

**NAVARRO COLLEGE BOARD OF TRUSTEES
JANUARY 26, 2006 MEETING
MINUTES**

The NAVARRO COLLEGE BOARD OF TRUSTEES gathered at 6:00 p.m. on January 26, 2006 in the President's Dining Room of the Walker Student Dining Hall for a dinner with members of the Faculty Association Executive Committee. At 7:00 p.m. the Trustees met for their regular monthly session in the Board Room of the Waller Classroom Building. The following Trustees were in attendance: Mr. Homer Wasson, Chair; Dr. James Price, Vice-Chair; Mr. James Borkchum, Member, Mr. Liston Herod, Jr., Member; Zane Stites, Member. Members absent were: Mr. Lloyd Huffman, Secretary-Treasurer and Mr. Todd McGraw, Member.

President's Executive Leadership Team members and College staff members in attendance were:

Dr. Richard Sanchez	President
Dr. Lary Reed	Executive Vice President
Mr. Darrell Raines	Vice President for Finance and Administration
Dr. Kenneth Martin	Vice President for Student Services
Mr. Dewayne Gragg	Dean of Enrollment Management & Institutional Studies
Ms. Nelida Aguilar	Director of Human Resources
Mr. Roark Montgomery	Athletic Director
Ms. Brenda Duncan	Business Manager
Mr. David Long	Construction Manager
Mr. Chris Grams	Director of Continuing Education
Ms. Leslie Smith	Executive Administrative Assistant
Ms. Darla Littrel	Executive Administrative Assistant

Others attending were:

Mr. George Williford	First Southwest Company
Mr. Mark Malveaux	McCall, Parkhurst and Horton
Mr. Bob Belcher	KAND Radio
Ms. Donell Williams	<u>Corsicana Daily Sun</u>

100. Introduction

101. Call to Order

Mr. Wasson called the meeting to order at 7:04 p.m. Dr. Price was asked to lead the assembly in prayer.

102. Changes to Agenda

There were no changes to the agenda.

103. Take Action on the December 15, 2005 Board Meeting Minutes

Dr. Price made a motion that the minutes for the December 15, 2005 Board of Trustees meeting be accepted and Mr. Borkchum seconded the motion. Acceptance was unanimous.

104. Board Comments

Mr. Wasson welcomed Mr. Raines's sister to the meeting. There were no other comments from the Board members.

105. Open Forum Time

There were no requests to address the Board.

200. Finance and Administration

201. Adoption of Resolution Authorizing the Issuance of Navarro College District Consolidated Fund Revenue Bonds, Series 2006 and Other Matters Thereto

Mr. Raines was asked to introduce representatives from First Southwest Company and McCall, Parkhurst and Horton to present the resolution authorizing the issuance of Navarro College District Consolidated Fund Revenue Bonds, Series 2006. Mr. Raines stated that the decision was made in December to issue revenue bonds in the amount of \$3,550,000.00 to provide financing for the purchase of additional real estate in Waxahachie from Chevron Phillips Company and to finance an addition to Gibson Hall. He then introduced Mr. George Williford from First Southwest Company and Mr. Mark Malveaux from McCall, Parkhurst and Horton.

Mr. George Williford, First Southwest Company, stated invitations for bids had been advertised for the sale of the revenue bonds. He explained that private placement had been selected as an alternative means to a public sale. He stated that the tax exempt debt was very attractive to commercial banks who could receive some benefit from the interest deduction. He also noted the revenue bonds could be issued under the same pledge on parity with the bonds issued in 2003. He stated that explanatory information was sent out after the first of the year to all banks in Corsicana and Waxahachie and to others interested in purchasing a tax exempt issue inviting them to bid. Of the four bids that were received, Bank of America's bid of 3.4% was the lowest. Mr. Williford indicated he was very pleased with this rate. He stated the current market indicates the rate would have been around 4.37% if the sale of the bonds had been bid in the public market.

