addition, it was also determined that this individual potentially owns a Heavy Equipment Training and OSHA Certification business operated out of the local community. Although no evidence was found to support this allegation, LCC Administration should exercise vigilance to ensure that College equipment is not utilized for personal use or gain.

Concern #9 – FERPA Violation – Unsubstantiated

Regarding the concern that a potential violation of the FERPA occurred specific to a College employee openly discussing a student's academic performance with other staff members (confidentiality), we interviewed the student, President and HR Director which revealed no formal complaint was filed by the student, and as such, no investigation was performed by LCC. It was subsequently determined that the staff member in question left employment at LCC on July 26, 2016. Based upon this information, this matter was not pursued.

SECTION III – Summary of Valid Concerns and Conclusions

Summary of Valid Concerns

Of the nine concerns discussed in this report, the following concerns were determined to have merit and warranted recommendations for corrective action:

- Presidential Search and Hiring;
- Perception of Nepotism/Favoritism;
- Appearance of Employee Misrepresentation;
- Fiscal Health Status;
- Open Meetings Act Compliance; and,
- Integrity of Inventory.

Audit Conclusions

The CCA charges the Board with promoting the general welfare of the institution in the best interest of educational service to the people of the community college district. LCC's policies state the Board is responsible if the issue involves: (a) Decisions, actions, or programs that affect the entire organization. (b) Overall compliance required by law or a regulatory agency. (c) Assisting the President on issues as requested, and (d) The overall long-term goals and direction of the College.

Based upon the extent of the concerns, complaints, and allegations voiced, and upon the issues documented within this report, it appears that Board Trustees are failing in their duties to exercise an adequate level of management and control. The Administration must conduct itself in a manner that justifies the confidence placed in them by taxpayers, at all times maintaining the integrity and ethically discharging their high level of responsibilities. Nothing undermines confidence more than a real or perceived violation of public trust. Moreover, all LCC faculty and staff should clearly understand and demonstrate certain competencies in their area of responsibility on a daily basis and should be well informed about conflicts of interest.

It should be noted that some of the concerns discussed in this audit were previously communicated to the media by Board Trustees as a means of voicing dissent, at times without a complete knowledge of the facts. Although dissention amongst Board members is a positive part of the Board's function of management and control as it facilitates an objective approach to decision making based upon varying inputs, voicing dissent through the media may have a negative impact upon public perception of the institution, especially to the academic process.

Although the matters outlined in this report are concerning, it is important to note that the intent of this audit is to present the facts based upon the concerns, complaints, and allegations voiced. The severity of concerns outlined in this report have been reiterated by the OSA, and we have noted that the AG's office may need to exercise their opinion on the concerns regarding the Presidential search and OMA compliance. Irrespective of any further actions, LCC leadership should remain highly cognizant of their governance, personnel, and fiduciary duties to the college and the public at large. NMHED wants LCC to fulfill its mission to "Prepare Students for Success", and to accomplish this with the utmost transparency, equity, and stewardship of the public's support and trust in the state's higher education system.

cc: Dan Romero, LCC Board Chair
Dr. Sharon Lalla, LCC VP of Instruction
Donna Flores-Medina, LCC CFO
Leticia Archuleta, LCC HR Director
Hector Balderas, Attorney General
Tim Keller, State Auditor
Ted Barela, State Senator
Dr. Pete Campos, State Senator
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Loretta Marquez, NMHED Financial Coordinator

**BEFORE THE NEW MEXICO
HIGHER EDUCATION DEPARTMENT**

**To: Dr. Barbara Damron
 Cabinet Secretary
 NM Higher Education Department**

**Dr. Harrison Rommel
Interim Director of Institutional Finance
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**2044 Galisteo Street
Santa Fe, New Mexico 87505**

**From: Leroy F. Sanchez
 President
 Luna Community College**

**Daniel J. Romero
Chairman
Board of Trustees
Luna Community College**

**Re: Special Audit of Luna Community College,
 a public educational institution organized
 under the Community College Act, NMSA
 1978, Chapter 21, Article 13 (1963)**

RESPONSE TO SPECIAL AUDIT

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INTRODUCTION

INTRODUCTION

Luna Community College respectfully submits this Response to the Special Audit Report issued by the New Mexico Higher Education Department, dated September 27, 2016.

The primary objective of the Response is to (1) address each concern expressed in the Special Audit Report, (2) assure the New Mexico Higher Education Department that Luna Community College is working to resolve all audit concerns, and (3) assure the Department that the governing board and administration of Luna Community College will comply with the recommendations made in the Special Audit Report.

Luna Community College acknowledges that the special audit was the result of concerns, complaints and allegations voiced by LCC officials, faculty, staff and the general public, and that the objective of the special audit conducted by the New Mexico Higher Education Department “was to determine the validity of these concerns.”

Luna Community College, (“LCC”), also acknowledges that of nine concerns reviewed by the New Mexico Higher Education Department, (“NMHED”), only six were determined to have merit.

THREE RESOLVED OR UNSUBSTANTIATED AUDIT CONCERNS

THREE RESOLVED OR UNSUBSTANTIATED AUDIT CONCERNS

Of nine concerns reviewed by NMHED, only six “were determined to have merit and warranted recommendations for corrective action,” and LCC’s Response will first acknowledge and summarize the one resolved and two unsubstantiated Concerns reported in the Special Audit Report, (“Special Audit”).

One Resolved Concern

Concern Number 7: Relates to Adult Education Program compliance, and has been resolved because LCC complied with the corrective action plan imposed by NMHED. As noted in the Special Audit, after meeting with AE Program staff on September 13 2016, NMHED determined that LCC’s Adult Education Program is in compliance with state and federal requirements, “and this concern is considered resolved.”

Two Unsubstantiated Concerns

Concern Number 8: Relates to an allegation of misuse of LCC property (heavy equipment simulator and computer) by an LCC employee for his private business, and was determined to be “unsubstantiated,” the Special Audit finding that “no evidence was found to support this allegation.”

Concern Number 9: Relates to an alleged violation of the federal Family Educational Rights and Privacy Act, and was not pursued by NMHED because no complaint was filed by any student, and the LCC employee who allegedly breached confidentiality and possibly violated FERPA has since left LCC.

FORM OF RESPONSE TO SIX AUDIT CONCERNS

FORM OF RESPONSE

As to the Special Audit's six remaining Concerns, LCC's Response will:

- 1. Summarize the factual findings and conclusions expressed in the audit Concern.**
 - 2. When necessary, provide additional relevant facts not included in the audit Concern.**
 - 3. Respond with particularity to the audit Concern and when appropriate, request modification of the audit Concern.**
 - 4. Identify the Special Audit Recommendation for corrective action.**
 - 5. Inform NMHED how LCC will pursue or implement the audit Recommendation.**
-

AUDIT CONCERN NUMBER ONE *Presidential Search, Hiring and Compensation*

I. Audit Concern Number One relates to the employment of Leroy F. Sanchez as President of Luna Community College, and identifies the following three Conditions:

Condition No. 1: That LCC's Presidential Search was Flawed

This audit Condition cites NMSA 1978, Section 21-1-16.1 (2011), which sets forth several requirements for the selection of a president by "a governing board of a public institution of higher education," and the Special Audit concludes that in the appointment of President Sanchez, the LCC Board of Trustees "failed to adhere to all requirements stipulated within" the statute. (Among other things, the statute requires that at least five finalists be considered, and that at least 21-days before its final selection, the governing board give public notice of the names of the finalists in the manner specified by the statute.)

The audit Condition concludes that failure of the LCC Board of Trustees to "adhere to all requirements" of §21-1-16.1 "results in the actions taken being void," and that the "validity of the Board's hiring of the President may be questioned due to the requirements not being met."

Condition No. 2: That LCC's Presidential Hiring was Flawed (and that the President received compensation for one-month of volunteer services)

This Condition cites LCC Board of Trustees minutes, contracts and other documents, as well as interviews with President Sanchez and LCC's Chief Financial Officer and Human Resources Director, and finds that the hiring of President Sanchez did not follow the requirements of §21-1-16.1; and that in March 2016, the Board of Trustees made a decision to pay the President for one month of service previously volunteered by him in July 2015, and that payment was made.

AUDIT CONCERN NUMBER ONE *Presidential Search, Hiring and Compensation*

Condition No. 3: That President Sanchez received an "extra \$50,000 in compensation."

This Condition cites payroll records, an interview with the HR Director, and a letter of assurance from LCC's Chief Financial Officer, and concludes that "this concern was deemed unsubstantiated."

RESPONSE TO AUDIT CONCERN NUMBER ONE

A. Extra Compensation Unsubstantiated

Audit Concern Number One, Condition 3, relates to the allegation that President Sanchez received \$50,000 in "extra" compensation, and LCC is pleased to acknowledge that this allegation was "deemed unsubstantiated" by the Special Audit. The allegation was both unfounded and reckless, and intended to impugn the personal integrity of President Sanchez and cause discord at Luna Community College.

In responding to this Special Audit Condition in particular, LCC adopts the language of the Special Audit itself, at page 11, "that some of the concerns discussed in this audit were previously communicated to the media by Board Trustees as a means of voicing dissent, at times without a complete knowledge of the facts." (Underscoring supplied.)

B. Payment for Volunteer Services

Audit Concern Number One, Condition 2, makes a fleeting commentary that is not expressly identified as either an audit concern or condition, and as to which the Special Audit cites no violation of law, rule or policy. The one-sentence commentary appears in the Recommendation portion of Audit Concern Number One, and there left dangling, as follows: "In addition, the decision to compensate the President for the month of service that was previously provided on a volunteer basis may also be questionable."

AUDIT CONCERN NUMBER ONE *Presidential Search, Hiring and Compensation*

To the extent this audit commentary suggests an improper or unlawful act, LCC submits the following brief review of relevant facts and documents, some of which were included as findings under Audit Concern Number One, and all of which were made available to NMHED auditors.

Beginning about July 01 2015, before any action by the LCC Board of Trustees to appoint him president, Leroy F. Sanchez performed the duties of chief executive officer or president of Luna Community College, at the behest of the chairman of the Board of Trustees.

At a special meeting on July 21, 2015, the LCC Board of Trustees appointed Sanchez as Interim President, and at this meeting Sanchez informed the Board that for his services rendered during the month of July 2015, he did not require compensation.

Two weeks later, on August 05 2015, President Sanchez and the LCC Board chairman executed an employment contract which provided that the President's base annual salary was to be \$150,000, payable in equal installments and "prorated over twelve months." The pro-rata language was included in the contract to ensure compliance with the mutual understanding that Sanchez did not require, and would not receive, compensation for his services rendered in the month of July, 2015. (Attachment 1, *Employment Contract* of August 05, 2015.)

Seven months later, at a special meeting held March 22 2016, the Board of Trustees took action to modify the President's contract, so that he would be paid for his services rendered in July 2015. (Attachment 2, *Agenda and Minutes* of special meeting of March 22, 2016.)

One week later, on March 30 2016, at another special meeting (work session), the Board unanimously approved the actual written employment contract reflecting the modifications approved by the Board a week earlier, and the contract was signed at the meeting by Sanchez and all seven members of the Board. (Attachment 3, *Agenda, Minutes and Employment Contract* of March 30 2016.)

These facts are not in dispute, and LCC concedes that at the beginning of their employment relationship, President Sanchez and the Board agreed that at his request, Sanchez would not receive compensation for his services rendered in July 2015. LCC also concedes that seven months later, for personal and policy

AUDIT CONCERN NUMBER ONE *Presidential Search, Hiring and Compensation*

reasons lawfully committed to their discretion, both Sanchez and the Board Trustees had a change of mind, and mutually agreed that Sanchez should be paid for his services rendered in July 2015, and an employment contract to that effect was lawfully approved and signed by Sanchez and all seven Trustees on March 30, 2016.

LCC is aware of no law, rule or policy that prohibits the change of mind and reconsideration noted above, and it is undisputed that Sanchez rendered professional services for the benefit of Luna Community College during the month of July 2015.

Therefore, to the extent the Special Audit's brief commentary on this issue suggests an improper or unlawful act, LCC respectfully requests that the Special Audit be modified.

C. Presidential Search and Hiring

Responding to the remainder of Audit Concern Number One, LCC acknowledges that the Board of Trustees has at all material times acted under a good faith belief that NMSA 1978, §21-1-16.1 (2011), does not apply to Luna Community College, and for this reason President Sanchez was employed without implicating the requirements of the statute. (Reference is made to the Special Audit, page 4, that interviews with LCC staff indicated that the Board of Trustees was under the impression that §21-1-16.1 was only applicable to constitutional institutions and not community colleges.)

LCC believes that Audit Concern Number One (Conditions 1 and 2) presents a legal question of first impression in New Mexico because §21-1-16.1 is a recent statutory enactment passed by the Legislature in 2011, and there exists a reasonable difference of opinion concerning the application of the statute.

LCC believes the general statutory language of §21-1-16.1 may give way to the specific statutory scheme contained in the Community College Act, NMSA 1978, Chapter 21, Article 13 (1963). In particular, §21-13-10 of the Community

AUDIT CONCERN NUMBER ONE *Presidential Search, Hiring and Compensation*

College Act contains no presidential search requirements, and provides only that “the community college board shall provide for the management of the community college and execution of these policies by selecting a competent president for the community college.” (Underscoring supplied.)

LCC also believes that even the question of whether a community college is “an institution of higher education” as contemplated by §21-1-16.1, must be reconciled with the specific language of §21-13-2 of the Community College Act, which defines a community college as a “public educational institution.” Also implicated in this analysis is whether §21-1-16.1 is intended to apply exclusively to state constitutional institutions enumerated in Article XII, Section 11 of the New Mexico Constitution.

LCC believes that judicial rules of statutory construction and analysis, and legislative history and intent regarding the relevant statutory provisions, need to be fully addressed in order to answer these legal issues. In this regard, also relevant to whether §21-1-16.1 applies to community colleges is the New Mexico Court of Appeals decision in Leach v. New Mexico Junior College, 2002-NMCA-039, 132 NM 106, which held that unlike constitutionally-identified state educational institutions, a community college board is not appointed by the governor, is elected by popular vote from public school districts, has power to act autonomously with regard to general administration and financial affairs, and its operations more closely resemble the operations of a political subdivision and not a state educational institution.

For all these reasons, it is unclear whether §21-1-16.1 applies to community colleges, and a reasonable difference of opinion exists concerning this threshold legal question.

The LCC Board of Trustees having appointed President Sanchez under the good faith and reasonable belief that NMSA 1978, §21-1-16.1 (2011) does not apply to Luna Community College, the Board’s action was lawful and the Special Audit should be modified to reflect this conclusion.

AUDIT RECOMMENDATION AND LCC RESPONSE

As to Audit Concern Number 1, the Special Audit recommends that “LCC’s Governing Board obtain a legal opinion from the AG’s office to ensure validity of

AUDIT CONCERN NUMBER ONE *Presidential Search, Hiring and Compensation*

the President's hiring." This recommendation is made in two separate paragraphs but appears to relate to the same legal question: Whether NMSA 1978, §21-1-16.1 (2011) applies to Luna Community College.

LCC will comply with the recommendation, and will seek an opinion from the New Mexico Attorney General on the following question of law: Does NMSA 1978, §21-1-16.1 (2011), apply to the elected governing board of Luna Community College, a community college organized and existing under and by virtue of the Community College Act, NMSA 1978, Chapter 21, Article 13 (1963)?

While LCC is pleased to comply with the recommendation and seek the opinion requested by NMHED, it should be noted that under NMSA 1978, Section 8-5-2(D), the New Mexico Attorney General is required to give his written opinion only when requested by a state legislator, a state official or a district attorney, and LCC cannot state with any certainty whether the Attorney General will render an opinion requested by officials of Luna Community College, or decline to do so unless requested by one of the three officials specified in Section 8-5-2(D).

II. Perception of Favoritism/Nepotism

Audit Concern Number Two relates to the "Perception of Nepotism/Favoritism" resulting from hiring and salary decisions made by President Sanchez concerning eight LCC employees, two of whom are related to President Sanchez, four of whom are related to a member of the LCC Board of Trustees, and two of whom have no familial relationship to either the President or a Board member.

No concern is expressed in the Special Audit that the President exceeded his authority in the hiring and salary decisions made by him, the Special Audit finding that LCC's President is responsible for the assignment of work, employment, promotion, compensation, discipline and discharge of employees.

