



CMI

BOARD OF REGENTS

College of the Marshall Islands

Accredited by the Western Association of Schools and Colleges

P.O. Box 1258
Uliga Campus

Tel: (692) 625-3394/3291/4931

Fax: (692) 625-7203

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Working Session Board of Regents Minutes - Approved August 11, 2025

Members Present

Chair Meitaka Kendall-Lekka
Regent Kino Kabua
Regent Katt Chonggum

Vice Chair Thomas Kijiner Jr.
Student Regent Willy J. Lebeau

Regent Julius Lucky
Regent Timothy Owens

Member Absent/Excused

Regent Jelton Anjain
Regent Dr. Yukiko Muller

Regent Morean S. Watak

Regent Roanna Zackhras

CMI employees in attendance:

Dr. David A. Newnham, President

Dr. Elizabeth Switaj, Vice President for Academic and Student Affairs

Stevenson Kotton, Vice President for Administrative and Business Affairs

Dr. Adedayo Ogunmokun, Vice President for Land Grant

Kelly Sebastian, Executive Officer/Executive Secretary for the CMI Board of Regents (ESBOR)

The meeting was called to order at 9:17 AM

Agenda Items

1. Opening prayer & Roll call and call to order
2. Approval of the Agenda
3. Working Session
 - 3.1. Financial/Audit updates
 - 3.2. PAC recap
 - 3.3. Budget Reports & Other Documents
 - 3.4. Status update on Student Refunds
 - 3.5. Draft CMI Endowment Fund Investment Policy Statement (IPS)
 - 3.5.1. Fund Manager: Frank Armstrong (Contract)
 - 3.5.2. Investment quarterly statements for the last quarter of FY24 and Q1-Q3 of FY25
 - 3.6. Previous Board Request Documentation
 - 3.6.1. Travel Report
 - 3.6.2. SEFA FY 21-22
 - 3.6.3. SEFA FY22-23 NOT FINAL Pending FY22 Audit
 - 3.6.4. Account Payables
 - 3.6.5. Account Receivables
4. Matters for information



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- 4.1. ACCT (Association of Community College Trustees): 2025 ACCT Leadership Congress, New Orleans: October 22nd - 25th, 2025
- 4.2. APAFS (Asia Pacific Association for Fiduciary Studies): APAFS Fiduciary Events Week 2025, Philippines: November 17–21, 2025
5. BOR requests for future items and information

Minutes

1. OPENING PRAYER, ROLL CALL, AND CALL TO ORDER

Chair Kendall-Lekka called the meeting to order at 9:17 AM. Due to not feeling well, Chair Kendall-Lekka departed at 10:48 AM and delegated Vice Chair Kijiner to preside over the remainder of the meeting through adjournment.

Regent Owens led the opening prayer.

2. APPROVAL OF THE AGENDA

Vice Chair Kijiner made a motion to approve the Board's Agenda. Regent Owens seconded the motion. The motion was unanimously approved.

3. WORKING SESSION

3.1. Financial/Audit updates

- 3.1.1. President Newnham shared that the FY22 audit is nearly complete, with the draft expected in 1–2 weeks.
 - 3.1.1.1. FY23 audit has officially begun, with fieldwork targeted for completion by October.
 - 3.1.1.2. Plans are in place to begin FY24 immediately after, aiming to finish fieldwork by December, totaling four audits in 14 months.

3.2. PAC recap

- 3.2.1. President Newnham reported that PAC questions focused mainly on the FY21 audit and were adequately addressed. A key concern raised was whether CMI's enterprise operations (e.g., t-shirts, buses, tents) were competing with local businesses. A letter was sent to Minister Zackios seeking clarification.
 - 3.2.1.1. Chair Kendall-Lekka expressed concern about the President contacting the Minister without prior board consultation.
 - 3.2.1.2. Vice Chair Kijiner added that such communications should follow a clear process to avoid confusion or perceived interference.
 - 3.2.1.3. President Newnham agreed and committed to routing future ministerial communications through the Board.
 - 3.2.1.4. Vice Chair Kijiner noted that the issue was initially raised by Senator Kramer and echoed by Senator Bilimon.
- 3.2.2. Chair Kendall-Lekka expressed concerns about the accuracy of some responses during the PAC hearing, particularly regarding bounced checks. She felt



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uncomfortable when a response claimed there were no bounced checks since last year, though she was aware of a recent incident.

3.2.2.1. VPBAA Kotton clarified he meant there were no bounced checks since the last PAC meeting, and acknowledged a prior mistake due to fund transfers.