Mr. Malveaux, bond counsel from McCall, Parkhurst and Horton, followed with his report. He stated the resolutions to sell the bonds and the associated covenants had been drafted. He advised that after the documents have been signed, they will be sent to the State of Texas Attorney General's office for review. Mr. Malveaux stated that opinions will be issued from both the Attorney General's office and the office of McCall, Parkhurst and Horton stating the bond has been legally and validly issued and that the bonds are tax exempt obligations. He stated that the process is very similar to the previous issue with the exception that this issue has been sold to a private party. Plans are to close the transaction on February 23, 2006.

Dr. Price expressed appreciation for their work and made a motion to adopt the resolution. Mr. Borkchum seconded the motion. The decision was unanimous.

202. Take action on the November 2005 Financial Statement

Ms. Brenda Duncan presented the November 2005 financial statement on Mr. Raines's behalf. Budget changes for the period ending November 30, 2005 reflected a net increase of \$31,450 in the budget for a total budget of \$58,975,389. Ms. Duncan attributed the increase to adjustments to grant programs and from recognizing fundraising income for the softball and soccer programs.

A review of the Source of Funds for the month ending November 30, 2005 showed the College had earned \$21,823,900 or 37.01% of its budgeted revenues. This was compared to 41.49% at November 30, 2004. Ms. Duncan stated tax revenues are down but the County Tax Collections office anticipates this will improve. Student income is also expected to increase with the spring enrollment. Ms. Duncan stated that the variance in the Debt Service Fund of 8.04% compared to 49.58% in 2004 will also level out when all transfers between funds have been completed by the end of January.

A review of the Disbursements of Funds showed the College had expended 51.03% of its budget as compared to 57.06% at November 30, 2004. Ms. Duncan stated that although expenditures were down it is anticipated they will pick back up to normal levels as budgeted purchases of equipment are made.

Changes in the balance sheet for the first quarter showed growth in the area of buildings. Ms. Duncan stated the balance sheet reflects the addition of the Midlothian campus under the category, Construction in Progress, as well as the debt for the new campus under Notes and Leases.

Mr. Stites made a motion to approve the November 2005 Financial Statement. Mr. Borkchum seconded the motion. The decision was unanimous.

203. Take action on Quarterly Investment Report for the Quarter Ending November 30, 2005

Ms. Duncan continued with an overview of the Quarterly Investment Report for the Quarter ending November 30, 2005. The book value for the first quarter declined \$100,117.60 from \$9,266,167.60 to \$9,166,050.00. Ms. Duncan stated that funds previously held in interest bearing checking accounts earning 2% interest have been moved into Certificates of Deposit earning interest above 3 ½ %. Funds invested in government agencies and securities remained the same. Reviewing the recap of investments, Ms. Duncan pointed out that \$100,000 had been invested in a Certificate of Deposit at a bank in Dawson.

The maturity schedule indicates a majority of funds are being held at 6 months maturity. Ms. Duncan explained there was no benefit in investing for longer periods with the potential of interest rates increasing. Ms. Duncan concluded by stating that funds are secured with pledged collaterals in the amount of \$15,624,135.15 exceeding deposits of \$11,855,903.48.

Mr. Stites made a motion to accept the Quarterly Investment Report for the quarter ending November 30, 2005. Mr. Herod seconded the motion and the decision was unanimous.

204. Update on Construction/Renovation Projects

Dr. Reed stated that the construction projects were drawing to a closure. He stated David Long will be leaving next month and has done a wonderful job.

David Long then gave a brief update on the construction of the new library. He stated the doors of the library had been opened to students on Monday of this week. Work is still needed to complete trim work

in the interior and stone work on the exterior. He stated arrangements have been made with contractors to work on weekends to complete the project in order to not disturb students. A shipment of bricks needed to complete the project had still not arrived.

Mr. Long stated work on sidewalks around the Clock Tower was scheduled to begin next Monday and will continue for the next two to three weeks. Separate sidewalks will feed out from the Clock Tower towards the Library, Dining Hall, Gooch Building, and the Special Events Center.

Mr. Long responded to Mr. Herod's question stating the ramp on the north side of the library will have brick, columns and metal railings. Dr. Price questioned if the steps would be brick and Mr. Long advised they will be concrete.

Mr. Wasson thanked Dr. Reed and Mr. Long for their presentation.