Response to Audit Concern Number 2

Except for one instance, addressed below, the Special Audit does not find that any law, rule or policy was violated by LCC concerning nepotism or favoritism.

Instead, Audit Concern Number Two posits hiring and salary decisions made by President Sanchez as to eight LCC employees, and concludes that the decisions constitute an appearance of favoritism, which the Special Audit defines as "partiality towards friends or associates."

Especially relevant and material to LCC's response concerning the President's decisions as to each of the eight employees, is the Special Audit's express disclaimer, at page 5, as follows:

"It is important to note that it is not within the scope of this audit to determine whether the individuals mentioned within this concern possess the qualifications and past performance to be hired, or receive promotions or raises, and as such, in no way are the following issues intended to imply such."

LCC appreciates that NMHED officials and employees are understandably reluctant to express an opinion as to the personal and professional qualifications of the affected employees.

But the hiring and salary decisions made as to each of the eight employees were directly connected to each employee's particular qualifications and experience, and LCC respectfully suggests that the admitted absence and disclaimer of those factors in the eight audit opinions concerning the appearance of favoritism, may render the audit opinions suspect, if not entirely unreliable.

A. Eight Employees Addressed in Audit Concern Number Two

1. President's Son

(a) Hired as a Temporary, Part Time Assistant Softball Coach

The Special Audit finds that the LCC Board of Trustees amended its Nepotism Policy on July 20 2016, to allow the hiring of the President's direct family members, but that ten months earlier, on October 01 2015, the President's son was hired as a temporary part time softball coach at a salary of \$17,000, "at a time when the College's nepotism policy did not allow direct family members of the President to be hired."

This finding appears to suggest that the President and Board of Trustees violated LCC's nepotism policy, and this is not the case.

The amendment of LCC's nepotism policy, to permit the hiring of the President's family members, was first adopted by the LCC Board of Trustees at its regular monthly meeting held July 21 2015, two and one-half months before the President's son was hired on October 01, 2015. The July 21 2015 meeting agenda includes as Action Item VII (2), "*Discussion and Action amending the Board's Nepotism Policy*," and the meeting minutes, at page 6, indicate that a motion to amend the nepotism policy was duly made, seconded and adopted by the Board of Trustees. (Attachment 4, *Agenda and Minutes of July 21, 2015*.)

By its action on July 21 2015, before the hiring of the President's son, the LCC Board intended to, and effectively did, amend the nepotism policy to permit direct family members and relatives of the President to be employed at Luna Community College. The Board's nepotism policy amendment was reported in the Las Vegas Optic on July 27 2015, and the Optic news article makes clear what the Board did the week before: *"The board voted on Tuesday to eliminate the prohibition against close relatives of the president being hired to work at Luna."* (Attachment 5, Las Vegas Optic.)

Due to inadvertence, mistake or neglect, the Board's nepotism policy amendment of July 21 2015, was neither memorialized in written form nor adequately reported in the minutes of that meeting. For this reason, a year later, at its meeting of July 20 2016, the Board took action to reaffirm its nepotism policy amendment of July 21 2015, and the minutes of the Board's meeting of July 20 2016, properly reflect that the Board reaffirmed its nepotism policy amendment made a year earlier, allowing direct family members and close relatives of the President to be employed at Luna Community College, and the amendment was formalized in written form and is now included in the LCC Staff Handbook. (Attachment 6, *Minutes of Board meeting of July 20 2016; Nepotism Policy, Section 5.11.3.*)

And even if the July 2015 nepotism amendment is viewed as ineffective because not properly reflected in the meeting minutes or not memorialized in writing, these ministerial and *pro forma* deficiencies cannot lawfully defeat nor diminish the good faith belief and reliance by LCC's Board and President, that the amendment was effective when adopted on July 21 2015, thus permitting the lawful hiring of the President's son on October 01, 2015.

For these reasons, the Special Audit finding that the President's son was hired "at a time when the College's nepotism policy did not allow direct family members of the President to be hired," is in error and may improperly suggest a violation of LCC's Nepotism Policy.

LCC respectfully requests, therefore, that this audit finding be removed from the Special Audit, and that Special Audit Concern Number Two be modified to reflect that the employment of the President's son on October 1 2015, as a temporary part time softball coach did not constitute a violation of LCC's Nepotism Policy.

(b) Hired as a Fulltime Assistant Softball Coach

The Special Audit reports that the President's son was hired as full time assistant softball coach and approved by the Board of Trustees on September 7, 2016, at a salary of \$35,567, on the recommendation of LCC's Vice President for Instruction.

The Special Audit makes no finding or conclusion that this hiring of the President's son was improper or that it constitutes even an appearance of favoritism, and this is consistent with the following facts reported in the Special Audit: (i) the position was advertised in accordance with LCC policies, and (ii) the President's son was the sole applicant for the position.

Other relevant facts available to the auditors but not reported in the Special Audit as to this hiring, are that a three-person screening committee interviewed the President's son and recommended him for the position, and that the salary for the position is \$33,567, not \$35,567, as mistakenly reported in the Special Audit.

2. Direct Family Member of Trustee Hired as Satellite Manager

The Special Audit finds that a direct family member of a Board Trustee of LCC was hired by the President on July 06, 2016, for the position of Satellite Manager at a salary of \$51,579. The Special Audit also finds that (a) this job position was advertised, (b) only the direct family member and one other person applied for the position, (c) a hiring committee ranked the direct family member higher than the other applicant, and (d) the hiring committee recommended the direct family member for the position.

Notwithstanding the regularity of the above findings made in the Special Audit itself, the Audit then concludes that "it could be perceived the President put the Board member's direct family member in a position that was conducive to obtaining this job therefore lending itself to the appearance of favoritism."

The basis for the foregoing conclusion is not stated with any clarity in the Special Audit, though reference is made to the direct family member having been previously employed at LCC as a dual-course credit instructor, to the President having changed the job title for this position from Satellite Director to Satellite Manager, and to the President's transfer of the previous Satellite Director to an off-site job position effective July 01, 2016.

However, these facts and circumstances do not controvert the Special Audit's own findings that the job position was advertised, that only the direct family member and one other person applied, that a hiring committee ranked the direct family member higher than the other applicant, and that the hiring committee recommended the direct family member for the position.

Nor does the Special Audit include other salient facts which militate against an appearance of favoritism, and which were available to the auditors: (i) that the previous Satellite Director had previously informed the President of his intention to retire, (ii) that his transfer to the position of off-site correctional facility manager after June 30 2016, was made by the President to accommodate the former Satellite Director's request for additional employee time relative to his retirement benefits, (iii) that the only other applicant for the position to which the direct family member was hired, had only a high school diploma compared to the family member's B.S. degree, (iv) that a rating sheet with fifty-four total points was utilized by the three-person interview committee, and that the family member received 37 points, compared to the other applicant's 32 points.

The President's decision to hire the direct family member of the Trustee as Satellite Manager was directly related to her qualifications and experience as determined by an interview committee, and as recommended to the President by the committee. Therefore, a finding or inference that the President's decision constituted even an appearance of favoritism is neither reasonable nor supported by the record which was made available to the auditors, and the Special Audit should be modified accordingly.

As well, the bare qualifications of the Board Trustee's direct family member, standing both alone and when compared to the qualifications of the

only other applicant who competed for this position, clearly negate any reasonable inference of even an appearance of favoritism in this hiring. Yet the Special Audit expressly disclaims any opinion as to the qualifications or experience of any employee covered by the audit, and for this reason LCC again respectfully suggests that the audit opinion inferring an appearance of favoritism should be viewed as suspect and unreliable.

Finally, LCC notes that the Board member who is related to this employee-relative was not a member of the Board of Trustees when the Nepotism Policy was changed to permit relatives of Board Trustees to be employed at Luna Community College.

3. Relative of President, through Marriage, Promoted and Received Salary Increases

The Special Audit states the following opinion concerning decisions by the President relating to this LCC employee, who is the niece of the President's wife: "The collective decisions made by the President to increase the annual salary of a relative by \$23,709 over a one-year period leaves the appearance of favoritism."

The audit findings relied upon for this opinion are that the President (i) promoted the employee-relative to the position of Human Resources Director on July 23 2015, resulting in an annual salary increase of \$12,970, (ii) granted the employee-relative an annual salary increase of \$4,000 on October 1, 2015, for assuming additional duties, and (iii) "issued" the employee-relative an annual raise of \$6,739 on July 1, 2016, based on the "President's determination for department stability."

There is no suggestion in the Special Audit that the President hired this relative, who has been an LCC employee for ten years. Instead, the audit's appearance of favoritism opinion appears to be founded on the President's "collective decisions" to increase the employee-relative's salary by an aggregate sum of \$23,709, over a one-year period.

As to this long-time LCC employee, a review of the three separate and independent reasons for the relative's three salary increases during a one-year period, permits no reasonable inference of even an appearance of favoritism, because the job promotion was not initiated by the President, and each salary

increase was given for good cause and was justified because of the employee-relative's meritorious job performance or assumption of additional duties, as appears from the following records which were made available to the auditors:

(a) As concerns the first salary increase granted to the employee-relative, in the amount of \$12,970 as of July 23 2015: LCC records disclose that the out-going Human Resources Director recommended that the employee-relative, who was a long-time employee in the HR Department, be promoted to replace the out-going Human Resources Director. Accordingly, on the recommendation of the out-going HR Director, the President granted the promotion and a commensurate salary increase because the employee-relative would obviously assume substantially more duties as HR Director, as compared to her previous position as Payroll Manager within the HR Department.

(b) As concerns the employee-relative's second salary increase, in the amount of \$4,000, granted October 1 2015: At the time the out-going HR Director left and recommended the employee-relative to take her place, there existed four FTE positions within the HR Department, including that of HR Director, Payroll Manager, Human Resources Technician, and Human Resources Specialist. When the out-going HR Director left, the HR Department was consolidated so that the remaining three positions/employees then constituted the entirety of the HR Department. This was accomplished by eliminating the HR Specialist position, with each of the three remaining positions/employees assuming the duties of the eliminated HR Specialist position.

This consolidation of HR Department duties and assignments, including the elimination of the HR Specialist position, resulted in a savings of \$17,632; and because each of the three remaining HR employees assumed additional consolidated duties, on October 1, 2015, the President granted to all three, not just the employee-relative, an identical salary increase of \$4,000 each.

(c) As concerns the third salary increase granted to the employee-relative, in the amount of \$6,739 on July 01 2016, it constituted a merit pay increase issued simultaneously by the President to seven other LCC employees. The other seven employees who simultaneously received a similar merit increase were LCC's Library Technician, Executive Office Manager of the Finance Department, Financial Aid/Student Services Director, Financial Aid Analyst, Financial Aid Associate Director, Registrar, and the President's Executive Office Manager.

The merit pay salary increases simultaneously issued by the President to the employee-relative and to the other seven LCC employees effective July 01 2016, included a notation that the increase was based on the *"President's determination for Department stability,"* by which the President intended to express that the salary increment was a merit pay raise for excellent job performance. The President concedes that the particular verbiage utilized by him is both ambiguous and awkward, and should be replaced with a simple notation indicating *merit increase for excellent job performance, thereby enhancing departmental stability,* or similar wording.

The record is clear and convincing that the President's promotion and salary decisions as to this employee-relative were justified and made for good cause, and negate any reasonable conclusion or opinion that the President's decisions constitute even an appearance of favoritism – and the Special Audit should be so modified.

**4. Director of Childhood Education Promoted
and Received Salary Increase**

As to this employee, identified in the Special Audit as the Director of Childhood Education, the audit finding is that on September 16, 2015, the employee was promoted to the position of Assistant to the President, with an annual salary increase of \$18,000. (No finding or allegation is made that the President exceeded his authority in creating the position or making the promotion, the Special Audit conceding that such authority is vested in the President.)

The audit conclusion reached in the Special Audit is that there was an appearance of favoritism in this employment decision because the President granted the employee additional job duties as a result of the President's creating the informal job position of Assistant to the President, without a competitive hiring process.

After assuming his duties in July 2015, the President made the decision that his workload and responsibilities were such that he required someone to assist him with administrative duties generally, and in particular with coordinating the activities and responsibilities of the senior staff of the College, and identifying additional revenue sources.

The President also determined that these contemplated duties would not require full-time attention, and could be performed by an existing employee at the College, without creating an additional full time position, provided a salary increase was included, commensurate with the additional duties. The President decided, therefore, that a new part-time position of Assistant to the President would be established, that reasonable compensation for the new part-time position would be \$18,000, and that the President would select for the position an existing LCC employee who in his opinion was best qualified to undertake the contemplated duties of the new position.

In furtherance of these decisions and in his discretion, the President determined that the Director of Childhood Education was best qualified and experienced to assume the duties of the new position of Assistant to the President, and the President based his decision on the following factors relating to the employee's qualifications and experience: (i) the employee's long tenure of at least fourteen years with Luna Community College, (ii) the employee's educational credentials, including a B.A. degree in elementary education and special education, and an M.A. degree in curriculum and instruction, and (iii) the employee's willingness to assume additional duties involving long hours and increased responsibilities.

LCC believes that the above facts and circumstances relating to the position of Assistant to the President, and to the promotion and salary increase for this employee, support the conclusion that the President's decisions were justifiably made to enhance administration capabilities and accountability, and based on the particular qualifications and experience of the employee, and negate any reasonable inference of even an appearance of favoritism, and the Special Audit should be modified accordingly.

**5. Information Technology Director who is
Trustee's Direct Family Member**

The following audit findings were made as to this employee, who is a relative of a Board member: (a) the employee-relative received a salary increase of \$7,177 on September 16 2015, for additional job duties; and (b) the employee-relative was promoted to Information Technology Director on February 16 2016, with a salary increase of \$8,363, and the position was not advertised nor was the employee-relative interviewed for the position.

Based on these findings, the audit conclusion is that while LCC policies grant to the President "full discretion" to decide who receives salary increases for additional job duties, and who is promoted internally, the President's decision to increase the employee's annual salary by \$15,540 over a five-month period "leaves the appearance of favoritism."

As to the audit finding and conclusion concerning the salary increase of September 16, 2015, LCC records made available to the auditors disclose the following:

(a) The employee-relative has been employed by LCC for at least nine years, and has been a long-time employee in the Information Technology Department.

(b) In September, 2015, the employee-relative held the position of IT Services Specialist Manager, and the then IT Director assigned extensive additional duties to the employee-relative, to include institutional research and data base administration.

(c) Commensurate with the additional duties assigned, the Director, not the President, also recommended a salary increase of \$7,177 for the employee-relative, and the increase was approved by the President.

Other than his required final approval, at no time did the President direct that the salary increase be given, and the increase was initiated and generated by the IT Director and approved by both the Vice President for Instruction and the Human Resources Director, and only then presented to and approved by the President.

As to the audit finding and conclusion concerning the employee-relative's promotion to Information Technology Director on February 16 2016, with a salary increase of \$8,363, LCC records made available to the auditors disclose the following:

(a) The then IT Director took leave under the Family Medical Leave Act, effective November 7 2015, and the employee-relative assumed all duties performed by the absent Director.

(b) Months later, in February, 2016, when it was determined that the absent IT Director would not return to the position, the President appointed the employee-relative to the position of Information Technology Director, allowing a commensurate salary increase of \$8,363.

The President made his promotion and salary increase decision because the employee-relative was a long-time employee in the IT Department, had assumed the duties of Director in the absence of the Director who had taken leave, and the employee-relative possessed both the qualifications and experience to hold the position permanently.

The facts and circumstances relating to this employee-relative negate any reasonable conclusion or opinion of even an appearance of favoritism, and provide clear and convincing proof that all decisions relating to this employee-relative, even if made within the span of only five months, were fully justified and based on the employee-relative's qualifications, experience and assumption of additional duties, and the Special Audit should be modified accordingly.

**6. Trustee's Direct Family Member Promoted to
Satellite Director and Received Salary Increase**

The Special Audit finding as to this employee, who is a relative of a Board Trustee, is that President Sanchez promoted him to the position of Satellite Director on August 17 2015, with a salary increase of \$15,795.

The audit conclusion reached as to this employee-relative is that "the appearance of favoritism could be perceived due to the non-competitive nature of the promotional process," because although the employee was promoted "in accordance with LCC's promotion/transfer policy," the job was not advertised and the employee was not required to apply or interview for the position.

