

**NAVARRO COLLEGE BOARD OF TRUSTEES
MARCH 23, 2006 MEETING
MINUTES**

The NAVARRO COLLEGE BOARD OF TRUSTEES met for their regular monthly session on March 23, 2006 in the Board Room located in the Waller Classroom Building. The following Trustees were in attendance: Mr. Homer Wasson, Chair; Dr. James Price, Vice-Chair; Mr. Lloyd Huffman, Secretary-Treasurer; Mr. James Borkchum, Member; Mr. Liston Herod, Jr., Member; Mr. Todd McGraw, Member, and Mr. Zane Stites, Member.

Also attending were:

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| 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 |
| Dr. Larry Weaver | Dean of Navarro College South |
| Dr. Harold Housley | Interim Dean, Arts Science and Humanities |
| Mr. Lee McCleary | Director of Economic Development |
| Mr. Mike Lucik | Plant Manager, Tom's Foods |
| Mr. Trent Middlebrooks | General Manager, Jeld-Wen Inc. |
| Ms. Leslie Smith | Executive Administrative Assistant |
| Ms. Darla Littrel | Executive Administrative Assistant |
| Mr. Dick Aldama | KAND Radio |
| Mr. Bob Belcher | <u>Corsicana Daily Sun</u> |

100. Introduction

101. Call to Order

Mr. Wasson called the meeting to order at 7:05 p.m. Mr. Herod led the assembly in prayer.

102. Changes to Agenda

Dr. Sanchez stated Item 104 - Taking Action on the March 8, 2006 Special Board Meeting Minutes had been added to the agenda for the Board's consideration.

103. Take Action on the February 16, 2006 Board Meeting Minutes

Mr. Sites made the motion that the minutes for the February 16, 2006 Board of Trustees Meeting be accepted. Mr. Borkchum seconded the motion. Acceptance was unanimous.

104. Take Action on the March 8, 2006 Special Board Meeting Minutes

Mr. Sites made the motion that the minutes of the March 8, 2006 Special Board of Trustees Meeting be accepted. Mr. Borkchum seconded the motion. Acceptance was unanimous.

105. Board Comments

There were no comments

106. Open Forum Time

There were no requests to address the Board.

200. Finance and Administration

201. Adoption of Resolution Authorizing Tax Abatement for Lance Mfg, LLC

Dr. Sanchez stated several businesses have requested tax abatements of fifty percent (50%) over a ten (10) year period and in the past the Board has always been amenable to these requests. He introduced Mr. Lee McCleary, Navarro County/City of Corsicana Economic Development Director, and asked him to present the requests to the Board.

Mr. McCleary thanked Dr. Sanchez and the Board and stated Lance Manufacturing, LLC (dba Tom's Foods, Inc.) is requesting a tax abatement of (50%) over a ten (10) year period. He introduced Mr. Mike Lucik, Plant Manager for Tom's Foods. Lance Manufacturing (dba Tom's Foods) has conducted business in Corsicana since 1963 and is launching a \$7.5 million expansion pro-

ject. This expansion project is expected to create fifty (50) new full-time positions.

Dr. Price made the motion to adopt the resolution authorizing a fifty percent (50%) tax abatement over a ten (10) year period for Lance Mfg., LLC (dba Tom's Foods). Mr. Sites seconded the motion. The decision was unanimous

202. Adoption of Resolution Authorizing Tax Abatement for Jeld-Wen, Inc.

Mr. McCleary continued with his presentation by stating that Jeld-Wen, Inc. was also requesting a fifty percent (50%) tax abatement of property taxes over a ten (10) year period for their planned expansion project valued at \$3.8 million. This project is expected to create thirty-five (35) new full-time positions. Jeld Wen manufactures windows and doors and has conducted business in Corsicana since 1984.

Mr. McCleary introduced Mr. Trent Middlebrooks, General Manager at Jeld-Wen, Inc. Mr. Middlebrooks thanked the board for the opportunity and stated this project will actually be phase one of a two-prong approach to upgrade their facility to a 56,000 sq. ft. building.

Dr. Price made the motion to adopt the resolution authorizing a fifty percent (50%) tax abatement over a ten (10) year period for Jeld-Wen, Inc. and Mr. Stites seconded the motion. The decision was unanimous.

Mr. Stites commented Jeld-Wen has done a good job in improving their sales. Mr. Middlebrooks thanked him and stated that March sales were up 40%. Dr. Sanchez noted that Jeld-Wen had been "looking around" and that Corsicana is pleased they decided to stay here.