205. Plans for Gooch One-Stop Center

Dr. Reed presented plans for renovating the Gooch Building into a One-Stop Student Center. He distributed copies of the floor plan and stated the task of moving the library out of the Gooch Building had been accomplished with a lot of work by staff. He also expressed appreciation for assistance received from the Sheriff's Department with the move.

Dr. Reed stated the purpose of the renovation is to have all student services located in one facility that will be more student friendly. The basement of the Gooch building will remain unchanged and the main floor will be renovated to house Admissions and Records, Financial Aid, and Cashiering. Work has already been completed on the Financial Aid area. The top floor (third level) will be converted to the Counseling and Advising area. He stated renovation in the Arrowhead Room will include adding a wall that will hopefully not affect the HVAC. This wall will create three to four cubicle offices to house the Tech Prep Program and others.

Dr. Price inquired if all the renovations can be accomplished for under \$50,000. Dr. Reed stated that if the project looks like it will exceed \$50,000, which would then require the services of an architect, it will be broken up into two phases and completed at a later date.

Mr. Wasson thanked Dr. Reed for his presentation.

300. Instruction / Student Services / Athletics

301. Update on Continuing Education Program

Dr. Reed introduced Chris Grams as the new Director of Continuing Education. Mr. Grams began his presentation with a brief overview of his resume. He continued with an update on programs offered by Continuing Education and their enrollments. He stated the Police Academy Program has been successful and another program will begin in March. Plans are being made to move the Fire Academy Program from

Waxahachie to Midlothian. He stated the Emergency Medical Services (EMS)/Paramedic Program courses are currently designed to work around the fire departments' schedule but plans are being made to change the program in the fall to more traditional Monday/Wednesday and Tuesday/Thursday classes. This will allow more classes to be offered and should result in increased student enrollment. He stated that a full-time coordinator for the EMS Program is being sought to increase services to program participants and help the program grow.

He continued by stating the Workforce Development Program has two grants currently under review with the Texas Workforce Commission. Mr. Grams stated that the Texas Workforce Commission is in the process of making revisions in their Development Skills Grants. All funding from this agency is on hold until later in the spring. A grant for \$300,000 will be used to provide technical training for employees at KOYA Steering Systems in Ennis in partnership with Texas State Technical College. Another \$291,000 grant will serve several companies in the Ennis area as well.

The KOYA grant has been split into two parts. A portion of the funds, \$50,000, has been received and training will begin immediately in partnership with TSTC. KOYA is a new plant that will be manufacturing front steering systems for the new Toyota Tundra truck being assembled in San Antonio. It is anticipated that over 123 employees will be trained by 2007.

Mr. Grams continued with a brief review of other programs offered at various locations including Mexia before concluding his presentation.

Dr. Price asked how the fire department's C-shift could be accommodated with the change to traditional classes. Mr. Grams responded it is expected that there will be some students lost with the change in classes but he expects an overall gain in students from being able to offer more classes. Dr. Price asked how Spanish classes were offered for businesses. Mr. Grams stated the classes are offered on an hourly basis and broken up into Levels I, II, III and IV as needed.

Mr. Wasson expressed his thanks to Mr. Grams on behalf of the Board.

302. Adoption of TCLOESE Resolution

Mr. Grams was asked by the Chairman to continue by presenting the TCLOESE resolution. Mr. Grams stated the Police Academy is up for renewal for certification with TCLOESE. A resolution has been required by TCLOESE for several years but a letter of support has been sufficient in the past. He stated that TCLOESE desires a resolution indicating the College's support of the Police Academy which will replace the letter of support on file at TCLOESE.

Mr. Borkchum made a motion to adopt the TCLOESE resolution supporting the Police Academy. Mr. Herod seconded the motion. The decision was unanimous.

400. Personnel

401. New Hires / Reassignments-Transfers / Reclassifications

Dr. Sanchez asked Ms. Aguilar, Director of Human Resources, to present employee new hires, reassignments/transfers and reclassifications for the month of December 2005 as well as resignations, retirements, and terminations.