Of overriding importance concerning the President's decision as to this employee-relative is that President Sanchez did not hire this employee, nor did President Sanchez initially place this employee in charge of the satellite campus, whether as coordinator or director.

Each of those decisions was made by the LCC president who preceded President Sanchez, as disclosed from the following record and facts which were made available to the auditors:

(a) On February 03 2014, before Leroy F. Sanchez became President, the employee-relative was hired by LCC's previous president as Office Manager of the satellite campus.

(b) On August 09 2014, before Leroy F. Sanchez became President, the employee-relative was promoted by LCC's previous president to the position of Interim Coordinator of the satellite campus.

(c) On January 23 2015, before Leroy F. Sanchez became President, LCC's previous president, by written memorandum, made the decision to continue the employee-relative as Interim Coordinator of the satellite campus.

(d) On May 29 2015, before Leroy F. Sanchez became President, LCC's previous president, by written memorandum, made a second decision to continue the employee-relative as Interim Coordinator of the satellite campus beginning July 01 2015, to be evaluated on or before June 30, 2016.

As established by the above record, when President Sanchez assumed his duties in July 2015, the employee-relative had been Interim Coordinator of the satellite campus for almost a full year, contrary to LCC Policy 5.2.4.5, which provides that interim positions shall not exceed six months. As well, under the same policy, as an interim appointee, the employee-relative was ineligible to receive the full salary of a permanent coordinator, or director, of the satellite campus.

After Leroy F. Sanchez became President in July 2015, he determined that the employee-relative's employment should not be improperly continued on an interim basis, in violation of LCC policy 5.2.4.5. Accordingly, in August 2015, President Sanchez approved the employee-relative's continued employment as a regular employee, as opposed to an interim employee, and the President also changed the position title from Coordinator to Director.

As a result of the President's action to comply with LCC Policy 5.2.4.5, the employee-relative was eligible to receive full pay under the LCC salary scale, and his salary automatically increased to that of a regular, non-interim, satellite campus director in the amount of \$15,795, as noted in the Special Audit.

For all the above reasons, LCC submits that President Sanchez had nothing to do with the hiring of this employee-relative, nor with the employee's promotion to satellite coordinator, and that the limited decision by President Sanchez concerning this employee-relative was made by him to prevent continued violation of LCC Policy 5.2.4.5, and negates any inference of even the appearance of favoritism, and the Special Audit should be so modified.

**7. Trustee's Relative by Marriage Hired as
Life/Safety Coordinator**

This employee-relative is related to a Board Trustee by marriage, and on July 05 2016, the President hired the employee-relative as Life/Safety Coordinator at a salary of \$54,190.

The Special Audit conclusion as to this employee-relative is that the "President put the Board member's relative in a position conducive to obtaining this job position therefore lending itself to the appearance of favoritism."

The conclusion is drawn from the following audit findings: (a) the job position became vacant due to the President's decision not to renew the employment contract of the previous Life/Safety Coordinator due "to elimination or modification of educational programs, departments or assignments," (b) although the position was advertised, a hiring committee was not established, and (c) the President conducted an informal interview and hired the employee.

Omitted from the audit findings, however, is the important and undisputed fact that the employee-relative was the sole applicant for the position, and it was for this reason that an interview committee was not established relative to this hiring. Nor is there any audit finding or allegation that the employee-relative was not qualified for the position.

The President acknowledges that he did not renew the contract of the employee who previously occupied this position, but respectfully denies any inference that the non-renewal was for any reason other than a legitimate personnel decision made in the best interests of the College. (The President declines to disclose in this written Response privileged personnel information related to the non-renewal, but the President will discuss the same with NMHED personnel at their request.)

For the above reasons, especially because the employee-relative was the sole applicant for the position, which was advertised in accordance with College policies, LCC respectfully submits that it is not reasonable to infer even an appearance of favoritism concerning the President's decision to hire this employee-relative of a Board member, and the Special Audit should be so modified.

8. Financial Aid Director Received Three Salary Increases

This employee received salary increases totaling \$10,851 over a ten-month period, and the audit conclusion is that the amount of the raises over a ten-month period "lends itself to the appearance of favoritism."

The conclusion is based on the following findings: (a) the President gave the employee a \$2,100 raise on September 01 2015, based upon the "President's determination of Department stability," (b) the President "then [no date given] increased this employee's annual salary by \$6,751 based upon assuming additional job duties," and (c) the President "then issued a raise to this individual

on July 21, 2016 in the amount of \$2,000.00 based upon 'President's determination of department stability.' "

As to the President's salary-increase decisions relative to this employee, LCC submits each increase was meritorious and directly related to the employee's excellent job performance and assumption of additional duties, and as to the largest of the three raises, \$6,751 granted effective July 01, 2016, the following seven other LCC employees were granted similar simultaneous salary increases by the President: Library Technician, Executive Office Manager of the Finance Department, Financial Aid Analyst, Financial Aid Associate Director, Registrar, the President's Executive Office Manager, and the Human Resources Director.

LCC believes that the facts and circumstances relating to the President's salary-increase decisions as to this employee, negate any reasonable inference or conclusion of even an appearance of favoritism, and the Special Audit should be so modified.

Also relevant to the issue of favoritism concerning salary increases, is that at least twenty-seven LCC employees have been granted salary increases by President Sanchez, and it would be erroneous to conclude that salary increases were granted only to the eight persons identified in the Special Audit. A list of all LCC employees who have received salary increases since July 2015, and the amount of each increase, is submitted with this Response as Attachment 7.

Audit Recommendation

The Special Audit makes only one recommendation for corrective action as to Audit Concern No. Two: "That the Board of Trustees considers revising LCC's Nepotism Policy to exclude family members and relatives of the Board and President from being hired. Family members and relatives in this case would be defined as being related through consanguinity and affinity to the fourth degree."

Response to Recommendation

LCC acknowledges that the hiring of relatives of the President and of members of the Board of Trustees may give rise to an appearance of nepotism and favoritism, notwithstanding the qualifications of the persons hired, or the integrity of the hiring process, as noted with particularity as to each of the eight employees addressed in this Response.

Therefore, in order to ensure public confidence in the management of Luna Community College, LCC has complied with the recommendation made under Special Audit Concern Number Two, and at its regular monthly meeting held Tuesday, October 18, 2016, the Board of Trustees, in public session, adopted the following nepotism policy:

A. The President shall not initially employ or approve the initial employment in any capacity of a person who is the spouse, father, father-in-law, mother, mother-in-law, son, son-in-law, daughter, daughter-in-law, brother, brother-in-law, sister or sister-in-law of the President or of a member of the Board of Trustees of Luna Community College.

B. Nothing in this Policy shall prohibit the continued employment of a person employed on or before October 18, 2016.

The above new policy is taken from NMSA 1978, §22-5-6 (1971), the nepotism statute for New Mexico public school boards of education and public school superintendents, and complies in every respect with the NMHED recommendation for corrective action as to Special Audit Concern Number Two.

The new nepotism policy became effective immediately upon its adoption by the Board of Trustees on October 18 2016, and replaces and supersedes any contrary or inconsistent policy previously adopted by the Board.

AUDIT CONCERN NUMBER THREE *Appearance of Employee Misrepresentation*

III. Appearance of Employee Misrepresentation

Findings

Audit Concern Number Three relates to the dissemination of erroneous employment information by an LCC employee, the Special Audit finding that in June, 2013, the employee provided erroneous information about a former LCC employee's job history at LCC, that the "incorrect information" was provided to the New Mexico Public Education Department, and was "significant in nature, as the overstated length of teaching experience allowed for the applicant to meet the minimum length of instruction experience to obtain the state licensing necessary to qualify for [a] Superintendent's position."

The Special Audit makes other findings as to the specific information imparted by the LCC employee, and notes that the former employee for whom the information was provided was charged with multiple criminal offenses. The Special Audit also notes that this occurrence resulted in adverse publicity "and a negative impact upon public perception."

Recommendation

The Special Audit recommends that LCC "develop a new policy that allows only the Human Resources Director to provide job-related experience information for past and present officials, faculty, staff and students" of Luna Community College.

Response to Audit Concern and Recommendation

LCC acknowledges that this Special Audit concern relates to serious issues of public trust and integrity, and that resulting widespread adverse publicity had a "negative impact upon public perception," as noted in the Audit.

AUDIT CONCERN NUMBER THREE *Appearance of Employee Misrepresentation*

For this reason, on March 30, 2016, the Board of Trustees urgently adopted the policy recommended in the Special Audit.

The Policy is now included as Chapter 15 of the Luna Community College Staff Handbook, and has been disseminated to all LCC officials and employees. Among other things, the Policy provides that only the LCC Human Resources Department may issue letters of employment verification, and that violation of the Policy may result in disciplinary action, including dismissal.

The new Policy is submitted with this Response as Attachment 8, and LCC believes the Policy effectively complies with the Special Audit recommendation as to Audit Concern Number Three.

IV. Fiscal Health Status

Condition and Findings

Concern Number Four relates to LCC's fiscal health status, the Special Audit noting that as part of the audit, an assessment was conducted to obtain a level of assurance that LCC decisions resulting from necessary budget cuts due to decreasing enrollment and reduced state appropriations, have not had an immediate negative impact on LCC's fiscal health.

As a result of assessing the condition of LCC's fiscal health, the Special Audit concludes that LCC "remains in good fiscal health although continued declining enrollment patterns and reduced State appropriations remain as substantial risk factors."

Recommendation

The Special Audit recommends that LCC's Chief Financial Officer provide fiscal health status reports at meetings of the LCC Board of Trustees, at least quarterly, "in order to provide Board members the assurance/confidence necessary that the decisions being made by the President, and supported by Board majority, are based upon sound fiscal judgment and are not having a negative effect/impact upon the College's currently stable fiscal health."

Response to Audit Concern and Recommendation

LCC is pleased to acknowledge the Special Audit's finding that Luna Community College remains in good fiscal health.

LCC assures NMHED that the Board of Trustees, the President and the Chief Financial Officer will continue to ensure that LCC's financial security and stability remain in good health, notwithstanding a decrease in student enrollment nationally and in New Mexico, and reduced state appropriations.

As to the Special Audit's recommendation for Concern Number 4, LCC's Chief Financial Officer will, at least quarterly, provide the recommended fiscal health status reports at meetings of the Board of Trustees, and will make her first report for the fiscal quarter ending September 30, 2016.

In her quarterly report, the CFO will, at a minimum:

- 1. Review and compare end-of-quarter budgeted revenues and expenditures with actual revenues and expenditures.**
- 2. Provide a plenary review of all budget adjustments recommended by the President.**
- 3. Provide relevant information and data concerning enrollment trends.**

The Board of Trustees also intends that its several standing committees become more active, and the Audit and Finance Committee will soon begin meeting monthly with the CFO, who will provide the Committee with on-going financial status reports.

V. Open Meetings Act Compliance

Audit Concern Number Five is titled “Open Meetings Act Compliance,” and lists the following three separate Conditions reviewed in the Special Audit.

Condition 1

That a member of the LCC Board of Trustees was denied his request to participate by telephone during the closed executive portion of a meeting of the Board; that at the time the request was denied, Board policy allowed a member to participate at Board meetings if *unforeseen circumstances* prevented the Board member from attending in person; and that *unforeseen circumstances* was not defined in the Board policy, and therefore open to interpretation.

This Condition notes that at a subsequent meeting on May 05 2016, the Board of Trustees took formal action to prohibit Board member participation by telephone at any time during the closed executive session of any Board meeting.

Condition 2

That “Board policies and procedures are not available on the College’s website resulting in citizens not being able to easily obtain the requirements to address the Board.”

Condition 3

That "the President has not included an 'informational item on the agenda at the Board's first regular meeting after an employment offer has been accepted in order to inform the Board of the College's hiring activities,' as required by LCC Policies 5.3.3.10 and 5.11.3."

Audit Recommendations and LCC Responses

As to each of the three Conditions noted above, Special Audit Concern Number Five makes a separate recommendation, and LCC responds to each in turn.

Recommendation 1, and LCC's Response

As to Board member participation by telephone at meetings of the Board, the Special Audit recommendation is that "the College obtains an opinion from the AG's office in order to ensure compliance with the OMA."

The nature and extent of this recommendation is unclear, and LCC cannot determine with reasonable certainty whether the recommendation intends that an Attorney General opinion be sought as to (a) whether the Board may lawfully disallow board member participation by telephone at all times, during both the public and closed portions of Board meetings, (b) whether the Board may lawfully disallow board member participation by telephone during the public portion of a meeting, but not during a closed executive portion, or during the closed executive portion but not during the public portion of a meeting, or (c) whether disallowance of telephonic participation must apply equally to both the public and closed portions of meetings of the Board.

For guidance in formulating its response to this recommendation, LCC turns to the New Mexico Open Meetings Act, NMSA 1978, Chapter 10, Article 15 (1974), which provides in relevant part as follows at §10-15-1(C): “If otherwise allowed by law or rule of the public body, a member of a public body may participate in a meeting of the public body by means of a conference telephone or other similar communications equipment when it is otherwise difficult or impossible for the member to attend the meeting in person . . .” (Underscoring supplied.)

LCC believes that § 10-15-1(C) allows a Board member to participate by telephone only if the Board of Trustees, by rule, allows participation by telephone; and that implicit in the language of §10-15-1(C) is the authority of the Board to disallow participation by telephone, either by not adopting a rule at all, in which case telephone participation is not allowed, or by adopting a rule disallowing participation by telephone.

As noted in the Special Audit findings related to this Condition, on May 05, 2016, the LCC Board of Trustees adopted a policy (rule) disallowing telephone participation by any Board member during the closed executive portion of LCC Board meetings, and LCC believes this policy is lawful under §10-15-1(C).

In view of the clear authority granted to the Board of Trustees by § 10-15-1(C) of the Open Meetings Act, to disallow Board member participation by telephone, and in view of the Board’s rule adopted May 05 2016, prohibiting telephone participation during the closed executive portion of Board meetings, LCC believes the Special Audit’s recommendation for an Attorney General opinion may be misplaced or unnecessary.

Therefore, it is respectfully requested that following review of this Response, NMHED advise LCC if it is still deemed as a necessary recommendation of the Special Audit, that LCC seek an opinion from the New Mexico Attorney General in this matter; and, if so, that NMHED provide direction to LCC as to the exact nature and scope of the legal question for which an opinion should be requested.

Following its review of this Response, if NMHED shall deem that the Special Audit recommendation for an Attorney General opinion is necessary, LCC will promptly comply with the recommendation and make the request for an opinion on such legal question as NMHED shall direct.

As noted previously (in response to Audit Concern Number One), NMSA 1978, § 8-5-2(D) provides that the New Mexico Attorney General is required to give his written opinion only when requested by a state legislator, a state official or a district attorney, and it is unknown whether the Attorney General will render an opinion requested by officials of Luna Community College, or decline to do so unless requested by one of the three officials specified in § 8-5-2(D).

Recommendation 2, and LCC's Response

As to Board policies and procedures not being available on the LCC website, the Special Audit recommends that "in order to promote transparency, the Board of Trustees should ensure the Board's policies and procedures are posted on the College's website as it is important for faculty, staff, students and the general public to understand the steps needed to be taken in order to address the Board and President."

Implementation of this recommendation has already been initiated, and the Information Technology Department has been directed to create, maintain and keep current on LCC's website, a posting of all policies and procedures adopted by the Board of Trustees.

Recommendation 3, and LCC's Response

As to the President not including information on the agenda regarding hiring decisions made by him, the Special Audit recommendation is that "the President needs to ensure informational items for all new hires are placed on Board meeting agendas as is required by LCC Policies."

LCC acknowledges that Chapter 5.3.3.10 of its Staff Handbook provides that the President "shall include an informational item on the agenda at the Board's first regular meeting after an employment offer has been accepted in order to inform the Board of the College's hiring activities."

LCC also acknowledges that from time to time the President has neglected to include the informational item on the Board's agenda as required by LCC policy.

LCC assures NMHED that it will comply fully with this recommendation, and the President will include on the Board of Trustees agenda the informational item required by Chapter 5.3.3.10 of the LCC Staff Handbook.

VI. INTEGRITY OF INVENTORY

Assessment and Findings

Special Audit Concern Number Six relates to Integrity of Inventory, and states that in connection therewith, the following was undertaken by the special audit: Interviews with LCC personnel, assessment of LCC's inventory software system, review of current inventory lists, verification of selected fixed assets, and analysis of inventory transfers.