Mr. Wasson agreed and thanked Mr. Lucik, Mr. Middlebrooks and Mr. McCleary.

203. Take Action on the January 2006 Financial Statement

Mr. Raines presented the January 2006 Financial Statement. He stated the board was being asked to consider budget amendments in the amount of \$115,700 for the month ending January 31, 2006. He stated grant funds received from the North Central Texas Employee Development Fund-KOYO Grant in the amount of \$63,377 and the First Generation College Student Initiative Bridging the Gap Grant in the amount of \$52,333 increased the budget for a total of \$59,091,099.

A review of the Source of Funds for the month ending January 31, 2006 indicated \$38,244,790 or 64.72% of the College's budgeted revenues had been earned. Mr. Raines stated earned revenues were "on track" when compared with the previous year at 65.81%. The Disbursement of Funds indicated \$29,548,383 had been expended and \$12,515,025 had been obligated at January 31, 2006. Mr. Raines noted expenditure patterns were still down with only 71.18% of the budget being expended or obligated when compared to 73.13% at the same time period last year.

Mr. Huffman inquired about the construction funds and Mr. Raines stated the construction funds in the Plant Fund were almost depleted. He added that funds received from the new revenue bonds, however, for the purchase of land and construction in Waxahachie will be reflected in future statements.

Dr. Sanchez noted that a detailed financial report on the construction had been passed to each trustee. Mr. Raines explained that while the financial statements could only reflect expenditures for the current year, this report covers the entire construction period beginning in 2003. Dr. Sanchez noted that some of the \$437,000 in funds remaining will have to be reserved for repair of the streets around the campus.

Dr. Price and Mr. Huffman inquired about renovations for Dawson Auditorium and Dr. Sanchez stated the project had been eliminated.

Mr. Borkchum made the motion to approve the January 2006 Financial Statement and Mr. Herod seconded the motion. The decision was unanimous.

204. Approve Tuition and Fee Schedule for Fiscal Year 2006-2007

Dr. Sanchez reminded trustees that an increase in the tuition and fees, building use fees, out of district and out of state fees had been contemplated previously in order to generate more revenue to service the 2003 Revenue Bonds and the newly issued 2006 Revenue Bonds. In addition, he

noted that a rate increase in room and board is requested approximately every two years to offset the rising costs of operating the residence halls. He then asked Mr. Raines to present this item.

Mr. Raines stated the College's annual commitment for the 2003 Revenue bonds is increasing by \$269,000 which was planned. He stated the amortization schedule was set up to allow the College enough time to increase enrollment and generate more revenue. In addition, \$256,269 a year is required to meet the requirements for the new 2006 twenty-year bonds. Mr. Raines stated another "culprit" adding to increased expenses was the rapidly escalating cost of utilities. He stated the College has recently requested bids on electricity and currently is in the process of negotiating new rates per kilowatt hour. He anticipates increased costs as the new rate is expected to be higher than the current rate and noted that additional square footage in campus buildings that must be also be heated and cooled.

Based on the projection of 145,000 semester credit hours expected to be generated, Mr. Raines stated an increase of \$2 per semester credit hour in tuition will generate an additional \$290,000, an increase of \$1/SCH in the building use fee will generate an additional \$145,000, an increase of \$2/SCH in out-of-district fees (approximately 80% of the student population) will generate \$232,000, and an increase of \$6/SCH in out-of-state tuition (approximately 6.5% of the student population) will generate \$56,550 in revenues for a total of \$735, 269.

When compared to other Texas Public Community Colleges, Navarro College's proposed tuition and fees are \$5-\$6 per semester credit hour less than the state average for all Texas residents and \$11 per semester credit hour less than last year's state average for non-Texas residents. In addition, the state average is anticipated to increase with the current year.

Dr. Sanchez reminded the Board of the information he sent them from Del Mar College which shows they are charging a \$1,200 out-of-state fee because they feel that amount is comparable to an in-district student.

Mr. Stites inquired what percent of Navarro College's students are out of Navarro County and Mr. Raines responded approximately 80%. Dr. Price asked if the normal full load was actually 15 hours instead of 12 hours

Mr. McGraw asked if it had always been planned for student fees to be increased to meet the obligations of the 2003 Revenue Bonds or if the plan had been based on increased enrollment to meet the obligation. Mr. Raines stated the original plan had been to increase the fees. Mr. McGraw inquired if the new 2006 Revenue Bonds proceeds were going to be used for the Ellis County land purchase and construction. Dr. Sanchez stated that \$700,000 of the proceeds are being allocated to expand the Gibson Hall Student Center. Mr. Raines agreed and stated that \$2.8 million or approximately 80% of the bond proceeds will be used for Ellis County. He stated that Ellis County students will also be paying the fee for the debt service requirement.