The following appointments were made during December 2005:

- Lisa Davison (Counselor, Waxahachie)
- Keith Hall (Network Operations/PC Support Specialist)
- Sheri Lamb (Administrative Assistant IV, Midlothian)
- Sheryl Fehrenbach (Administrative Assistant III, Waxahachie)

The following employee reassignments were made during December 2005:

- Cheryl Shipman (Assistant Registrar)
- Debbie Pickett (Enrollment Management & Institutional Studies Specialist)

402. Resignations / Terminations / Retirements

The following employees resigned during December 2005:

- Clint Resta (Assistant Football Coach)

There were no terminations during the month of December, 2005

500. President's Report

Dr. Sanchez presented the Board of Trustees calendar of events for January and February. In reviewing the calendar, he stated that he will be attending the A.C.E. Conference in Los Angeles, California February 11-14 with Dr. Harold Nolte. Dr. Nolte is an A.C.E. Fellow and Dr. Sanchez is his mentor.

Dr. Sanchez asked Dewayne Gragg to provide an update on spring 2006 enrollment. Mr. Gragg reported that final figures were not available yet but preliminary figures indicate an increase of 4% in enrollment. He stated he expects the increase to be around 6% when the numbers are finalized. He further stated enrollment is down at most other schools in the state. Out of sixteen schools reporting to date, only two have reported an increase. All other schools have reported a decrease in enrollment with one school down in student enrollment by 26%.

Dr. Sanchez stated the statewide average is a 3% reduction. He stated that at a meeting he attended with community college presidents in Austin the day before, speculations were being made on the reasons for the decreases. One reason being speculated was the economy. With the financial pinch from the increased cost of gas, food and services, people have had to go back to work. Dr. Sanchez added that schools not participating in financial aid programs are hurting the most.

Dr. Sanchez stated he and Dr. Reed will be meeting with representatives from the Elk Corporation at their request to discuss the property the College is purchasing in Waxahachie from Chevron Phillips Company.

The Elk Corporation desires to let Navarro College know where their interest lies in the property so that consideration may be given to the Elk Corporation if the College decides to sell a portion of the property.

Dr. Sanchez continued by stating Susan Johnson is doing a magnificent job with Elegance 2006. Table prices were increased this year by \$1,000. Chips totaling \$1,000 will be given to each table to be used for auction items. In addition, a Platinum Table for \$10,000 has been offered this year and has been sold. Another Platinum Table has also been purchased by vendors of Northrup-Gruman.

Dr. Sanchez stated he will be attending a Transfers Issues Advisory Committee Meeting in Austin February 10th prior to his trip to the A.C.E. Conference with Dr. Nolte in Los Angeles February 11- 14.

Dr. Sanchez suggested that Trustees may desire to tour the new library prior to the next board meeting. A dinner meal will be served prior to the tour.

Dr. Sanchez stated the Midlothian Police Department has purchased a church for use as a police station that included a separate education building behind it. He stated they are interested in leasing the education building to Navarro College to house the Fire and Police Academies. Dr. Sanchez stated the Fire and Police Academies must be evacuated from the Wilemon Building in Waxahachie which will be converted into a high tech facility for the Waxahachie ISD.

Dr. Sanchez stated the College continues to have problems with finding contractors to remodel the Mexia campus building within the budget of \$50,000.

Dr. Sanchez stated that while he was in Austin, he heard that Governor Perry is once again proposing the issue of not providing health benefits for community college employees. Every indication is that the College will have to absorb some of the cost of employee insurance beginning with the upcoming biennium. He stated this could be a substantial amount especially if retirees' health benefits are included. He continued by stating that TACC's (Texas Association of Community Colleges) strategy for the upcoming legislative session will be to ask for 75% of full formula funding from the legislature for the next biennium. He does not believe the legislature will approve an amount equal to 75% but hopes there will be an increase from the previous biennium.

Dr. Sanchez concluded his President's Report by commending the College's staff, especially the library staff who worked day and night to make the move from the old library to the new one. Plans are to show appreciation by treating them to dinner.

600. Closed Session, Announcement and Adjournment

601. Next Meeting Announcement

The next meeting of the Board of Trustees will be held February 16, 2006.

602. Adjournment

Mr. Sites made the motion to adjourn at 8:25 p.m. and Dr. Price seconded the motion. The decision was unanimous.

Mr. Lloyd Huffman, Secretary/Treasurer
Navarro College Board of Trustees