Based on the foregoing assessment, the Special Audit finds that many items do not appear on LCC's inventory list, obsolete items appear on the inventory list, items are missing serial numbers, items are lacking tag numbers, disposal of fixed assets is not being recorded, disposal of assets is not being consistently performed, and inventory transfer forms are not being completed.

The audit also finds that LCC recently acquired a new software inventory system and is now recording all inventory items into both the new system and the existing obsolete inventory system.

Special Audit Recommendations

Finding that LCC's current inventory system lacks integrity and places assets at risk, the Special Audit recommends:

(a) That "internal teams perform inventories by Department, and once completed, record all items into the new software system and cease use of the obsolete system," and

(b) That in order to properly safeguard assets, LCC ensure compliance with NMSA 1978, §§ 13-6-1 and 13-6-2.

Response to Audit Concern and Recommendations

LCC agrees that the integrity of its assets and utilization of a proper and up-to-date inventory system to identify and account for LCC assets, are matters of paramount importance.

Concern Number Six relates in large part to obsolete, worn-out or unusable personal tangible property, and LCC acknowledges that its long-used and existing manual inventory tagging system has not been adequately integrated with the fiscal management system, resulting in the numerous audit findings which are the subject of this Special Audit Concern.

This lack of inventory system integration has been a concern for sometime and LCC has not succeeded in its on-going attempts to resolve the multiple issues relating to obtaining a high level of assurance of the completeness and accuracy of its capital assets records.

LCC management believes that additional resources will need to be expended if there is to be an adequate resolution of inventory system problems, and an accurate record of capital assets. To this end, LCC intends to seek third-party professional services to assist in this endeavor.

In addition, under the direction and supervision of the Chief Financial Officer, an inventory of all assets will be undertaken by department and all assets will be recorded into LCC's new software system, and to the extent the old system cannot be integrated or properly utilized, it will not be used.

LCC will continue the procedure and practice that no real or personal property is disposed of except as permitted by, and in compliance with the requirements of NMSA 1978, §§ 13-6-1 and 13-6-2 (1961), relating, respectively, to a public agency's disposition of obsolete, worn-out or unusable tangible personal property, and to a public agency's sale or disposition of real and personal property.

CONCLUSION

CONCLUSION

Both the LCC Board of Trustees and President, entrusted by law with the management of Luna Community College, are committed to correcting each concern expressed in the Special Audit.


If not already accomplished, corrective action as recommended in the Special Audit and identified in LCC's Response, will be undertaken and implemented expeditiously, and LCC will inform NMHED as each recommendation is effected.

LCC's Response is timely submitted as required by the ten-day letter issued by NMHED on September 28 2016, and the subsequent letter of October 04 2016, allowing an extension of time through October 21, 2016.

Respectfully submitted,



**Leroy F. Sanchez
President
Luna Community College**



**Daniel J. Romero
Chairman
Board of Trustees
Luna Community College**

ATTACHMENT 1
(LCC Response to Special Audit)

Employment Contract of August 5, 2015

**LUNA COMMUNITY COLLEGE
EMPLOYMENT CONTRACT
COLLEGE PRESIDENT (2015-2017)**

I. PREAMBLE

This Employment Contract is between the Board of Trustees for Luna Community College (Hereafter "Board" and "College") and Leroy F. Sanchez ("President"). The parties agree as follows:

II. TERM

The Board shall employ the President commencing on August 1, 2015 through June 30, 2017, inclusive.

III. POWERS, DUTIES, AND RESPONSIBILITIES

A. Governance

The Board shall operate at the policy and governance level and shall delegate to the President the authority for the internal management of the College. The President will provide the Board with appropriate information and documentation, in a timely manner, in order that the Board may promulgate appropriate policies, and if necessary, rescind and/or amend current policies.

B. Duties of the President

The President, as Chief Executive Officer, is responsible for executing the Board's policies and directives and for implementing identified goals through the day-to-day management of the College. The President agrees to be responsive to changing goals and directives of the Board. The President agrees to devote his knowledge, experience, working time and attention on a full-time basis to the duties and responsibilities assigned to him by the Board. These duties shall include, but are not limited to, the administration and implementation of Board policies, procedures, and directives in connection with the continuing establishment, operations, maintenance, and improvement of Luna Community College as an institution of higher learning. The President shall also perform all the duties imposed upon him as President as required by the laws, rules, and regulations of the State of New Mexico and United States of America, and all other responsibilities and duties that may be assigned to the President by the Board.

C. Other Duties

The President will: (1) provide and be accountable for leadership of academic excellence, (2) competently administer the instructional, student services, and business affairs of the College, (3) periodically direct the review of Board policies, (4) promote and endeavor to maintain a

positive College image in the state and local community, (5) establish and maintain sound working relationships with other governmental agencies, (6) endeavor to maintain and improve professional competence among the faculty, staff and, individually, as the President, (7) serve as the Board's designated representative with respect to all matters concerning employer-employee matters, (8) evaluate administrative employees reporting directly to the President on at least an annual basis and participate in the evaluation of the remaining employees in accordance with Board policies and procedures, (9) manage and control College property and enter into contracts on behalf of the College as authorized by the Board, (10) facilitate the preparation of lawful notices and agendas for the Board and participate in all meetings of the Board of Trustees, (11) prepare an annual budget for the Board for its review and consideration each fiscal year, and (12) cooperatively participate in planning long term goals for the College and serve as the Board's administrative arm in carrying out those goals.

D. Accountability

The President is accountable to the Board, acting as a body, on all matters regarding the duties and responsibilities as chief executive officer to the College. Only decisions of the Board acting as a body made at duly called open meetings are binding upon the President except in instances when the Board, acting as a body at a duly called open meeting, delegates appropriate supervisory functions to the Board Chairman or to a committee of the Board.

IV. BENEFITS

A. Salary

The President's base annual salary shall be \$150,000. The salary shall be paid in equal installments on the same schedule as full time administrators or the College provided that the President's salary shall be prorated over twelve (12) months. If salary increases are provided for in the annual budget and authorized by the Board of Trustees, the President shall receive the same annual increase as all faculty and staff on July 1 of each year.

B. Other

i. Automobile. The President shall receive an automobile allowance of \$400.00 per month for College business. For local travel during working hours, the President may also use a College Vehicle.

ii. Cell Phone/Computer Service. The President will be provided with a College-issued cellular telephone with basic nationwide service and text message capability to be paid at 100% by the College. The phone shall be for purposes of conducting College business, but the Board will permit incidental personal use of the phone. The College will also provide for computer and Internet access services at the President's office and home for use on College business to be paid at 100% by the College. Such use is subject to the College's computer and internet use policies.

- iii. Benefits and Insurance.** When eligible, the President shall be entitled to the same insurance coverage and retirement benefits that are provided to other College employees.
- iv. Residence Allowance.** The Board will provide \$500.00 per month to the President as a housing allowance within the City of Las Vega and surrounding area during the term of this Contract.
- v. Expenses for Professional Meetings and Training.** The President may attend professional meetings and trainings at local, state, national and international levels, and budgeted expenses incurred shall be reimbursed by the College. The President shall obtain prior approval from the Board for national and international meetings. The President shall provide the Board with a semi-annual report of non-local travels to professional meetings and training, including a cost summary and supporting invoices.
- vi. Other Professional Activities.** The President is expected to devote his entire time, attention, and energy to the business of the College, including but not limited to the promotion of the College with businesses, community entities and legislators for academic and business reasons within the communities that it serves. The President shall be provided with a \$15,000 per fiscal year expense account to facilitate the President's actions to promote the College and develop legislative contacts, business partnerships and academic partnerships to further the College and its services. The expense account shall be maintained by the College's finance department and operate in accordance with State and Federal law, and the President shall provide the Board with a semi-annual report of his promotional activities, including a cost summary and supporting invoices.. In addition, the President shall not, during the term of this Employment Contract, engage in any other personal business or professional activity, whether or not for profit or compensation, without the prior approval of the Board (except for reasonable service on boards or committees of other public or educational entities and occasional speaking engagements as an invited speaker).
- vii. General Employee Benefits.** The President shall be entitled to all of the health care and other regular benefits extended to other employees of the College, as amended from time to time, provided that the Board may modify, exclude or extend additional benefits pursuant to this Contract.
- viii. Memberships/Reimbursements.** The College shall pay on the President's behalf or reimburse him for any membership dues, fees, or assessments of professional and private organizations incurred for business use in the ordinary exercise of the President's duties. Board approval must be obtained for costs associated with memberships in private clubs or associations.
- ix. Keyperson Insurance.** The Board, at its discretion at any time during the contract, may purchase and maintain a keyperson insurance policy on the President in the face amount of \$150,000 naming the College as the sole beneficiary and with such coverages as the Board, in its discretion, determines advisable to compensate the College

for the losses incurred should the President die, become disabled or is otherwise unable to perform his required duties. Any proceeds will be used to pay for operation of the College in the President's absence as well as for the search and the contract costs associated with hiring a new president.

C. Paid Leave

The President shall earn sick leave and annual leave at the rate of one and ½ day per pay period associated with the distribution of his salary. The President shall request permission to take paid leave from the Board Chairman or must provide notice to the Board Chairman of the time and dates he will be absent from work on paid leave. The President shall also be able to take any and all unpaid leave as provided under Federal or State law to which he is qualified to take under the provisions of law for providing such leave. Said leave shall have no cap.

V. LIABILITY

The President shall be provided with a defense and shall cooperate fully with any defense of the College for any and all claims and liabilities to which he has or shall become subject by reason of serving or having served as such officer of the College, or by reason of any action alleged to have been taken, omitted, or neglected by him as such officer, or employee of the College to the extent such claims are covered by the New Mexico Public Schools Insurance Authority or any other insurer.

VI. PERFORMANCE REVIEW

In order to insure on-going communication between the President and the Board concerning the President's objectives, duties and job responsibilities, as well as to achieve a mutual understanding between the parties concerning the accomplishments of such objectives, duties and responsibilities, the Board shall conduct quarterly written review of the President's job performance, which shall include meeting between the President and the Board for the sole purpose of reviewing such objectives, duties and responsibilities. Such quarterly reviews may include prioritizing job objectives and establishing timetables and resources for completion of such objectives, duties and/or responsibilities.

The Board shall, with input from the President, establish a schedule and evaluation instrument for the review of the President and shall allow the President sufficient time to prepare an outline of accomplishments and progress made toward attaining the performance objectives, targets and goals and satisfying the duties and responsibilities of the position.

VII. TERMINATION OF CONTRACT

This agreement may be terminated in advance of the expiration date under the following events and conditions:

A. Upon death of the President.

B. Upon resignation of the President.

C. By mutual consent of the parties: Either party may terminate this Contract voluntarily and without cause provided the party seeking termination shall give not less than 90 calendar days written notice of termination to the other party and in accordance with the following:

i. Upon notice by the Board to terminate this Contract, as of the effective date of termination, the College shall pay to the President the base salary then in effect for each month remaining in the term of the Contract or one (1) year of base salary, whichever is less. The College shall also pay health benefits, including other insurance benefits, for the same duration as the base salary. The parties agree that this provision is in recognition of the fact that Board desired the President to commit to a two year term in order to provide stability in the administration and advancement of the College's educational program. In the event of termination by the Board, without cause pursuant to this Paragraph, such payment is, and shall be construed as a bargained for settlement and full satisfaction of any and all claims, known and unknown, which the President may have against the Board arising from or relating to the President's release from his employment.

D. Disability: The parties agree that the office of the President is a unique position. In the event the President becomes ill or disabled, and is unable to perform the essential functions, duties and responsibilities of the position, as outlined in this Contract, with or without a reasonable accommodation, for a period of 30 calendar days, the Board may require a fitness for duty examination, and the President shall not unreasonably withhold consent. The examination, to be performed by a licensed healthcare provider of appropriate discipline selected by the College, will be for the purpose of determining if the President's inability to perform the essential functions of the position, with or without reasonable accommodation, will likely continue for a period of at least three months from the date of the healthcare provider's determination. The healthcare provider's determination will be provided to both parties, and the Board agrees the report shall be held in strictest confidence.

Upon a healthcare provider's determination that the inability to perform the essential functions of the position, with or without reasonable accommodation, will likely continue for a period of at least three months, the President will immediately vacate the President's position and will be assigned as "Administrator on Special Assignment." The President will be entitled to use paid sick and annual leave and unpaid FMLA leave as permitted by law and/or disability retirement as though continuing in the position of President but shall not exercise the authority or functions of the President and the Board may appoint another person as acting President during such period of illness or disability. The President's employment will terminate when all paid or unpaid leaves have been exhausted. Upon vacating the position of President, the College may post and fill the position of President.

E. For Cause.

i. Termination for Just Cause Procedures: The following procedures shall be used in the event that a majority of the members of the Board determine that there may be reason to terminate the President for just cause pursuant to this Paragraph of the Contract. The term "just cause" shall mean a breach or violation by the President of any of the terms or provisions of this Employment Contract, and shall also encompass its normally understood meaning in employment contracts, including as examples and not by way of limitation, dishonesty, willful misconduct, the refusal, unwillingness to perform the duties and responsibilities of the office of the President in good faith, uncorrected poor performance, insubordination, prolonged absence from duty without the consent of the Trustees, any conduct that involves moral turpitude or that would tend to bring serious public disrepute upon the College or any violation of New Mexico or federal law or violation of Board policy, actions taken in the President's official or private capacity that, in the Board's reasonable discretion, are deemed damaging to the public perception or stature of the College may serve as a basis for finding just cause provided that the Board's actions relating to private conduct shall not be based upon unlawful discrimination or retaliation.

ii. Confidentiality: The Board and the President agree that serious harm could be caused to the College by public hearings related to the termination of the President for just cause. As a result, the parties agree that any meetings or hearings regarding the President's termination for just cause shall be held in closed sessions of the Board as provided under the New Mexico Open Meetings Act, and agree to maintain the confidentiality of these proceedings to the maximum extent possible under State law. The President expressly waives any statutory right he may have to an open hearing regarding his termination for just cause.

iii. Pre-Termination Process.

a. If a majority of the Board believes that there may be reason to terminate the President for just cause, the Chairman of the Board shall provide written notice to the President of the basis for such termination. At his/her option, the Chairman of the Board may place the President on paid administrative leave immediately upon delivery of the written notice.

b. A closed meeting of the Board shall be held no less than seven (7) days and no more than fourteen (14) days from delivery of the written notice for the purpose of providing an opportunity for the President to respond to the basis for termination and for the Board to deliberate regarding the termination. The President may be accompanied at this meeting by a representative of the President's choice to provide advice to the President. However, such representative may not participate in the meeting.

c. At the President's option, the President may respond to the basis for termination in writing, such document to be delivered to the Chairman of the Board no later than seven (7) days from delivery of the Board's written notice.

d. If, after the Board considers the President's response to the basis for termination, the Board determines that there is no basis to terminate the President for cause, no further action need to be taken by the Board. If the Board determines that there is a basis to terminate the President for cause, such vote of the Board must be taken at an open, public meeting of the Board.

iv. Post-Termination Process.

a. The President may appeal his termination for cause by providing written notice of appeal to the Chairman of the Board no later than ten (10) days after the vote of the Board terminating the President's employment.

b. No more than sixty (60) days after receipt of the President's appeal, the Board shall hold a post-termination hearing in closed session. This deadline may be extended by agreement of the parties or by the Chairman of the Board if he/she determines that extenuating circumstances exist to require such an extension.

c. The Chairman of the Board shall preside over the hearing. The Board shall retain independent counsel to present to the Board the reasons for termination and present evidence to support those reasons. The independent counsel may present and cross-examine witnesses, and may submit documents for the consideration of the Board. The Board shall be represented by its regular counsel. The Board's counsel on behalf of the Chairman of the Board shall establish procedural rules for the hearing as necessary. The Rules of Evidence shall not apply; however, the Chairman of the Board shall have the right to exclude any evidence that he/she determines is irrelevant or unnecessarily duplicative.

d. At the conclusion of the hearing, the Board shall consider whether sufficient basis existed to terminate the President for cause. The Board's deliberations shall be conducted in executive session, however, any vote shall be taken at an open public meeting of the Board. If the Board determines that the termination for cause was justified, this decision shall be final and subject to no further administrative review or appeal. If the Board determines that termination of the President for cause was not justified, the President may be re-instated at the Board's option or the Board may exercise its rights under voluntary termination provisions in Paragraph VII C.