Mr. Huffman asked if other students from out of state, such as Oklahoma, were attracted to coming to Navarro College because rates were less expensive. Mr. Raines stated he felt most came for other reasons such as particular programs that are offered or because they have relatives in the area.

Mr. Raines continued his presentation by stating that a semester rate of \$2,031 in room and board rates was being proposed. Dr. Price asked if it was known what other colleges are going to do next year and Mr. Raines stated that if they are going to maintain the same margins they will have to increase rates also with the cost of utilities rising. When comparing rates to other community colleges, it was noted that Navarro College's apartment style housing is much nicer than most other colleges. In addition, dining services and bookstores are contracted out at other schools. Dr. Sanchez stated that students indicate they choose to attend Navarro College because of the ambience of the campus and the floor plan in the residence halls.

Mr. Huffman made the motion to approve the tuition and fee schedule for 2006-2007 and Mr. Herod seconded the motion. The decision was unanimous.

Mr. Wasson thanked Mr. Raines for his presentation.

Dr. Reed was asked to present the update on construction and renovation projects.

He stated the library/clock tower project was being drawn to closure. The northside/front of the building was moving slower with brick and capstone work still needing to be completed. He stated he anticipates it to be near completion for the dedication on April 20. The Gooch One Stop Student Center continues to move along with the financial aid area finished and the cashiering/records office area 60% complete. He stated plans for the Arrowhead Room were being completed to move the Tech Prep and Carl Perkins programs. He reminded the board that industrial, portable walls will be used and stated he expects the whole office complex area to be very nice.

Dr. Reed continued by stating that a 7,000 to 8,000 square foot student activities building on the Corsicana campus was still in the planning stages. An architect is being used to design the exterior of the facility and to assist in developing a floor plan.

Dr. Reed stated that the project to enclose the breezeway in Mexia is progressing and feels that within the next month and a half it will move forward. The concrete has been poured, the floor leveled, and framing placed for enclosing the breezeway. Glass doors will be installed on Tuesday. Mr. Huffman asked what the area will be used for and Dr. Reed responded it will be converted to the business office, cashiering, records office and bookstore area. Mr. Wasson inquired if the second level could be added later if desired. Dr. Reed stated that was the plan and also stated it may not be necessary for a second level.

206. Review of Issues Summary

Dr. Sanchez stated a Quality Enhancement Committee meets each year to contemplate the issues that the College may confront for the coming year. He continued by reviewing each of the issues addressed by the Committee for 2006-2007 and commented on the status or progress that was being made to address each item.

In addressing online courses, Mr. Huffman asked how effective these courses were and Dr. Sanchez stated it is his understanding that they are very effective.

Dr. Sanchez stated he sees meeting the enrollment goals for the new Ellis County campus as the greatest challenge the college will face.

Dr. Price asked how international students were being attracted to the College and Dr. Sanchez responded that international student enrollment has dropped since 9/11 and asked Dr. Martin about the number of current applications. Dr. Martin stated it is improving and stated the number of applications received this year is double the amount received during the previous year. Mr. Huffman commented this is a problem nationally and is worse for graduate schools. Dr. Sanchez agreed.

Mr. Herod inquired if the computer programs had been updated in the past few weeks so that paralegal students could run the proper software to take their tests. Dr. Reed stated that Dr. Beauchamp was still in on-going negotiations with the service provider. Mr. Herod stated he was asked if anything could be done because students must pass these tests but have not been able to access them. Dr. Reed stated this was apparently a different issue from the law library Dr. Beauchamp was working on and indicated he was not aware of this particular problem. Dr. Sanchez assured Mr. Herod the problem would be investigated and addressed immediately.

Dr. Sanchez pointed out the College's strengths identified by the committee, including Navarro College's Board of Trustees. He then reviewed the weaknesses that had been identified by the group and commented on each.

Mr. Wasson asked if faculty or administrators had prepared the list and Dr. Reed responded it was administrators.

In response to one of the weaknesses listed, Dr. Sanchez stated the executive staff had discussed instituting a policy to establish a minimum grade point average for housing students. Many "0" grade point average students have been determined to be problem students.

Dr. Sanchez continued by reviewing the threats identified by the committee and he concluded by stating these issues will be brought before the Board again in July at their budget planning work-

shop.