- Emphasized that it was a learning experience, and CMI is working toward cashless operations, with the SLT taking full responsibility for accurate reporting.

3.2.3. Vice Chair Kijiner raised concerns over PAC's request for SLT employment packages, suggesting legal review due to confidentiality.

3.2.3.1. President Newnham clarified that CMI, as an autonomous institution, controls access to personnel records.

- Disclosure should only occur if legally required (e.g., via subpoena).
- President Newnham committed to working with Legal Counsel and Chair Kendall-Lekka on a draft response.

3.2.3.2. Regent Kabua questioned the rationale behind the PAC's request and noted the absence of Senator Bilimon in past PAC meetings.

- Chair Kendall-Lekka noted PAC claimed CMI had promised the information.
 - The Board agreed that a formal letter of clarification should be sent to resolve the matter.

3.2.3.3. VPASA Switaj clarified that no contracts were promised—only salary scales, which are publicly available.

3.2.4. Chair Kendall-Lekka shared that housing was a major topic during the PAC hearing, and CMI committed to providing an update.

3.2.4.1. Note that the matter is nearing completion, and a letter and report should be sent to PAC.

3.2.5. Chair Kendall-Lekka shared that during the PAC hearing, questions were raised about the \$1 million BOMI contingency drawdown and whether a required expenditure report was submitted, and requested a copy.

3.2.5.1. President Newnham confirmed the rationale was included in a prior PAC response and would follow up to provide more details.

3.2.5.2. Regent Lucky added that while the explanation was in the response, the concern was whether a formal expenditure report, as required by the resolution, had been submitted, especially given the change in board members at that time.

3.2.6. Regent Kabua inquired about the PAC hearing atmosphere.

3.2.6.1. Chair Kendall-Lekka deferred the response to those with prior PAC experience, as it was her first.

3.2.6.2. President Newnham shared that the first hour was productive, focused on FY2021 audit questions, while the latter part became repetitive and political.



- Noted issues with translation and recommended using CMI staff translators in the future for more accurate interpretation.
 - 3.2.6.3. Regents Kabua and Chong-Gum agreed on the need for improved translations.
 - 3.2.6.4. Regent Kabua added that more questions may arise during the upcoming budget appropriations consultations for FY2026.
 - 3.2.6.5. President Newnham emphasized that although CMI has not appeared before the Budget Committee, they are aware of flat funding levels with no increases expected.
 - 3.2.7. Chair Kendall-Lekka noted that legal counsel is off-island but available online, and proposed aiming for follow-ups by August 15. Key pending items include:
 - 3.2.7.1. Letter to Senator Bilimon regarding SLT package.
 - 3.2.7.2. Submission of housing report.
 - 3.2.7.3. Report on the \$1 million drawdown.
- 3.3. Budget Reports & Other Documents
 - 3.3.1. President Newnham shared that the college uses a participatory budget process and is focusing on enrollment projections to better align with Pell funding.
 - 3.3.2. VPBAA Kotton reported that FTES projections will be integrated into CMI's 5-year rolling budget, and emphasized the importance of comparing projections with actuals for financial accuracy.
 - 3.3.2.1. CMI's contingency fund with BOMI is at \$884,000, and the maintenance fund is at \$1.2 million. The endowment fund sits at \$2.8 million.
 - 3.3.2.2. Budget development is detailed, transparent, and tracked in real-time through Microix and MIP, with all departments responsible for managing their own expenditures.
 - 3.3.2.3. System upgrades now automate accounting entries, and continuous staff training is underway.
 - 3.3.3. Regent Lucky inquired about differences from last year's portfolio, inclusion of training grants, and alignment with NSP and Agenda 2030.
 - 3.3.3.1. VPBAA Kotton explained that a separate grant portfolio will be created since grants are awarded throughout the year.
 - The current document excludes these pending grants but will be updated as an addendum.
 - Differences from last year include added/removed activities and upcoming changes tied to new integrated planning for better alignment of budgeting and reporting.
 - 3.3.3.2. VPBAA Kotton responded that CMI's planning integrates NSP, presidential vision, and donor standards.
 - Still assessing how to align with government templates without creating extra work, and will report back once tested.
 - 3.3.4. President Newnham encouraged regents to review the budget portfolio and email any specific questions, comments, or concerns prior to the August 25th meeting for timely responses.