VIII. INTEGRATION.

This Agreement contains the entire agreement and understanding of the parties. There are no oral understandings, terms or conditions, and neither party has relied upon any representations, express or implied, not contained in this Agreement.

A. Modification of this Contract: No waiver or modification of this Employment

A. Modification of this Contract: No waiver or modification of this Employment Contract or any covenant, condition or limitation herein shall be valid unless in writing and duly executed by the party to be charged therewith, except that this Contract may be amended and/or supplemented from time to time upon agreement, provided such modification, supplement or amendment must be in writing and signed by both parties. The parties further agree that provisions of this section may not be waived.

B. Waiver of Breach: No waiver or either party of any rights under this Employment Contract will be valid unless set forth in writing signed by that party. The failure of either party to insist upon strict performance of the Employment Contract shall not be construed as a waiver.

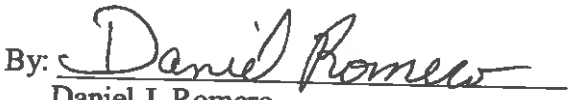
IX. SUFFICIENCY OF APPROPRIATIONS.

Nothing in this Contract shall be construed as obligating the Board in the expenditure of funds or for some future payment of funds in excess of appropriations authorized by law and actually transferred to the Board. The Board's obligations pursuant to this Contract are therefore contingent upon appropriation of funds by the New Mexico Legislature, or the governing body of each party. The Board's decision concerning appropriations, including decisions concerning the sufficiency of appropriations, shall be final.

IN WITNESS THEREOF, the parties have executed this agreement as of the day and year entered below.

By: 
Leroy Sanchez, President

Date: 8/5/15

By: 
Daniel J. Romero,
Luna Community College Board of Trustee
Chairman and Authorized Representative of
The Board of Trustees

Date: 8-5-15

Retro Active as of Aug-3-2015



ATTACHMENT 2
(LCC Response to Special Audit)

Agenda and Minutes of March 22, 2016



AGENDA
LUNA COMMUNITY COLLEGE
BOARD OF TRUSTEES SPECIAL MEETING
Tuesday, March 22, 2016 – 4:30 p.m.
Luna Community College Student Services Board Room

- I.** Call Meeting to Order and Establishment of a Quorum
- II.** Roll Call
- III.** Pledge of Allegiance
- IV.** Executive Session
 - **THE LUNA COMMUNITY COLLEGE BOARD OF TRUSTEES MAY CONVENE INTO EXECUTIVE SESSION IF SUBJECT MATTER OF ISSUES ARE EXEMPT FROM THE OPEN MEETINGS ACT.**
 - A.** Limited Personnel matters, as permitted under NMSA 1978, Section 10-15-1(H)(2) (as amended) of the New Mexico Open Meetings Act.
- V.** Reconvene into Regular Session.
- VI.** Action Items
 - 1.** Discussion and Approval of Luna Community College Presidential Contract - *Chairman Daniel J. Romero & Luna Community College Board of Trustees.*
- VII.** Adjourn

**LUNA COMMUNITY COLLEGE BOARD OF TRUSTEES
SPECIAL BOARD MEETING
Tuesday, March 22, 2016 – 4:30 p.m.
LCC Student Services Board Room**

Call Meeting to Order and Establishment of a Quorum

Roll Call

Present: Chairman Daniel J. Romero, Vice Chairman Kenneth Medina, Secretary Ernie Chavez, Trustee Michael Adams, Trustee David Gutierrez, Trustee Abelino Montoya Jr., and Trustee Severiano "Sev" Sisneros.

Also present: Leroy Sanchez, LCC President, SherylAnn Yara, Executive Office Manager, Marc Grano, LCC Legal Counsel, Joyce Garcia, Information Specialist, Mercy Lopez, Las Vegas Optic Staff, Cindy Armijo, Faculty Senate, Humanities, Phi Theta Kappa and Joseph Cruz, Veteran's Center.

Pledge of Allegiance

Vice Chairman Kenneth Medina led the Pledge of Allegiance.

Approval of Agenda

Trustee Severiano "Sev" Sisneros moved for approval of the Agenda. Trustee Michael Adams seconded the motion, with all in favor, the motion carried.

Executive Session

Vice Chairman Medina moved to convene into Executive Session. Trustee Sisneros seconded the motion.

Chairman Daniel J. Romero called for a roll call vote. Roll call was taken and reflected the following:

Chairman Daniel J. Romero	Yes	Vice Chairman Kenneth Medina	Yes
Secretary Ernie Chavez	Yes	Trustee Michael Adams	Yes
Trustee David Gutierrez	Yes	Trustee Abelino Montoya, Jr.	Yes
Trustee Severiano "Sev" Sisneros	Yes		

The motion did carry.

Reconvene into Regular Session

Vice Chairman Medina moved to reconvene into Regular Session. Secretary Ernie Chavez seconded the motion.

Chairman Romero advised that there was no action taken during the Executive portion of this meeting and asked for a roll call. Roll call was taken and reflected the following:

Chairman Daniel J. Romero	Yes	Vice Chairman Kenneth Medina	Yes
Secretary Ernie Chavez	Yes	Trustee Michael Adams	Yes
Trustee David Gutierrez	Yes	Trustee Abelino Montoya	Yes
Trustee Severiano "Sev" Sisneros	Yes		

The motion did carry.

Action Items

1. Discussion and Approval of Luna Community College Presidential Contract.

Chairman Romero asked that LCC Attorney Marc Grano address the modifications which were discussed during the Executive Session portion of this meeting.

Mr. Grano advised that there exists an error under Section II (TERM) of the contract, (*The Board shall employ the President commencing on August 1, 2015 through June 30, 2017, inclusive*). Mr. Grano advised that the term should read for one year as opposed to the two years. Mr. further stated that under Section IV, Subsection A (Salary), the President shall be paid a salary of \$150,000.00 for the first year. Mr. Grano then stated that under iv. (Post-Termination Process), subsection (a) should be deleted entirely. Mr. Grano then advised that the modifications should be approved at the LCC Board of Trustees March 30, 2016 Work Session.

Trustee Michael Adams moved for approval of the contract. Secretary Ernie Chavez seconded the motion, with all in favor, the motion carried.

Trustee Adams then moved for adjournment. Vice Chairman Kenneth Medina seconded the motion.

Chairman Daniel J. Romero called for a roll call. Roll call was taken and reflected the following:

Chairman Daniel J. Romero	Yes	Vice Chairman Kenneth Medina	Yes
Secretary Ernie Chavez	Yes	Trustee Michael Adams	Yes
Trustee David Gutierrez	Yes	Trustee Abelino Montoya, Jr.	Yes
Trustee Severiano "Sev" Sisneros	Yes		

The Motion carried.

Trustee Abelino Montoya Jr., commended President Sanchez for the route which he has taken in order to remedy the issue.

LCC Board Chairman Daniel J. Romero

LCC Board Secretary, Ernie Chavez

SherylAnn Yara, Recorder

ATTACHMENT 3
(LCC Response to Special Audit)

**Agenda, Minutes
and Employment Contract of March 30, 2016**



AGENDA
LUNA COMMUNITY COLLEGE
BOARD OF TRUSTEES WORK SESSION+
Wednesday, March 30, 2016 – 1:00 p.m.
Office of the President

- I. Call Meeting to Order and Establishment of a Quorum**
- II. Roll Call**
- III. Approval of Agenda**
- IV. Approval Minutes –** *(February 8, 2016 Regular Board Meeting, March 8, 2016 Regular Board Meeting and March 22, 2016 Special Board Meeting) – SherylAnn Yara, Executive Office Manager.*
- V. Luna Community College Committee Reports**
- VI. Informational Items**
- VII. Action Items**
 - 1. Discussion and Approval to enter into a one (1) year contract with the Rio Gallinas Charter School for the use of the LCC (old) Vocational Agriculture Building – *President Leroy Sanchez.*
 - 2. Approval of the “*Proper use of Letterhead*” Policy – *President Leroy Sanchez*
 - 3. Approval of changing the Luna Community College Pay Cycle Policy from semi-monthly (the 15th & 30th) to bi-weekly (pay every 2 weeks) – *President Leroy Sanchez.*
 - 4. Approval of Presidential Contract to include modifications discussed at LCC Board of Trustees March 22, 2016 Special Meeting – *LCC Board Chairman Daniel J. Romero and LCC Board of Trustees.*

VIII. Announcement on date, time and location of next LCC BOT meeting(s)

- Tuesday, April 12, 2016 @ 5:30 p.m. – Luna Community College Student Services Board Room.
- April Work Session (TBA)

IX. Adjourn

**LUNA COMMUNITY COLLEGE
BOARD OF TRUSTEES
WORK SESSION
WEDNESDAY, MARCH 30, 2016 – 1:00 P.M.
OFFICE OF THE PRESIDENT**

***** THIS MEETING FOLLOWS A WORKFORCE DEVELOPMENT MEETING WITH NEW MEXICO SECRETARY OF WORKFORCE SOLUTIONS, CELINA BUSSEY. (A list of attendees along with minutes are attached).***

Call Meeting to Order and Establishment of a Quorum

Roll Call

Present: Chairman Daniel J. Romero, Vice Chairman Kenneth Medina, Secretary Ernie Chavez, Trustee Michael Adams, Trustee David Gutierrez, Trustee Abelino Montoya, Jr. and Trustee Severiano "Sev" Sisneros.

Also Present: LCC President Leroy Sanchez and SherylAnn Yara, Executive Office Manager.

Approval of Agenda

Chairman Daniel J. Romero advised that the last page of the Agenda states that the next meeting is scheduled for Tuesday, April 12, 2016 @ 5:30 p.m., and advised that he would like to have that time changed to 4:00 p.m.

Trustee Abelino Montoya then advised that the Quality New Mexico Learning Summit Conference is scheduled for April 12th thru 13th to be held at Isleta Resort and Casino.

Chairman Romero asked for copies of the Quality New Mexico Learning Summit Agenda as he believes that we had decided that we would be sending ten of Luna's employees.

President Leroy Sanchez then advised that we must have the budget approved and over to the Department of Finance Administration before May 1, 2016. President Sanchez advised that he had mentioned to Chairman Romero as well as to Ms. Donna Flores-Medina, Vice President of Finance that he would like to have a type of mini budget meeting prior to the regular meeting in order to go over the budget in case of any questions on what we plan on doing. The approval of the 2016-2017 budget will then be placed on the agenda for the April 29, 2016 meeting with minimal discussion as discussion will take place on April 11, 2016.

Chairman Romero then recommended having the meeting on April 11, 2016 @ 4:00 p.m. All were in favor of the recommendation.

Vice Chairman Kenneth Medina moved for approval of the agenda. Secretary Ernie Chavez seconded the motion, with all in favor the motion carried.

At this time, President Sanchez spoke with the Board regarding tuition increases, as we have a Board Member who is concerned about this matter. President Sanchez advised that we might want to look at a possible \$2.00 increase. President Sanchez advised that we are possibly looking at an increase from \$23.00 to \$25.00, and further advised that he hopes that we can put something together for the meeting of April 11, 2016. President Sanchez then advised the Board that Luna Community College has not talked about tuition increases in quite a long time and eventually it is something that we will have to look at as an institution and if it is something the Board would like to be looked into now, he needs direction as we will need to incorporate it into our budget before submitting it to DFA before May 1, 2016.

President Sanchez then asked for direction in order to get staff to start working on it.

Vice Chairman Kenneth Medina advised Chairman Romero and the Board of Trustees that the Pledge of Allegiance is missing from the Agenda. At this time the Pledge of Allegiance was recited by all.

Trustee Michael Adams then asked if we could look into tuition fees, lab fees as well as parking fees and would like to see what the total is that they get charged for per semester. Trustee Adams then advised that we have distance learning fees and maybe we can compare and not raise tuition but possibly raise fees.

Trustee Montoya advised that he has always been an advocate for parking and he talked about bumper stickers for the vehicles and recommended possibly doing a \$5.00 per semester parking fee for the students' vehicles. Trustee Montoya further advised that the University of New Mexico is currently 18 million in the hole and Northern is also in the hole and are looking at tuition increases and cutting programs and looking at buying out retirements. Trustee Montoya further stated that LCC is not in the hole and this is the time to start looking into doing something relatively small.

Trustee David Gutierrez advised that he is the one who instrumented this and advised that it is going to affect us, although it is long overdue and yes it will impact our students but we must take baby steps and implement this as we do not know what the budget brings and in order for us to stay afloat, this is something that we must look into.

President Sanchez advised that he will bring the information to the Board for the mini budget meeting which is planned for April 11th.

Trustee Severiano "Sev" Sisnero then asked how this would be enforced, as UNM has police officers who patrol and place the boot on vehicles that should not be parked in certain places, and he just wonders how we would enforce this at LCC.

President Sanchez advised that right now it would not be anything that could be enforced as we have someone who is currently doing a Security Study and once that it is complete, it may be a possibility.

Approval of Minutes

Trustee David Gutierrez moved for approval of the February 8, 2016 Regular Board Meeting, March 8, 2016 Regular Board Meeting and the March 22, 2016 Special Board Meeting. Trustee Abelino Montoya seconded the motion, with all in favor, the motion carried

Luna Community College Committee Reports

Trustee Adams advised that the LCC Foundation is moving on the 3 on 3 Tournament and are currently working on the recruitment of the teams. Trustee Adams further advised that the Foundation has the 3 on 3 Tournament company who is coming in, and they are also working fundraisers in or order to make monies to pay the company. Trustee Adams further stated that they are hoping to recruit at least 200 teams and will have 40 teams playing at one time. He further stated that the event will take place in new town and the vendors such as Charlie from Charlie's Spic & Span and Charlotte from Dick's are very excited that the event will take place on that side of town.

Trustee Adams advised that at the next Board meeting, President Sanchez has asked that the foundation present to the Board, how much money we have, where the money has gone and what we plan to do with the monies. Trustee Adams further advised that as of right now, the Foundation only has approximately \$58,000.00.

Trustee Adams then advised a company out of California would like to come in and do commercials who would mention us.

President Sanchez informed the Board that Benjamin Hernandez called this morning and advised that he would like to come to Las Vegas to present to the Board. President Sanchez further stated the he is unsure what exactly he would be presenting other than he would like to help us out with some advertising, newspaper, radio, television stations, etc. President Sanchez advised that during the initial phone call, Mr. Hernandez was asking the LCC pay for his trip here and then later advised that he would come for free. President Sanchez then advised the Board that he is asking for direction regarding this issue.

Trustee Montoya advised that he met with Mr. Hernandez at the Spic and Span and that as Mr. Hernandez got out of the vehicle, there were two brown berets who stood on each side of him throughout the meeting. Trustee Montoya further advised that Mr. Hernandez also met with Senator Pete Campos, and he believes what Mr. Hernandez was wanting, was to bring a gentleman from California to be the President here at LCC. Trustee Montoya advised that he did meet the gentleman who was a Jesuit priest and a very nice

man with some really good ideas, although once they returned to California, they lost contact and stopped talking.

Trustee Adams advised that what Mr. Hernandez wants is \$75,000.00 to start off and advertise for us global and he does not feel that we need to go global. Trustee Adams advised that he has also asked for stats on production on another schools which Mr. Hernandez has been associated with.

Trustee Montoya then advised that he did like the man, although at the time of the meeting, he just felt that there was something else under the current which Mr. Hernandez was wanting but he just could not grasp. Trustee Montoya further stated that he feels that the Chairman and the President should meet with Mr. Hernandez prior to him coming before the Board and then decide if they want him to come before the Board.

Secretary Ernie Chavez asked to attend a conference for the Student Veteran's Association in Indiana for himself and Veteran Director Joseph Cruz on April 22 and 23rd.

President Sanchez advised that right now, everything is on hold until we figure out what we are going to do with our budget and we need to start planning early on. President Sanchez further advised Secretary Chavez that if the Board agrees to send him, he has no problem, although when it comes to Mr. Cruz, he will have to look over the whole budget to see what we have and don't have before he can agree to him attending. President Sanchez then advised that he and the Board would look at it and see how it will fit into the budget.

Action Items

1. Discussion and approval to enter into a one (1) year contract with the Rio Gallinas Charter School for the use of the LCC (old) Vocational Agricultural Building.