300. Instruction / Student Services / Athletics

301. First Reading of Section IV.23.00 - Awarding Academic Credit to Emerging Freshmen Who Have Completed a "Post-Secondary Level Program" While Still in High School of the Navarro College Administrative Policies and Procedures Manual

Dr. Reed stated that as more programs are being offered in high schools, the Texas Higher Education Coordinating Board is asking all colleges and universities to develop a policy regarding the awarding of academic credit to entering freshmen who have completed a "post-secondary level program" while in high school. He stated Dr. Harold Housley had attended a workshop conducted by the Coordinating Board and asked him to present this policy.

Dr. Housley stated the policy is required to be effective 2006-2007 and requires several components including awarding International Baccalaureate (IB) Credit, credit through Advanced Placement (AP) Examination, credit through College Level Examination Program (CLEP), and credit for military training.

After Dr. Housley reviewed each of the components and the amount of credit that can be awarded for each, Mr. Huffman asked if any of the area high schools were involved with the international baccalaureate program. Dr. Housley asked Dr. Tommy Stringer who stated he was not aware of any and that Navarro College has never had a student apply for it. Dr. Housley added that at the workshop he attended recently, Coordinating Board representatives indicated this is a program growing in popularity.

Mr. Wasson mentioned to Trustees they could either vote on the proposed policy or consider approval after a second reading next month.

Mr. Stites made the motion to approve Section IV.23.00 - Awarding Academic Credit to Emerging Freshmen Who Have Completed a "Post-Secondary Level Program" While Still in High School of the Navarro College Administrative Policies and Procedures Manual without a second reading. Mr. Huffman seconded the motion. The decision was unanimous.

302. First Reading of Section IV.01.02 – Disruptive Student Behavior Policy of the Navarro College Administrative Policies and Procedures Manual

Dr. Sanchez asked Dr. Martin to present the Disruptive Student Behavior Policy. Dr. Martin began by stating this policy has already been reviewed and approved by the Executive Committee of the Faculty Association. He stated the purpose of the policy is to promote a teaching and learning environment in the classroom free of disruptions. Instructors will have the prerogative to control the instructional setting. Dr. Martin stressed it was also important that the students are treated fairly and that they must be made aware of the rules and regulations. He stated the policy will not discourage classroom participation or disagreement on topics of discussion. It is being created to help identify what is considered both mild and severe disruptions. He stated some examples of mild forms of disruption would be talking in class, arriving late, the use of cell phones, sleeping, and reading material unrelated to the class. Examples of severe forms of disruption include intimidation, insubordination, physical threats and violence.

Dr. Martin stated that complaints will be investigated and followed through with the appropriate disciplinary action.

Dr. Sanchez thanked Dr. Martin and stated the policy is important for faculty to have authority in the classroom. Dr. Price wondered if some of the mild behaviours should be considered severe, such as drug use. Dr. Martin responded by stating that in some cases students are under the influence of medication.

Mr. Wasson and other board members agreed that the policy has been needed for years. He then mentioned to Trustees they could either vote on the proposed policy or consider approval after a second reading next month.

Mr. Stites made the motion to approve Section IV.01.02 – Disruptive Student Behavior Policy of the Navarro College Administrative Policies and Procedures Manual without a second reading. Mr. Borkchum seconded the motion and the decision was unanimous.

303. Update on SACS/COC Reaffirmation of Accreditation

Dr. Reed stated he had waited 3 years and 6 days to make this presentation. He briefly reviewed and updated the Board on the SACS/COC Reaffirmation of Accreditation process which began in 2003. He stated that recently, on March 13, 2006, the final response was mailed to SACS. He stated that June 20-22, 2006 the College expects to be notified that it is being reaccredited.

Dr. Reed stated the final response sent to SACS included a revised Quality Enhancement Plan, a 168 page Response Report addressing all recommendations, and additional documentation which was provided in a 291 page document titled “General Education at Navarro College”. A report from CAP Collegiate Assessment of Academic Proficiency was also included.

Dr. Reed stated reaccreditation has been a long process. Dr. Sanchez commented that all that work had been for only nine (9) recommendations.

Mr. Wasson thanked Dr. Reed for his presentation.

400. Personnel

401. Appointments/Transfers/Reassignments

The following appointments were made during February 2006:

- Keely Tucker (Admissions Specialist/Recruiter, Corsicana)
- Kaye Martin (Administrative Assistant II/Residence Life, Corsicana)

There were no employee reassignments and no employee reclassifications made during February 2006.