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- 3.3.5. Vice Chair Kijiner inquired about the authority and process for reprogramming budgeted funds.
 - 3.3.5.1. VPBAA Kotton clarified that reprogramming is allowed within funding sources, follows internal approval steps, and is used sparingly—only when necessary due to changing circumstances.
 - 3.3.5.2. President Newnham affirmed that any significant deviation from board-approved budgets, including budget transfers or major purchases, will be reported to the board first for advice.
 - 3.3.5.3. Regent Chong-Gum confirmed that such board advice would occur prior to action being taken.
- 3.3.6. VPBAA Kotton reported that the 2022 audit shows the college remains financially healthy and liquid despite slight decreases.
 - 3.3.6.1. A simplified summary of key financial indicators and trends will be provided to the Board.
 - 3.3.6.2. The main challenge remains the timing of cash inflows affecting timely bill payments.
- 3.3.7. Acting Chair Kijiner reminded the regents that committee meetings will be held on August 22 ahead of the full board meeting on August 25, and urged everyone to review materials in advance.
 - 3.3.7.1. President Newnham noted that a draft agenda, including about 10 policies and the budget, will be shared this week.
- 3.3.8. Regent Lucky inquired about the validity of CMI's budget if the Cabinet had already approved the FY26 budget before the Board's August 25 approval.
 - 3.3.8.1. Regent Kabua confirmed that Cabinet approved it last week with the same ceiling.
 - 3.3.8.2. Acting Chair Kijiner noted final approval still depends on the Nitijela, though major changes are unlikely.
- 3.4. Status update on Student Refunds
 - 3.4.1. President Newnham reported that student refunds can stem from various sources, and resolving issues requires specific details.
 - 3.4.1.1. Regents were encouraged to first ask students or families if they've contacted the Business Office.
 - 3.4.1.2. Specific names or dates help expedite resolution.
 - 3.4.2. VPASA Switaj added that due to FERPA regulations, student information cannot be released without written consent.
 - 3.4.3. President Newnham encouraged students to check if they have "muri" (debt) and consult Financial Aid for possible solutions to help them re-enroll. Students can access their accounts or inquire at the Business Office. Some issues may stem from previous enrollment errors, such as incorrect accounting in the second 8-week placements.
 - 3.4.3.1. President Newnham confirmed this is possible and noted issues like incomplete FAFSA can lead to muri.



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- 3.4.3.2. VPBAA Kotton added that Pell is managed individually per student, and due to FERPA, student records access is limited and tracked.
- 3.4.4. Acting Chair Kijiner recommended periodic general announcements to encourage students to check with the Business Office about refunds or muri.
 - 3.4.4.1. President Newnham agreed and noted that messages can be sent via our social media.
 - 3.4.4.2. Student Regent Lebeau shared a personal experience where muri deductions occurred without prior notice and highlighted discrepancies between SONIS and the actual ledger.
 - 3.4.4.3. VPBAA Kotton will double-check whether students are being individually notified and confirm that, per federal regulations, students must be issued official notices for financial aid warnings or suspensions.
 - Added that while SONIS should be real-time, staff have been managing data through Excel sheets instead of the system, causing discrepancies.
 - This issue has been addressed and should improve after system integration.
 - 3.4.5. Acting Chair Kijiner requested Student Regent Lebeau to track the muri/refund issue and asked VPBAA Kotton to provide an update at the August 25 meeting.
- 3.5. Draft CMI Endowment Fund Investment Policy Statement (IPS) - Fund Manager: Frank Armstrong (Contract) & Investment quarterly statements for the last quarter of FY24 and Q1-Q3 of FY25
 - 3.5.1. President Newnham and VPBAA Kotton reported concerns over disengagement from current fund manager Frank Armstrong and recommended selecting a new manager by year-end.
 - 3.5.1.1. Regents were asked to review the draft Investment Policy Statement (IPS), with a proposal to finalize at the August 25 or November meeting.
 - 3.5.1.2. The Finance Committee was encouraged to review the IPS, and several Regents were encouraged to attend the APAFS conference in November to meet potential new fund managers.
 - 3.5.1.3. VPBAA Kotton confirmed Raymond James as a possible candidate and emphasized the urgency to act.
 - 3.5.1.4. Regent Kabua supported the recommendation and stressed the importance of completing the IPS and appointing a fund advisor and manager. She also highlighted missed training opportunities on island and encouraged board participation in future sessions.
 - 3.5.2. Acting Chair Kijiner emphasized the need for legal clarification on whether bidding out the fund manager contract is required.
 - 3.5.2.1. VPBAA Kotton noted the draft IPS includes bidding but has not yet been approved.
 - 3.5.2.2. Regent Kabua supported the bidding process and raised concerns about transitioning from the current manager, Frank Armstrong.