President Sanchez advised that he checked with West Las Vegas and they did give them a one year contract so he is asking what the Board would like to do.

Chairman Romero advised that when they were brought in here, we were advised that we would benefit from them being housed here, although, the students are not even allowed to have lunch at our cafeteria.

President Sanchez then advised that he believes that currently, all they pay is the electricity bill, other than that, it is all on LCC's dime.

Chairman Romero asked if there is any reason that anyone has as to why we would not extend the contract for another year.

President Sanchez then advised that he would like to utilize it as it was utilized before which may take up to a year to get the program going, but he does have plans for the institution to use that building.

Trustee Adams would like to have the offices back for many reasons such as, we still have equipment, it is spread out throughout the campus but we still do have the equipment.

Trustee Montoya brought up the liability issue and further advised that he also has heard of students not attending school that are running around the LCC campus.

Vice Chairman Medina asked what kind of a situation we would be putting them in with notice.

President Sanchez advised that if a contract is not approved today by this Board, Rio Gallinas will definitely need to start looking for other housing.

Trustee Adams moved not to approve the one year contract for the Rio Gallinas Charter School. Secretary Ernie Chavez seconded the motion.

After some discussion regarding what the wording should be regarding Trustee Adams' motion, he amended his motion to read, "Given the point that Luna Community College in the past has attempted to help the Rio Gallinas Charter School, as they were given a certain amount of time, although they knew this relationship would come to an end and Luna Community College has plans for this building, and at this point we are sorry but we cannot accommodate them in the future and wish them well in their endeavors." And leave the time in which they must vacate up to the President. Secretary Chavez seconded the amended motion, with all in favor, the motion carried.

Trustee Montoya then advised that he would like to see a unanimous vote on this issue and not have the vote staggered.

At this time, President Sanchez advised the Board that we could possibly let them know that they have a certain amount of time in which to move on as Luna has made plans for the building. President Sanchez then advised that he needs to call Mr. Gerald Garcia in and speak with him and let him know that their option is to move now in May and if for some reason they cannot find a place by May, their ultimatum will be December as we need to utilize that building for our students and be upfront and honest with them.

2. Approval of the *"Proper use of Letterhead"* Policy.

Secretary Ernie Chavez moved for approval of the "Proper use of Letterhead" Policy. Trustee Montoya seconded the motion, with all in favor, the motion carried.

3. Approval of changing the Luna Community College Pay Cycle Policy from semi-monthly (the 15th & 30th) to bi-weekly (pay every 2 weeks).

President Sanchez advised the Board that this change would fit right in with us changing to Banner and the new pay cycle would begin in July of 2016.

Trustee Adams moved for approval of changing the Luna Community College Pay Cycle Policy from semi-monthly (the 15th & 30th) to bi-weekly (pay every 2 weeks). Trustee Montoya seconded the motion, with all in favor, the motion carried.

4. Approval of Presidential Contract to include modifications discussed at LCC Board of Trustees March 22, 2016 Special Meeting.

Trustee Gutierrez moved for approval of the Presidential Contract to include modifications discussed at LCC Board of Trustees March 22, 2016 Special Meeting. Secretary Chavez seconded the motion, with all in favor, the motion carried.

Announcement on date, time and location of next LCC BOT meeting(s)

Next meeting scheduled for Monday, April 11, 2016 @ 10:00 a.m. (Mini budget discussion), lunch, then convene into regular work session at 1:00 p.m.

President Sanchez advised that we are working on reorganizing and changing some things here at LCC. He advised that we are looking at bringing some programs together and he feels that he needs to give these to the Board very soon.

Adjourn

Vice Chairman Medina moved to adjourn, Trustee Adams seconded the motion with all in favor, the motion carried.

LCC Board Chairman Daniel J. Romero

LCC Board Secretary Ernie Chavez

SherylAnn Yara, Recorder

**LUNA COMMUNITY COLLEGE
EMPLOYMENT CONTRACT
COLLEGE PRESIDENT (2015-2016)**

I. PREAMBLE

This Employment Contract is between the Board of Trustees for Luna Community College (Hereafter "Board" and "College") and Leroy F. Sanchez ("President"). The parties agree as follows:

II. TERM

The Board shall employ the President commencing on August 1, 2015 through June 30, 2016, inclusive.

III. POWERS, DUTIES, AND RESPONSIBILITIES

A. Governance

The Board shall operate at the policy and governance level and shall delegate to the President the authority for the internal management of the College. The President will provide the Board with appropriate information and documentation, in a timely manner, in order that the Board may promulgate appropriate policies, and if necessary, rescind and/or amend current policies.

B. Duties of the President

The President, as Chief Executive Officer, is responsible for executing the Board's policies and directives and for implementing identified goals through the day-to-day management of the College. The President agrees to be responsive to changing goals and directives of the Board. The President agrees to devote his knowledge, experience, working time and attention on a full-time basis to the duties and responsibilities assigned to him by the Board. These duties shall include, but are not limited to, the administration and implementation of Board policies, procedures, and directives in connection with the continuing establishment, operations, maintenance, and improvement of Luna Community College as an institution of higher learning. The President shall also perform all the duties imposed upon him as President as required by the laws, rules, and regulations of the State of New Mexico and United States of America, and all other responsibilities and duties that may be assigned to the President by the Board.

C. Other Duties

The President will: (1) provide and be accountable for leadership of academic excellence, (2) competently administer the instructional, student services, and business affairs of the College, (3) periodically direct the review of Board policies, (4) promote and endeavor to maintain a positive College image in the state and local community, (5) establish and maintain sound working relationships with other governmental agencies, (6) endeavor to maintain and improve professional competence among the faculty, staff and, individually, as the President, (7) serve as the Board's designated representative with respect to all matters concerning employer-employee matters, (8) evaluate administrative employees reporting directly to the President on at least an annual basis and participate in the evaluation of the remaining employees in accordance with Board policies and procedures, (9) manage and control College property and enter into contracts on behalf of the College as authorized by the Board, (10) facilitate the

preparation of lawful notices and agendas for the Board and participate in all meetings of the Board of Trustees, (11) prepare an annual budget for the Board for its review and consideration each fiscal year, and (12) cooperatively participate in planning long term goals for the College and serve as the Board's administrative arm in carrying out those goals.

D. Accountability

The President is accountable to the Board, acting as a body, on all matters regarding the duties and responsibilities as chief executive officer to the College. Only decisions of the Board acting as a body made at duly called open meetings are binding upon the President except in instances when the Board, acting as a body at a duly called open meeting, delegates appropriate supervisory functions to the Board Chairman or to a committee of the Board.

IV. BENEFITS

A. Salary

The President's base salary shall be \$150,000 for the term referenced in Paragraph II of this Contract. The salary shall be paid in equal installments on the same schedule as full time administrators. If salary increases are provided for in the annual budget and authorized by the Board of Trustees, the President shall receive the same increase as all faculty and staff on July 1 of each year.

B. Other

i. Automobile. The President shall receive an automobile allowance of \$400.00 per month for College business. For local travel during working hours, the President may also use a College Vehicle.

ii. Cell Phone/Computer Service. The President will be provided with a College-issued cellular telephone with basic nationwide service and text message capability to be paid at 100% by the College. The phone shall be for purposes of conducting College business, but the Board will permit incidental personal use of the phone. The College will also provide for computer and Internet access services at the President's office and home for use on College business to be paid at 100% by the College. Such use is subject to the College's computer and internet use policies.

iii. Benefits and Insurance. When eligible, the President shall be entitled to the same Insurance coverage and retirement benefits that are provided to other College employees.

iv. Residence Allowance. The Board will provide \$500.00 per month to the President as a housing allowance within the City of Las Vegas and surrounding area during the term of this Contract.

v. Expenses for Professional Meetings and Training. The President may attend professional meetings and trainings at local, state, national and international levels, and budgeted expenses incurred shall be reimbursed by the College. The President shall obtain prior approval from the Board for national and international meetings. The President shall provide the Board with a semi-annual report of non-local travels to professional meetings and training, including a cost summary and supporting invoices.

vi. Other Professional Activities. The President is expected to devote his entire time, attention, and energy to the business of the College, including but not limited to the promotion of the College with businesses, community entities and legislators for academic and business reasons within the communities that it serves. The President shall be provided with a \$15,000 per fiscal year expense account to facilitate the President's actions to promote the College and develop legislative contacts, business partnerships and academic partnerships to further the College and its services. The expense account shall be maintained by the College's finance department and operate in accordance with State and Federal law, and the President shall provide the Board with a semi-annual report of his promotional activities, including a cost summary and supporting invoices. In addition, the President shall not, during the term of this Employment Contract, engage in any other personal business or professional activity, whether or not for profit or compensation, without the prior approval of the Board (except for reasonable service on boards or committees of other public or educational entities and occasional speaking engagements as an invited speaker).

vii. General Employee Benefits. The President shall be entitled to all of the health care and other regular benefits extended to other employees of the College, as amended from time to time, provided that the Board may modify, exclude or extend additional benefits pursuant to this Contract.

viii. Memberships/Reimbursements. The College shall pay on the President's behalf or reimburse him for any membership dues, fees, or assessments of professional and private organizations incurred for business use in the ordinary exercise of the President's duties. Board approval must be obtained for costs associated with memberships in private clubs or associations.

ix. Keyperson Insurance. The Board, at its discretion at any time during the contract, may purchase and maintain a keyperson insurance policy on the President in the face amount of \$150,000 naming the College as the sole beneficiary and with such coverages as the Board, in its discretion, determines advisable to compensate the College for the losses incurred should the President die, become disabled or is otherwise unable to perform his required duties. Any proceeds will be used to pay for operations of the College in the President's absence as well as for the search and the contract costs associated with hiring a new president.

C. Paid Leave

The President shall earn sick leave and annual leave at the rate of one and 1/2, day per pay period associated with the distribution of his salary. The President shall request permission to take paid leave from the Board Chairman or must provide notice to the Board Chairman of the time and dates he will be absent from work on paid leave. The President shall also be able to take any and all unpaid leave as provided under Federal or State law to which he is qualified to take under the provisions of law for providing such leave. Said leave shall have no cap.

V. LIABILITY

The President shall be provided with a defense and shall cooperate fully with any defense of the College for any and all claims and liabilities to which he has or shall become

subject by reason of serving or having served as such officer of the College, or by reason of any action alleged to have been taken, omitted, or neglected by him as such officer, or employee of the College to the extent such claims are covered by the New Mexico Public Schools Insurance Authority or any other insurer.

VI. PERFORMANCE REVIEW

In order to insure on-going communication between the President and the Board concerning the President's objectives, duties and job responsibilities, as well as to achieve a mutual understanding between the parties concerning the accomplishments of such objectives, duties and responsibilities, the Board shall conduct quarterly written review of the President's job performance, which shall include meetings between the President and the Board for the sole purpose of reviewing such objectives, duties and responsibilities. Such quarterly reviews may include prioritizing job objectives and establishing timetables and resources for completion of such objectives, duties and/or responsibilities.

The Board shall, with input from the President, establish a schedule and evaluation instrument for the review of the President and shall allow the President sufficient time to prepare an outline of accomplishments and progress made toward attaining the performance objectives, targets and goals and satisfying the duties and responsibilities of the position.

VII. TERMINATION OF CONTRACT

This agreement may be terminated in advance of the expiration date under the following events and conditions:

A. Upon death of the President.

B. Upon resignation of the President.

C. By mutual consent of the parties: Either party may terminate this Contract voluntarily and without cause provided the party seeking termination shall give not less than 90 calendar days written notice of termination to the other party and in accordance with the following:

i. Upon notice by the Board to terminate this Contract, as of the effective date of termination, the College shall pay to the President the base salary then in effect for each month remaining in the term of the Contract or one (1) year of base salary, whichever is less. The College shall also pay health benefits, including other insurance benefits, for the same duration as the base salary. The parties agree that this provision is in recognition of the fact that Board desired the President to commit to a one-year term in order to provide stability in the administration and advancement of the College's educational program. In the event of termination by the Board, without cause pursuant to this Paragraph, such payment is, and shall be construed as a bargained for settlement and full satisfaction of any and all claims, known and unknown, which the President may have against the Board arising from or relating to the President's release from his employment.

D. Disability: The parties agree that the office of the President is a unique position. In the event the President becomes ill or disabled, and is unable to perform the essential functions, duties and responsibilities of the position, as outlined in this Contract, with or without

a reasonable accommodation, for a period of 30 calendar days, the Board may require a fitness for duty examination, and the President shall not unreasonably withhold consent. The examination, to be performed by a licensed healthcare provider of appropriate discipline selected by the College, will be for the purpose of determining if the President's inability to perform the essential functions of the position, with or without reasonable accommodation, will likely continue for a period of at least three months from the date of the healthcare provider's determination. The healthcare provider's determination will be provided to both parties, and the Board agrees the report shall be held in strictest confidence.

Upon a healthcare provider's determination that the inability to perform the essential functions of the position, with or without reasonable accommodation, will likely continue for a period of at least three months, the President will immediately vacate the President's position and will be assigned as "Administrator on Special Assignment." The President will be entitled to use paid sick and annual leave and unpaid FMLA leave as permitted by law and/or disability retirement as though continuing in the position of President but shall not exercise the authority or functions of the President and the Board may appoint another person as acting President during such period of illness or disability. The President's employment will terminate when all paid or unpaid leaves have been exhausted. Upon vacating the position of President, the College may post and fill the position of President.

E. For Cause.

i. Termination for Just Cause Procedures: The following procedures shall be used in the event that a majority of the members of the Board determine that there may be reason to terminate the President for just cause pursuant to this Paragraph of the Contract. The term "just cause" shall mean a breach or violation by the President of any of the terms or provisions of this Employment Contract, and shall also encompass its normally understood meaning in employment contracts, including as examples and not by way of limitation, dishonesty, willful misconduct, the refusal, unwillingness to perform the duties and responsibilities of the office of the President in good faith, uncorrected poor performance, insubordination, prolonged absence from duty without the consent of the Trustees, any conduct that involves moral turpitude or that would tend to bring serious public disrepute upon the College or any violation of New Mexico or federal law or violation of Board policy, actions taken in the President's official or private capacity that, in the Board's reasonable discretion, are deemed damaging to the public perception or stature of the College may serve as a basis for finding just cause provided that the Board's actions relating to private conduct shall not be based upon unlawful discrimination or retaliation.

ii. Confidentiality: The Board and the President agree that serious harm could be caused to the College by public hearings related to the termination of the President for just cause. As a result, the parties agree that any meetings or hearings regarding the President's termination for just cause shall be held in closed sessions of the Board as provided under the New Mexico Open Meetings Act, and agree to maintain the confidentiality of these proceedings to the maximum extent possible under State law. The President expressly waives any statutory right he may have to an open hearing regarding his termination for just cause.

iii. Pre-Termination Process.

a. If a majority of the Board believes that there may be reason to terminate the President for just cause, the Chairman of the Board shall provide written notice to the President of the basis for such termination. At his/her option, the Chairman of the Board may place the President on paid administrative leave immediately upon delivery of the written notice.

b. A closed meeting of the Board shall be held no less than seven (7) days and no more than fourteen (14) days from delivery of the written notice for the purpose of providing an opportunity for the President to respond to the basis for termination and for the Board to deliberate regarding the termination. The President may be accompanied at this meeting by a representative of the President's choice to provide advice to the President. However, such representative may not participate in the meeting.

c. At the President's option, the President may respond to the basis for termination in writing, such document to be delivered to the Chairman of the Board no later than seven (7) days from delivery of the Board's written notice.

d. If, after the Board considers the President's response to the basis for termination, the Board determines that there is no basis to terminate the President for cause, no further action need to be taken by the Board. If the Board determines that there is a basis to terminate the President for cause, such vote of the Board must be taken at an open, public meeting of the Board.

iv. Post-Termination Process.

a. The President may appeal his termination for cause by providing written notice of appeal to the Chairman of the Board no later than ten (10) days after the vote of the Board terminating the President's employment.

b. No more than sixty (60) days after receipt of the President's appeal, the Board shall hold a post-termination hearing in closed session. This deadline may be extended by agreement of the parties or by the Chairman of the Board if he/she determines that extenuating circumstances exist to require such an extension.

c. The Chairman of the Board shall preside over the hearing. The Board shall retain independent counsel to present to the Board the reasons for termination and present evidence to support those reasons. The independent counsel may present and cross-examine witnesses, and may submit documents for the consideration of the Board. The Board shall be represented by its regular counsel. The Board's counsel on behalf of the Chairman of the Board shall establish procedural rules for the hearing as necessary. The Rules of Evidence shall not apply; however, the Chairman of the Board shall have the right to exclude any evidence that he/she determines is irrelevant or unnecessarily duplicative.

d. At the conclusion of the hearing, the Board shall consider whether sufficient basis existed to terminate the President for cause. The Board's deliberations shall be conducted in executive session; however, any vote shall be taken at an open public meeting of the Board. If the Board determines that the

termination for cause was justified, this decision shall be final and subject to no further administrative review or appeal. If the Board determines that termination of the President for cause was not justified, the President may be re-instated at the Board's option or the Board may exercise its rights under voluntary termination provisions in Paragraph VII C.

