

**NAVARRO COLLEGE BOARD OF TRUSTEES
JANUARY 20, 2011 MEETING
MINUTES**

The governing body of NAVARRO COLLEGE met on Thursday, January 20, 2011, at 6 p.m. in the President's Dining Room for dinner with members of the Support Staff/Paraprofessional Committee. Trustees in attendance included: Mr. Lloyd Huffman, Dr. James Price, Mr. Richard Aldama, Mr. A. L. Atkeisson and Mr. Phil Judson.

Trustees, Mr. James E. Borkchum and Mr. Todd McGraw, and Dr. Richard Sanchez, District President, were absent.

Others in attendance included:

Dr. Harold Nolte	President, Ellis County Campuses
Dr. Kenneth Martin	Vice President, Academic Affairs
Ms. Gertrud Moreno	Vice President, Finance and Administration
Ms. Maryann Hailey	Vice President, Student Services
Mr. Dewayne Gragg	Vice President, Enrollment Management and Inst. Studies
Dr. Tommy Stringer	Vice President, Institutional Advancement
Mr. Roark Montgomery	Athletic Director
Ms. Marcy Ballew	Director, Human Resources
Mr. Mike Ables	C.P.A., Jaynes, Reitmeier, Boyd & Therrell, P.C.
Kristy M. Davis	C.P.A., Jaynes, Reitmeier, Boyd & Therrell, P.C.
Ms. Aaron York	Comptroller
Ms. Rhina Sandoval	Chief Accountant
Ms. Jan Phillips	Bursar
Ms. Jeanette Sparks	Grants Accountant
Ms. Leslie Smith	Executive Administrative Assistant
Ms. Darla Littrel	Executive Administrative Assistant
Mr. Cody Dickerson	Media Integration Services Center
Mr. Oliver Sheehan	Corsicana Daily Sun

Various other faculty, staff, students and visitors were also present.

Call to Order and Dinner

Mr. Huffman called the meeting to order at approximately 6:00 p.m. in the President's Dining Room. They were joined by members of the Support Staff/Paraprofessional Committee including: Mary Palmeri, Carrie Hart, Nancy Hughes, Cody Dickerson, Debbie Talley, Brandon Ford and Dianne Summers.

No business was discussed or conducted during this time. Following dinner, trustees relocated to the Arrowhead Room of the Gooch One Stop Student Center for their regular monthly meeting.

At approximately 7:03 p.m., Mr. Huffman reconvened the meeting.

Board Announcements

There were no announcements.

Open Forum Time

There were no requests to speak to the board.

Consent Calendar

- a. **Minutes - Board of Trustees December 16, 2010 Meeting**
- b. **Resignation of Board of Trustees Member**

Mr. Huffman asked if there any questions or changes concerning the minutes from December 16, 2010 meeting. There were no questions or changes.

Mr. Huffman read a letter to the Board from Mr. James Borkchum stating he was resigning his position effective immediately due to health issues. Mr. Borkchum's letter stated he appreciated being allowed the opportunity to serve and to work with such "a fine group of people." He stated he would miss everyone but it was time for him to step down and give someone else the opportunity to serve.

Trustees expressed their regret at having to accept his resignation. Mr. Huffman stated "Mr. Borkchum has been a wonderful board member, and he brought a welcome experience to our board, both in working with ROTC and working with young people at the high school. Also his military background which he led all over the world brought a real good broad view of things in general....he made significant contributions to our board."

Mr. Aldama stated he first met Mr. Borkchum while volunteering in the Christmas in Action program. "We worked on some houses together and that's where I first got to know him many years ago. Of course, I have built a great relationship with him while he has been on the board and I am sorry to see him leave."

Mr. Judson concurred stating "Mr. Borkchum always presented his thoughts at every board meeting and he had a clear sense of right and wrong. God led him in every decision that he made. I truly appreciate that."

Mr. Atkeisson stated he had formed a good friendship with Borkchum during rides home from board meetings. "In however many blocks it is between here and his home, we developed, I consider and he has told me the same thing, a good friendship. I really appreciated the opportunity not only to serve with him on the board but to get to know him outside the board room. He had a keen passion for the college, for young people, and for the value of education -- those young people at the college could feel that."

Dr. Price stated "I appreciated working with him through the years. He came the same time that I did, and he always had a clear vision of what he thought was right and what should be done. I really appreciate his friendship."

Mr. Aldama made a motion to approve the Consent Calendar and Dr. Price seconded the motion. The decision was unanimous.

Election of Secretary-Treasurer for the Board of Trustees

Mr. Huffman stated with the immediate resignation of Mr. Borkchum, the position of Secretary-Treasurer was vacant and needed to be filled. Mr. Atkeisson nominated Mr. Judson to fill the position as secretary-treasurer, and Mr. Aldama seconded the nomination.

The vote to appoint Mr. Judson secretary-treasurer was unanimous. Following the vote, Mr. Huffman and board members congratulated Mr. Judson. He responded by stating it was "an honor to follow Mr. Borkchum."

Approve the Annual Financial Audit for the Year Ended August 31, 2010

Ms. Moreno introduced Mr. Mike Ables and Ms. Kristy Davis from Jaynes, Reitmeier, Boyd & Therrell, P.C., certified public accountants, and asked them to present results of the audit conducted on the college's financial statements for the year ending August 31, 2010.

Mr. Ables stated it was their responsibility to perform an audit to determine if the college's financial statements were "free of material misstatement and fairly presented." Based on examination of the amounts and disclosures in the financial statements, estimates made by management, and evaluation of the overall financial statement presentation, it was their opinion the financial statements are fairly presented in all material aspects. He stated he was pleased to report they were issuing a "clean, unmodified opinion."