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- 3.5.2.3. President Newnham recommended reviewing the current contract with Frank Armstrong.
- 3.5.2.4. The Board agreed to seek legal counsel and, if required, fast-track the bidding process.
- 3.6. Previous Board Request Documentation - Travel Report, SEFA FY 21-22, SEFA FY22-23 NOT FINAL Pending FY22 Audit, Account Payables, & Account Receivables
 - 3.6.1. President Newnham shared that the requested documents (Travel Report, SEFA FY21-22, SEFA FY22-23 pending audit, Accounts Payable, and Receivable) were provided.
 - 3.6.1.1. Regents were encouraged to review and submit any questions.
 - 3.6.2. Acting Chair Kijiner supported this recommendation, reminding regents to review the five documents and raise issues as needed.
- 4. **MATTER FOR INFORMATION** - [ACCT \(Association of Community College Trustees\): 2025 ACCT Leadership Congress, New Orleans: October 22nd - 25th, 2025](#) & [APAFS \(Asia Pacific Association for Fiduciary Studies\): APAFS Fiduciary Events Week 2025, Philippines: November 17-21, 2025](#)
 - 4.1. President Newnham encouraged Board members to attend the 2025 ACCT Leadership Congress in New Orleans (October 22-25) and the APAFS Fiduciary Week in the Philippines (November 17-21), noting each event has \$35,000 budget.
 - 4.1.1. Recommended sending 4-5 members to ACCT and at least 3 to APAFS.
 - 4.2. Regent Kabua echoed the value of both trainings.
 - 4.3. President Newnham proposed placing this on the August 25 agenda for interested regents to confirm attendance.
 - 4.4. Acting Chair Kijiner thanked Regent Kabua for emphasizing the importance of these training sessions.
- 5. **BOR REQUESTS FOR FUTURE ITEMS AND INFORMATION**
 - 5.1. President Newnham encouraged regents to submit items for the August 25 meeting agenda; the draft agenda to be shared before the meeting.
 - 5.1.1. SLT to work with committee chairs on their Standing Committee agendas.
 - 5.1.2. Fall enrollment is currently at 659; the goal is 1,000-1,200.
 - 5.1.3. Student Regent Lebeau reported that approximately 300 new students are expected to register this week, with a goal of enrolling an additional 300 new students beyond the current enrollment.
 - 5.2. Acting Chair shared that committee meetings will be held on August 22; board members should email agenda items to President Newnham.
 - 5.3. Regent Kabua inquired about the college credit card usage and management.
 - 5.3.1. VPBAA Kotton responded that the credit card is under his name, managed by the Business Office Director, with a \$50,000 limit (approved increase to \$100,000).
 - 5.3.2. It's mainly used for subscriptions, travel, and emergencies.
 - 5.3.3. The balance is around \$27K-\$29K, and interest is well-managed through timely payments.



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- 5.4. Regent Chong-Gum inquired about programs supporting student workforce readiness, particularly in accounting, in light of potential GAO engagement with FAS countries.
 - 5.4.1. VPASA Switaj shared that CMI offers a certificate in accounting clerkship (bookkeeping level) and an AA in business with an accounting concentration.
 - 5.4.1.1. There is currently no internship, but there are plans to strengthen the program and potentially develop a bachelor's degree in the future.
 - 5.4.2. VPBAA Kotton elaborated that the current certificate focuses on data entry-level accounting.
 - 5.4.2.1. It takes years to master accounting concepts, even beyond the AA level, but CMI's systems help ease the learning curve through automation.
 - 5.4.3. Acting Chair Kijiner emphasized the need to strengthen accounting skill sets in the RMI.
- 5.5. Regent Chong-Gum requested a basic report on CMI's accounting programs.
 - 5.5.1. President Newnham confirmed it will be included in the President's report.
- 5.6. Acting Chair Kijiner adjourned the meeting and made reminders of upcoming meetings on August 22 and 25.

MEETING ANNOUNCEMENTS:

The Regular Board Meeting is scheduled for August 25, 2025, at 9:00 AM.

- **The Board Standing Committee Meeting is scheduled for August 22, 2025; time to be announced.**

Meeting adjourned @ 11:45 AM

Signed by:

C1B15922CD0248A...

Scribe

Kelly Luce Sebastian,
Recording Secretary

Signed by:

7670BDE23BE74DC...

Reviewed & Approved by

Meitaka Kendall-Lekka,
Chair, Board of Regents

August 25, 2025

Date Approved