VIII. INTEGRATION.

This Agreement contains the entire agreement and understanding of the parties. There are no oral understandings, terms or conditions, and neither party has relied upon any representations, express or implied, not contained in this Agreement.

IX. MODIFICATION/WAIVER OF BREACH

A. Modification of this Contract: No waiver or modification of this Employment Contract or any covenant, condition or limitation herein shall be valid unless in writing and duly executed by the party to be charged therewith, except that this Contract may be amended and/or supplemented from time to time upon agreement, provided such modification, supplement or amendment must be in writing and signed by both parties. The parties further agree that provisions of this section may not be waived.

B. Waiver of Breach: No waiver by either party of any rights under this Employment Contract will be valid unless set forth in writing signed by that party. The failure of either party to insist upon strict performance of the Employment Contract shall not be construed as a waiver.

X. SUFFICIENCY OF APPROPRIATIONS.

Nothing in this Contract shall be construed as obligating the Board in the expenditure of funds or for some future payment of funds in excess of appropriations authorized by law and actually transferred to the Board. The Board's obligations pursuant to this Contract are therefore contingent upon appropriation of funds by the New Mexico Legislature, or the governing body of each party. The Board's decision concerning appropriations, including decisions concerning the sufficiency of appropriations, shall be final.

XI. RETORACTIVITY.

All provisions of this contract are retroactive to the commencement date referenced in paragraph II. More specifically, August 1, 2015.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hand and seals on the dates opposite their respective signatures.




Daniel J. Romero
Luna Community College Board of Trustee Chairman


Date: 3-30-16


Kenneth Medina
Luna Community College Board of Trustee

Date: 3-30-16


Ernie Chavez
Luna Community College Board of Trustee


Date: 3/30/16


Michael Adams
Luna Community College Board of Trustee


Date: 3/30/16


David Gutierrez
Luna Community College Board of Trustee

Date: 3-30-2016


Abelino Montoya Jr.,
Luna Community College Board of Trustee

Date: 03-30-2016


Severiano Sisneros
Luna Community College Board of Trustee

Date: 3-30-2016


Leroy Sanchez, President

Date: 3/30/16

ATTACHMENT 4
(LCC Response to Special Audit)

Agenda and Minutes of July 21, 2015



AGENDA
LUNA COMMUNITY COLLEGE
BOARD OF TRUSTEES REGULAR MEETING
Tuesday, July 21, 2015
LCC Student Services Board Room
5:30 p.m.

- I. Call Meeting to Order and Establishment of Quorum**
 - **Roll Call**
- II. Pledge of Allegiance**
- III. Approval of Agenda**
- IV. Approval of Minutes** – *June 29, 2015 and July 10, & 11, 2015 BOT Meeting Minutes – SherylAnn Yara, Executive Office Manager.*
- V. Informational Reports by Board of Trustees and President**
- VI. Informational Items:**
 1. Informational Presentation on Capital Outlay, Capital Appropriations – *Ron Gonzales, Facilities Director.*
 2. Informational Presentation on the ABE/GED, Adult Basic Education General Educational Development Program – *Ron Ortega, ABE/GED Director.*
- VII. Action Items:**
 1. Discussion and Action on retaining Interim President as College President and terminating Presidential Search – *Chairman Daniel J. Romero.*
 2. Approval by LCC Board of Trustees to move forward with amending the Nepotism Policy allowing the Board of Trustees to have final approval on hires - *Chairman Daniel J. Romero.*

VIII. Executive Session

- THE LUNA COMMUNITY COLLEGE BOARD OF TRUSTEES MAY CONVENE INTO EXECUTIVE SESSION IF SUBJECT MATTER OF ISSUES ARE EXEMPT FROM THE OPEN MEETINGS ACT.
 - A. Limited Personnel Matters – to receive personnel reports from Interim President Re: Hiring List for open positions as permitted under Section 10-15-1(H)(2) of the New Mexico Open Meetings Act.

Back in Regular Session

1. Hiring of personnel

IX. Announcement on date and location of LCC BOT next meeting(s)

- Regular Board Meeting - Tuesday, August 11, 2015 @ 5:30 p.m. – Luna Community College Student Services Board Room.

X. Adjourn

**MINUTES OF THE LUNA COMMUNITY COLLEGE BOARD OF TRUSTEES
SPECIAL BOARD MEETING
TUESDAY, JULY 21, 2015
5:30 P.M.**

CALL MEETING TO ORDER AND ESTABLISHMENT OF A QUORUM

Present: Chairman Daniel J. Romero, Vice Chairman Kenneth Medina, Secretary Ernie Chavez, Trustee Michael Adams, Trustee David Gutierrez, Trustee Abelino Montoya, Jr. and Trustee Severiano "Sev" Sisneros.

Also Present: President Leroy F. "Huero" Sanchez, SherylAnn Yara, Executive Office Manager, Joyce Garcia, Informational Specialist, Julianna Ortega, Director of Purchasing, Amanda Lucero, School of Business, Ron Gonzales, Physical Plant Director, Miguel Sisneros, Ron Ortega, ABE/GED Program Director, Antonio Siqueiros, Athletic Director, John Montoya, Wilson & Company, Gary Martinez, Trades Director, Vidal Martinez, Vice President of Instruction, Carolyn Chavez, Human Resources Director, Moses Marquez, Admissions Director, Lorraine Martinez, Title V Director, Elaine Luna, AHEC Director, Daniel Atencio, Interim IT Director, Cindy Armijo, Faculty Senate/Phi Theta Kappa/Humanities, Dr. Twila Quintana, Faculty Senate/Phi Theta Kappa/Humanities and Matthew Cordova, Physical Plant.

The Pledge of Allegiance was led by Vice Chairman Kenneth Medina.

APPROVAL OF AGENDA

At this time, Trustee David Gutierrez advised Chairman Daniel J. Romero that he had previously asked for some kind of consideration in notifying the Board as to the items which will be placed on the Agenda.

Chairman Romero advised Trustee Gutierrez that he had previously advised him that he would work on the issue, although he does not believe or see that anything has changed since him taking over the Chairmanship.

Vice Chairman Kenneth Medina moved for approval of the Agenda. Secretary Ernie Chavez seconded the motion, with all in favor with the exception of Trustee David Gutierrez who voted nay, the motion carried.

APPROVAL OF MINUTES – June 29, 2015 and July 10 & 11, 2015 BOT Meetings

Secretary Chavez moved for approval of the June 29, 2015 and July 10 & 11, 2015 BOT Meeting Minutes. Trustee Abelino Montoya, Jr. seconded the motion, with all in favor, the motion carried.

INFORMATIONAL REPORTS BY BOARD OF TRUSTEES AND PRESIDENT

President Sanchez introduced Dr. Vidal Martinez, Vice President of Instruction as he would be speaking to the Board on some issues.

Dr. Vidal Martinez addressed the Board and advised that he would be speaking to them regarding information from the Higher Learning Commission, he further stated he would like to give some basic information and then open it up for questions. Dr. Martinez then referred the Board to page 34 of a handout where there were two specific reports which will be required by LCC to NMHED, one being due in September of 2017 which references Shared governance and other Assessment and Retention Reports. Dr. Martinez further advised that he has been working with President Sanchez and they began with the LAT Team which has been meeting every Monday. He advised that they have a plan of action which they will be taking. Dr. Martinez then spoke of a draft report which would be prepared by himself and President Sanchez. Dr. Martinez advised that they would be reporting to the Board as to where they are at throughout the process.

Chairman Daniel J. Romero then asked why this information was not brought before the Board prior to this as they have asked for it on several occasions.

Dr. Martinez advised that the report was submitted directly to past President, Dr. Pete Campos who indicated to Dr. Martinez that he would be taking care of this, so he just left it at that.

Chairman Romero advised that on page 16 where they have the mapping, it states that there will be another visit in 4 years. Chairman Romero further advised that the past President had advised him that the YouthBuild program would be funded again.

President Sanchez advised Chairman Romero and the Board that he is currently on it and whatever needs to be done will get done.

President Sanchez then reminded the Board that back in December the Board held a retreat although nothing came from the Retreat and suggested that possibly the Board would like to host a Retreat to continue with the vision, goals and objectives of LCC.

Dr. Martinez then spoke on the Youthbuild letter in which we received notice of the grant application being denied due to it being submitted late. Dr. Martinez further advised the Board that he and President Sanchez have met with Roderick Lujan in order to put together a plan as to how we will try to remedy the issue.

Vice Chairman Medina then thanked President Sanchez and Dr. Martinez for trying to contact our hire ups in order to try and salvage the situation and further directed them to keep Mr. Lujan of the YouthBuild Program working on it.

President Sanchez advised that currently the YouthBuild Program has funds to run through December 31st, and if we are not able to get it and extension, we cannot re apply for it for the grant for another year.

Trustee Michael Adams asked who would be overseeing Mr. Lujan while he is working on this issue.

President Sanchez advised that Mr. Lujan would be reporting to the President, whoever the President will be.

President Sanchez then addressed the Board regarding the cell phone of Larry Paiz, Instructional Designer who services LCC's blackboard. President Sanchez advised that currently, Mr. Paiz does not have a school phone in order to serve our students, he advised that this problem needs to be addressed. President Sanchez further stated that Mr. Paiz does not want to receive the 50.00 stipend, and would like a school phone.

Ms. Lorraine Martinez advised that Mr. Paiz has been the Instructional Designer for the past 7 1/2 years and has given student technical support 24/7. Ms. Martinez further stated that Mr. Paiz had a cell phone where students and faculty could call in order to get help logging in. Ms. Martinez then stated that Mr. Paiz does not want the \$50.00 stipend on his personal phone as during the spring semester, he had way too many calls.

After a brief discussion, Trustee David Gutierrez advised that direction should be given to the President to grant Mr. Paiz a telephone until we can work on the policy. Trustee Gutierrez further stated that the satellite offices deal with this problem constantly, although Springer has an individual who is very well educated in this area.

INFORMATIONAL ITEMS

1. Information - Presentation on Capital Outlay, Capital Appropriations – *Ron Gonzales, Physical Plant Director.*

(Presentation by Mr. Ron Gonzales was inaudible, although Mr. John Montoya, of Wilson & Company reiterated Mr. Gonzales' comments and replies.)

Mr. John Montoya of Wilson & Co. advised that were are currently at 60% completion of the project at the Trades Department. Mr. Montoya further advised that everything is going very well and that the Automotive Building should be done on August 5th and is slated to run 1.2 million. Mr. Montoya then advised that the other project being the Welding Shop improvement should go out RFP in December of 2015.

President Leroy Sanchez asked about the paint booth and asked both Mr. Gonzales and Mr. Montoya if it will be included with the project.

Secretary Ernie Chavez asked if that had not already been approved for purchase with grant monies.

Mr. Ron Gonzales advised that it is going to be purchased through the Title V Program and further stated that Ms. Lorraine Martinez, Title VI Director has asked for approval although she has not heard anything yet.

Ms. Martinez advised that the paint booth which arrived is the one which had been ordered although later there were some issues which were detected.

Vice Chairman Medina then thanked Ms. Martinez for her help with this issue.

Mr. Gonzales then advised that every roof on campus has been worked on but not at 100%, and advised that it is estimated at 3 million in order to fix 100%.

2. Information Presentation on the ABE/GED, Adult Basic Education General Education Development Program.

Mr. Ron Ortega, ABE/GED Director, addressed the Board and handed out a one page handout with information which gives them an idea as to where he is coming from. Mr. Ortega advised that this program is one of 26 programs in the state of New Mexico. Mr. Ortega further stated that he is here tonight to answer any questions which the board may have regarding the ABE/GED program.

Trustee Abelino Montoya, Jr. advised that on at least three occasions, he has learned of instances where someone would like to take their GED, although they are being told that they will need to come back at another time when there are more students. Trustee Montoya then asked how this works for Luna Community College.

Mr. Ortega advised that we can have open enrollment and managed enrollment which run in sessions every 5 ½ weeks. Mr. Ortega further advised that we start the program every 5 ½ weeks.

Next, Mr. Ortega advised that the program had a total of 82 students and when he arrived here last year there was a total of 59 students, so the numbers are improving. Mr. Ortega then advised that students 5 have tested and the 5 passed.

ACTION ITEMS

1. Discussion and Action on retaining Interim President as College President and terminating Presidential Search.

Trustee Gutierrez then advised that at this point he respects all that President Sanchez has done, although we have spent a lot of money on this presidential search and with all due respect he advised that we need to serve due diligence and interview these people, and further stated that it would be hypocritical not to interview the people who applied.

Trustee Adams advised that he came on this Board for one reason. He further stated that for eight (8) years LCC had a president who was not following the procedures. Trustee Adams then advised that he knows exactly what President Sanchez can do, as we have already seen these changes as we have had so many students enrolling in this heavy equipment program and if it was not for President Sanchez this would not be happening and the Board is now receiving information and reports which they should have received a long time ago.

Secretary Chavez agrees with Trustee Adams comments and moved for approval of retaining the Interim President as the College President.

Trustee Montoya advised that the Board should have some integrity, value and a mission. Trustee Montoya further advised that he worked personally with Mr. Sanchez and he made a mistake, you don't hire someone with a DWI to drive the bus.

Chairman Romero then advised that we can pick and choose and hear what we want to hear.

Trustee Montoya advised that he was just speaking the facts as he has worked with Mr. Sanchez.

Trustee Severiano "Sev" Sisneros intervened and reminded that there was a motion on the floor and advised that we need a second or else the motion would die.

Trustee Montoya then advised that there are a lot of other issues and he feels that the community has to know and reiterated his previous comment that the Board must have some integrity. Trustee Montoya further stated that it is hard to stick your neck out and say what you need say when informing the community members who care about Luna Community College.

Vice Chairman Medina then advised that he kind of agrees with Trustee Gutierrez because preparing a resume and getting your paperwork together is a lot of work, although he has seen a humongous change at Luna Community College within the faculty and staff and advised that he totally supports Interim President Sanchez.

Trustee Adams advised that he has spoken with his constituents and that they are all very positive about this issue.

Trustee Gutierrez reiterated that these applicants deserve the respect and reminded that at the retreat we all came to the agreement that they would set dates, and by leaving the situation as it is, will not show respect the next time we need to come forward with a President.

Secretary Chavez amended his motion to read "to retain Interim President Leroy Sanchez as Luna Community College's President and terminate the presidential search. Trustee

Adams seconded the motion, with all in favor with the exception of Trustee Gutierrez who abstained from the vote and Trustee Montoya who voted nay, the motion carried.

Interim President Sanchez advised that if he does accept, he would like some direction and some commitment from the Board as he does not want bad feelings from the Board, it must be a group as a team and we must move forward.

Trustee Montoya advised that once the contract is put together it will come before the board for approval

Chairman Romero then asked Trustee Gutierrez that being that he is now retired, would he like to sit in on putting the contract together.

2. Discussion and Action amending the Board's Nepotism Policy.
(Nepotism Policy 5.11)

President Sanchez advised the Board that they have not reviewed their policies for a while as they are still the same policies which were in place when he previously served as President.

Trustee Adams moved to approve amending the Board's Nepotism Policy. Secretary Chavez seconded the motion.

Trustee Gutierrez advised that he would recommend that the motion be rescinded and/or tabled in order to review the policy as this policy has already been amended twice.

With a first and second motion on the floor, with all in favor with the exception of Trustee Gutierrez and Trustee Montoya who both abstained from the vote, the motion carried.

EXECUTIVE SESSION

Vice Chairman Medina moved that the Board convene into Executive Session. Trustee Adams seconded the motion.