402. Resignations

The following employees resigned during February 2006:

- Tommy Cress (Maintenance Worker I/Bus Operator, Corsicana)
- Sheri Lamb (Administrative Assistant IV, Midlothian)
- Jimmy Lewis (Campus Police Officer, Corsicana)
- Chalna Blair (Administrative Assistant I/Data Entry Clerk, ABE, Corsicana)

There were no employee terminations during February 2006.

The following employee retired during February 2006:

- Pat Weger (Administrative Assistant I, Dining Services, Corsicana)

500. President's Report

501. President's Report

Dr. Sanchez called on Susan Johnson to review the Board Calendar for March and April 2006.

Following Ms. Johnson's report, Dr. Sanchez asked Mr. Raines to brief the board on the status of the sale of the Waxahachie property. Mr. Raines stated the bid document was completed and plans were to mail the document. Dr. Sanchez stated that there is a slight deviation in the bid document from the Board's vote to accept bids for a minimum of \$2.2 million. Dr. Sanchez stated that this restriction may keep slightly lower bids such as \$2.1 million dollars from being received. A special meeting was being called for the board to consider changing the price from “minimum bid” to “asking price”. He asked if the board would be willing to let the bids be mailed out with \$2.2 million listed as an “asking price” instead of as a “minimum bid” before a special board meeting is held on the following Tuesday. It was the consensus of the board that it may not be legal to send the bids unless the verbiage included the wording of the approved motion. The special meeting was scheduled for noon on Tuesday, March 28, 2006, so that Mr. Huffman would be able to attend.

Dr. Sanchez continued his report stating he received a letter from the Midlothian City Council stating they had rejected the College's Memorandum of Understanding at their meeting on Monday for the lease of a facility. He stated that Midlothian has assured him they are not upset or angry with Navarro College because arrangements could not be made. He stated other options are now being considered for the Fire Academy and Emergency Medical Technician Programs, and these options will be brought before the Board at their special meeting on Tuesday, March 28, 2006.

Dr. Sanchez stated he had met with the president of Texas A&M-Commerce in Midlothian on Monday. Texas A&M-Commerce will bring a four year presence to the Midlothian campus next fall. Dr. Sanchez stated he was pleased because this is what Midlothian wanted. The campus will be staffed with a full-time coordinator and secretary.

Dr. Sanchez stated he recently attended a conference in Atlanta, GA during the past week with faculty and students on Preparing Tomorrow's Teachers in Science and Mathematics. He stated Navarro College was recognized as one of ten exemplary programs in the country and was presented a plaque. Dr. Sanchez acknowledged that Dr. Larry Weaver was one of the first to begin the program and continues to be involved.

Dr. Sanchez stated that Lewis Orr had prostate surgery and reports indicate that all the cancer tissue was removed.

Dr. Sanchez stated he was preparing to make a decision on the Dean's position and that the Vice President interviews have been scheduled. He stated information will be sent to the Board so they will have an opportunity to meet and visit with the final candidates in the President's Dining Room.

Dr. Sanchez reminded the Board a meeting was scheduled with the Foundation's Board of Directors at 6:30 p.m. on Tuesday, March 28, 2006, in the Lone Star Room in addition to the special meeting that will be held earlier that day at noon in the President's Dining Room.

Denim and Diamonds will be held at 6 p.m. in Mexia on Saturday, April 8, 2006. Dr. Sanchez advised the board that seats were available at the College's table if they would like to attend. Mr. Herod had already indicated he would be attending.

Dr. Sanchez reminded the board the library dedication will take place on Thursday, April 20.

Dr. Sanchez stated that Mr. Tom Shelman, the platinum sponsor at Elegance 2006, had met with corporate sponsors prior to Elegance at the Cook Center to talk about the Digital Divide and a lack of interest in STEM majors. Mr. Shelman wants to galvanize all the resources Corporate America has to offer for rural counties where greater deficiencies exist in students in the use of computers and in the STEM majors. Dr. Sanchez stated Mr. Shelman is speaking to Navarro County Superintendents on Wednesday, March 29, 2006, to see if they have interest in collaborating with Mr. Shelman on a project to address these two areas.

Dr. Sanchez concluded his report by stating Navarro College's friends from Ivanovo State University, Russia are planning a visit and are expected sometime around April 20, 2006.

600. Closed Session, Announcement and Adjournment

601. Next Meeting Announcement

The next regular meeting of the Board of Trustees will be held on April 27, 2006. Special meetings will be held at noon and at 6:30 p.m. on Tuesday, March 28, 2006.

602. Adjournment

Mr. Stites made the motion to adjourn at 9:14 p.m. and Mr. Herod seconded the motion. The decision was unanimous.

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