Chairman Romero called for a roll call vote. Roll call was taken and reflected the following:

Chairman Daniel J. Romero	Yes	Vice Chairman Kenneth Medina	Yes
Secretary Ernie Chavez	Yes	Trustee Michael Adams	Yes
Trustee David Gutierrez	Yes	Trustee Abelino Montoya, Jr.	Yes
Trustee Severiano "Sev" Sisneros	Yes		

The motion to convene into Executive Session carried.

RECONVENE INTO REGULAR SESSION

Trustee Adams moved to reconvene into Regular Session. Trustee Montoya seconded the motion.

Chairman Romero called for a roll call vote. Roll call was taken and reflected the following:

Chairman Daniel J. Romero	Yes	Vice Chairman Kenneth Medina	Yes
Secretary Ernie Chavez	Yes	Trustee Michael Adams	Yes
Trustee David Gutierrez	Yes	Trustee Abelino Montoya, Jr.	Yes
Trustee Severiano "Sev" Sisneros	Yes		

With all in favor, the motion to reconvene into Regular Session carried.

Chairman Romero announced that there was no action taken during the Executive Session portion of this LCC Board of Trustees Meeting.

1. Approval of hiring list

Trustee Adams moved for approval of the hiring list. Secretary Chavez seconded the motion, with all in favor, the motion carried.

ADJOURNMENT

Trustee Adams moved for adjournment. Trustee Gutierrez seconded the motion, with all in favor, the motion carried.

Daniel J. Romero, LCC Boar Chairman

Ernie Chavez, LCC Board Secretary

SherylAnn Yara, Recorder

ATTACHMENT 5
(LCC Response to Special Audit)

Optic Article of July 27, 2015

"I came on this board for one reason, and that is because we had a president that for eight years let the school down in my opinion," Adams said, referring to Campos.

"The more we see of what President Sanchez can do, I believe in him. I worked with the man. I know what he can do. I know what he's done in the past. I know that our enrollment was at 2,800 students when I worked here, and I know what president did it, and it was Huero Sanchez... I know this man can lead this college."

Adams said that if the board brings in someone else as president, there would be a big learning curve.

"Do we really want to sit here for two years and train somebody to do what already this gentleman knows," Adams said.

"This man is good for this college. I believe in this man. I believe in what he's done for this school."

Romero echoed Adams' comments about enrollment, saying that Luna is down to 1,200 students. He said that during Sanchez last stint as president, department directors and others were out recruiting students. He said Sanchez held employees accountable.

Medina said he, too, has seen a positive change at Luna since Sanchez took over as interim president.

"People are being held accountable," he said. "People are getting to work on time... I've got to say I've got faith in Huero."

Also at Tuesday's board meeting, the board voted to once again change its nepotism policy. In recent years, the policy was amended to allow the college to hire family members of board members. The board voted on Tuesday to eliminate the prohibition against close relatives of the president being hired to work at Luna.

ATTACHMENT 6
(LCC Response to Special Audit)

Minutes of July 20, 2016; Nepotism Policy

**LUNA COMMUNITY COLLEGE
BOARD OF TRUSTEES SPECIAL MEETING/WORK SHOP
JULY 20, 2016 – 5:30 P.M.
LCC STUDENT SERVICES BOARD ROOM**

Call Meeting to Order and Establishment of a quorum

Roll call

Present: Chairman Daniel J. Romero, Vice Chairman Kenneth Medina, Secretary Ernie Chavez, Trustee Michael Adams, Trustee David Gutierrez, Trustee Abelino Montoya, Jr. and Trustee Severiano "Sev" Sisneros.

Also Present: President Leroy Sanchez, SherylAnn Yara, Executive Office Manager, Information Specialist, Joyce Garcia, Debbie Trujillo, Administration, Moses Marquez, Admissions Director, Leticia Archuleta, Human Resources Director, Joey Herrera, BEN HER Media Group, Elaine Luna, AHEC Director, Crystal Gallegos, Rio Gallinas Charter School Board Member.

Absent:

Pledge of Allegiance

Approval of Agenda

Vice Chairman Kenneth Medina moved for approval of the Agenda. Secretary Ernie Chavez seconded the motion, with all in favor, the motion carried.

Luna Community College Board/Committee Reports

President Sanchez shared with the Board an email which was sent out by our new Life Safety Officer regarding a rattle snake being found on campus and Mr. Griego warning everyone and explaining what precautions to take in case you run into one.

Action Items

1. Approval/Disapproval of BEN HER Media Group proposal.

President Leroy Sanchez advised that a couple of weeks ago, Mr. Joey Herrera of the BEN HER Media Group addressed the Board regarding a Memorandum of Understanding with the Media Group. President Sanchez further advised the Board that there were some modifications made to the MOU to include \$25,000.00 as opposed to \$82,000.00 as well as a \$3,000.00 cap on the travel expenses. President Sanchez then advised that with these changes, he is recommending approval of the proposal.

Chairman Daniel J. Romero then asked LCC Legal Counsel to address the Board regarding the modifications made to the MOU.

LCC Legal Counsel, Marc Grano addressed the Board and advised that he has reviewed the agreement and made a few modifications which included specifically an extension on paragraph 9 which initially read 7 days regarding payments and it was modified to read 30 days. Mr. Grano then advised that the paragraphs having to do with reimbursement of expenses, we are very clear and if you can see the subsequent paragraphs following that title are very clear that it is limited to a maximum of \$3,000.00. Mr. Grano further stated that in addition to these modifications, he did input a paragraph which essentially protects LCC and that is paragraph 11 which qualifies our duty under the contract which says this is contingent upon us receiving sufficient appropriations from the State Legislature in order to adequately fund the project and if not, we would be able to therefore break the contract.

Trustee David Gutierrez asked about services provided on page 1 and asked what type of time frame are we looking at.

Mr. Grano advised that he believes it would be during the school year although there are certain time lines which are to be met.

Mr. Joey Herrera of BEN HER Media Group addressed the Board and advised that there are going to be some time lines which need to be looked at and some of those have already passed although that does not mean that we are going to wait until next year.

Next, Trustee Abelino Montoya, Jr. advised that he was looking at the MOU and the agreement read that it would be for six months and asked if this is correct.

***Mr. Herrera was now seated in the audience and his comments were inaudible).*

Mr. Grano asked Mr. Herrera if paragraph 13 should read "exclusively with LCC."

***Inaudible*

President Sanchez advised that he is recommending approval of the BEN HER Media Group MOU with the changes.

Vice Chairman Medina moved for approval of the BEN HER Media Group MOU. Secretary Ernie Chavez seconded the motion, with all in favor, the motion carried.

2. Discussion, Clarification and Action of prior amendments and reaffirmation of previous modifications to Nepotism Policy.

Mr. Grano advised that he has researched the issue and back on July 21, 2015 there was a notice for a public hearing by this entity and proper notice was sent. Mr. Grano advised that the notice essentially read that there was approval by LCC Board of Trustees

regarding an amendment to the nepotism policy. Mr. Grano advised that what we are trying to do is recreate the record and take the appropriate steps to clarify the record #1 and to be very clear as to what was approved. Mr. Grano advised that he has reviewed the minutes and it appears that there were some issues with the minutes as far as it being clear as to what was being done at that meeting. Mr. Grano then stated that there was an article in the local newspaper which read, the last paragraph states that at Tuesday's meeting, the Board voted to once again change its nepotism policy. In recent years, the policy was amended to allow the college to hire family members of Board Members. The Board voted on Tuesday to eliminate prohibition against close relatives of the President being hired to work at Luna. Mr. Grano stated that it is not clear in the minutes but in reaching out to other sources, it is clear that the Board considered it, that the Board approved a modification allowing for family members (as defined in that policy) to be hired. Mr. Grano further stated that it also appears that it would preclude the President to be able to make that hiring decision. Mr. Grano then advised that what he has done in order to clarify the record, he has drafted a modified nepotism policy which adds paragraph 5.11.4 and the initial nepotism policy was the same with the exception of paragraph 5.11.4 which he added and reads "this nepotism rule does not apply to the President, however, the Board of Trustees shall have sole hiring authority for any potential hire who is a family member of the President. Mr. Grano advised that he is doing his best to make sure that the record is clear, that this was in fact adopted and voted on back on July 21, 1015.

Secretary Chavez moved for approval of Discussion, Clarification and Action of prior amendments and reaffirmation of previous modification to Nepotism Policy. Trustee Michal Adams seconded the motion, with all in favor with the exception of Trustee Abelino Montoya, Jr. who abstained from the vote, the motion did carry.

Mr. Grano then advised the Board that he would like for clarify the record, essentially what the Board has done, is approve in typed format today, what they had previously adopted back on July 21, 2105.

Announcement on date, time and location of next LCC BOT meeting(s) and Work Shops.

Chairman Romero advised that currently there are no scheduled workshops, although the Regular Board meeting is scheduled for Tuesday, August 9, 2016 @ 5:30 p.m. at the LCC Student Services Board Room.

President Sanchez then advised the Board that we are presently doing the roofing at the old humanities building and there was a problem with two to three layers of asphalt being put on that roof and now that they are doing the work they found that the water was staying between the layers of asphalt that was on there. President Sanchez advised that Progressive is the company working on the roof and in order to continue they have to remove some of that and it is an additional \$149,000.00 to finish that project. President Sanchez advised that we have \$70,000.00 from the bond money and we have \$70,000.00 from the insurance company so we are lacking about \$4,000.00 so we will be pulling it

from the ER&R funds. President Sanchez advised that we should have it in place by the time school starts on August 22nd.

Adjourn

Vice Chairman Kenneth Medina moved to adjourn. Trustee Abelino Montoya, Jr. seconded the motion, with all in favor, the motion carried.

Daniel J. Romero, Board Chairman

Ernie Chavez, Board Secretary

SherylAnn Yara, Recorder

5.11 Anti-Nepotism (Updated July 20, 2016)

- 5.11.1** The purpose of this section is to (1) prevent the perception of pre-selection or favoritism towards family members through the recruitment process; (2) support the College policy of equal employment opportunity for all applicants; and (3) prevent the potential for complicated family-related management conflicts.
- 5.11.2** The President shall employ, assign terminate, or discharge all employees of Luna Community College. The President may not employ any applicant whose job assignment would cause the employee to be under direct or indirect supervision of a mother, father, husband, wife, sister, brother, son, daughter, mother-in-law, father-in-law, brother-in-law, sister-in-law, son-in-law, or daughter-in-law.
- 5.11.3** The President shall not initially employ or approve the initial employment in any capacity of a person who is the spouse, father, father-in-law, mother, mother-in-law, son, son-in-law, daughter, daughter-in-law, brother, brother-in-law, sister, or sister-in-law of the President. This nepotism rule does not apply to a member of the Board of trustees because the hiring responsibilities have been delegated to the President. However, when a family member of a member of the Board of trustees is hired by the President, the President shall present such information to the Board of Trustees at the Board of Trustees meeting following the employment action.
- 5.11.4** This nepotism rule does not apply to the President. However, the Board of Trustees shall have sole hiring authority for any potential hire who is a family member of the President.
- 5.11.5** The Board of Trustees shall not employ a President for the College who is the spouse, father, father-in-law, mother, mother-in-law, son, son-in-law, daughter, daughter-in-law, brother, brother-in-law, sister, or sister-in-law of a member of the Board of Trustees.

ATTACHMENT 7
(LCC Response to Special Audit)

List of Salary Increases, by Employee and Amount

STAFF LIST - INCREASES						
Employee Name	Title	Department	Pay Range	Date of Rate	Yearly Amount of Rate	Reason for Rate
Aguiar, Jerry	General Maintenance I	Physical Plant	14	11/1/2015	\$913.96	4% increase per President Sanchez
Arcega, Jaida	Human Resources Director	Human Resources	53	7/23/2015	\$12,970.20	Transferred to Human Resources Director
				10/1/2015	\$54,000.00	Additional duties of HR Specialist
Aurelio, Robert	General Maintenance I-Springer	Physical Plant	14	7/1/2016	\$6,138.08	President's determination for department stability
Baca, Germaine	Student Services Advisor-Registrar	Registrar	33	11/1/2015	\$904.91	4% increase per President Sanchez
Benavidez, Luis	General Maintenance I	Physical Plant	14	11/1/2015	\$6,615.86	Unreviewed and was hired in new position
Chavez, Chris	Workshop Technician/Mechanic Pool	Workshop	32	9/16/2015	\$933.24	4% increase per President Sanchez
Cordova, Maribow	Physical Plant Manager	Physical Plant	41	7/1/2016	\$10,533.38	Unreviewed and was hired in new position
Cibola, Denise	Lead Database Administrator	IT	51	7/1/2016	\$10,016.52	Transferred to Physical Plant Manager
Canzales, Yareli	Student Success Coach	Nursing	33	8/1/2015	\$12,306.62	Additional duties of Institutional Research
Cardenas, Keith	Springer Manager	Synthetic Scaffolds	42	8/1/2015	\$15,794.83	Unreviewed and was hired in new position
Harris, Nicholas	General Maintenance II - Friends	Physical Plant	14	7/1/2016	\$973.51	Transferred to new position
Kavanaugh, Maria	Payroll Manager	Human Resources	43	7/23/2015	\$6,664.31	Received certification in Wellness Technology
				10/1/2015	\$4,000.00	Transferred to Payroll Manager
Lopez, June	Library Technician	Learning Resources Center	21	7/1/2016	\$2,000.00	Additional duties of HR Specialist
Martinez, Maria K.	General Maintenance I	Physical Plant	14	11/1/2015	\$913.96	President's determination for department stability
	IT Director, Tech. Svc. Spec. Manager/IT and Local Database Administrator Assistant	IT	48	9/16/2015	\$7,177.36	Additional duties of HR and Local Database Administrator Assistant
Montoya, Denise						
Montoya, Evelyn M.	Executive Office Manager-Finance	Finance and Administration	35	2/16/2016	\$8,362.67	Transferred to IT Director
	Financial Administrator Services Director		53	7/1/2016	\$3,000.00	President's determination for department stability
Montoya, Michael P.						
		Financial Aid	53	9/1/2015	\$2,100.00	President's determination for department stability
				7/1/2016	\$6,730.87	Additional duties to oversee Student Services
Musker, Rachelle	Financial Aid Advisor	Financial Aid	30	7/21/2016	\$2,000.00	President's determination for department stability
Ortiz, Amanda	Financial Aid Assistant Director	Financial Aid	42	7/21/2016	\$3,000.00	President's determination for department stability
Quezada, Joshua	General Maintenance I	Physical Plant	14	11/1/2015	\$9,000.00	President's determination for department stability
Rael, Bernadine	Registrar	Registrar	53	7/1/2016	\$811.57	4% increase per President Sanchez
Rivera, Stanley	Human Resources Technician	Human Resources	36	7/23/2015	\$10,251.13	President's determination for department stability
					\$9,314.17	Transferred to Human Resources Technician
Schwarz, Linda	Learning Resources Center Manager	Learning Resources Center	22	10/1/2015	\$4,000.00	Additional duties of HR Specialist
	Early Childhood/Preschool Director/Assistant to President	Childhood/Adolescence	30	9/16/2015	\$18,000.00	Transferred to LRC Manager
Troffia, Martha	Lead Teacher/Caregiver	Early Childhood Education	27	7/1/2015	\$4,026.18	Additional duties of Assistant to President
Valdez, Manuel	General Maintenance II - Custodial	Physical Plant	19	7/1/2016	\$307.31	Unreviewed and was hired in new position
	Executive Office Manager-Presidents Office	Administration	40	7/1/2016	\$1,500.00	Received COTL certification
Yara, Sheryl A.						President's determination for department stability

Transfer/promotion per policy 7.3.2

Additional duties

Additional Duties due to vacancy not being filled

Salary Review and Adjustment for category

Salary review for adjustment of additional credentials per pay scale

ATTACHMENT 8
(LCC Response to Special Audit)

New LCC Policy, Chapter 15

**Chapter 15 Proper Use of LCC Letterhead/Official Letters of Employment Verification
and Letters of Recommendation *(Adopted March 30, 2016)***

The purpose of this policy is to provide guidance to LCC employees regarding authorized use of LCC letterhead.

Employees shall not use LCC letterhead for any personal correspondence including letters of recommendation.

LCC letterhead shall be used for official college business only.

The Human Resources Department is the only LCC entity authorized to issue official letters of employment verification.

Violation of this policy may be subject to disciplinary action up to and including dismissal.