He continued by stating it was also their responsibility during the audit to obtain reasonable assurance that the District has complied with the requirements of major federal and state award programs. He stated based on evidence examined, the District has complied in all material respects with the specified compliance requirements.

Mr. Ables continued stating there were no new accounting policies to report this year. Adjustments were proposed and accepted by management to increase the allowance for uncollectible receivables at year-end and the accrual for additional construction costs, including retainage, at year-end.

Mr. Ables stated there were no difficulties or disagreements with management. He stated Ms. Moreno, Ms. York and staff were very helpful during the audit. He then asked Ms. Davis to review financial highlights of the year end audit.

Ms. Davis reported the district's net assets increased by \$3,742,000, from \$32,694,000 for the year ended August 31, 2009 to \$36,436,000 for the year ended August 31, 2010. She stated the majority of the increase was as a result of several new current assets this year: the reporting of accounts receivable for room and board for the subsequent fall semester and the new direct loan student financial aid program the college entered into this year. Significant construction activity during the year increased capital assets and resulted in an increase in non-current assets. Concurrently, total liabilities increased from \$45,550,000 to \$49,686,000.

Operating revenue grew slightly and expenses increased as a result of increased enrollment and an increase in PELL awards. She stated students received a 13% increase in the amount of their PELL awards during the 2010 fiscal year. In addition, growth in enrollment resulted in a 10% increase in the number of students receiving financial aid.

She continued stating a fluctuation in "Other, Net", from \$979,000 to \$1,310,000, was largely due to contributions made to the college from industries for the Petroleum Technology Building. There were no material weaknesses or instances of noncompliance to disclose in regard to financial reporting and compliance under *Government Auditing Standards*.

Ms. Davis concluded her report by stating there was one finding/internal control deficiency in their report in regard to compliance with *Uniform Grant Management Standards* for major state and federal program levels. She stated the finding was related to student eligibility determination under the Texas Education Opportunity Grant (TEOG) but was not a material instance of non-compliance and did not affect the opinions reported.

Mr. Ables and Ms. Davis concluded their presentation and asked if there were any questions. Dr. Price inquired if they had any other recommendations. Mr. Ables responded they did not and complimented Ms. Moreno and her staff on their performance.

Mr. Huffman inquired about their impression of the college's computer systems – if they were as up-to-date as they need to be. Mr. Ables stated from an audit perspective, they were able to access all the information they needed without any problem. He also responded to Mr. Judson's question by stating the college has met all the criteria and requirements mandated by the state.

Dr. Price made a motion to approve the Annual Financial Audit for the Year Ended August 31, 2010. Mr. Judson seconded the motion and the decision was unanimous.

Ms. Moreno stated that for the ninth consecutive year, the college has earned the Certificate of Achievement for Excellence in Financial Reporting presented by the Government Finance Officers Association of the United States and Canada. Ms. Moreno asked Ms. Aaron York, Ms. Rhina Sandoval, Ms. Jeannette Sparks, and Ms. Jan Phillips to stand and be recognized for this recognition. Trustees thanked them for their work. Mr. Judson stated their job in dealing with public funds was very important and their work was very much appreciated.

Announcement of Closed Session

Mr. Huffman announced a closed session to discuss personnel matters according to Government Code 551.074 would be held following the President's Report. No decisions were anticipated.

December financial statement

Ms. Moreno was asked to present the December 2010 financial statement.

A review of the Statement of Budget Changes for the period ending December 31, 2010 showed amendments increased the budget by \$226,403 for a total of \$106,655,007. The major portion of this increase was the carryover of unspent J.E.T. grant funds in the amount of \$179,746.

A review of the Source of Funds indicated 46.47% of the budgeted funds had been earned as of December 31, 2010 as compared to 42.30% the previous year. The increase in Federal Grant Projects with 20.02% earned as compared to 10.43% the previous year was due to the J.E.T. grant funds carried over from the previous year. The increase in the Plant Fund with 19.73% compared to 0% the previous year was due to the second installment of the forgivable loan from the Midlothian Corporation for Economic Development in Midlothian for construction of the Phase II building.

Earnings in the Auxiliary Fund, 37.42%, showed a decrease when compared to 44.28% the previous year. Ms. Moreno stated spring 2011 room and board were not receipted as of December 31, 2010 and will be reflected in the next month's financial statement.

A review of Disbursement of Funds for the period ending December 31, 2010 indicated expenditures were down with 55.02% expended and/or obligated as compared to 57.56% expended and/or obligated the previous year. Ms. Moreno stated an increase in expenditures in the Museum Fund, with 89.87% expended as compared to 82.53% the previous year, was due to preparations for the upcoming Western Artists of America Show and Sale to be held at the Cook Education

Center. An increase in the Student Financial Aid Fund with 46.47% earned as compared to 42.30% the previous year was a result of increases in financial aid awards and enrollment growth.

Furniture and equipment purchases for the new Campus Police Building and Petroleum Technology Building attributed to the increase in Plant Fund expenditures with 106.29% expended/obligated as compared to 6.07% the previous year. A slight increase in Auxiliary Fund expenditures was due to the purchase of a new outdoor walk-in freezer for Dining Services and the construction of a new trophy case for Head Football Coach Nick Bobeck to showcase the NJCAA 2010 National Football Championship trophy. Ms. Moreno concluded by stating the college remains in sound and stable financial condition with revenues exceeding expenditures.

Dr. Price moved to approve the December 2010 financial statement, and Mr. Atkeisson seconded the motion. The decision was unanimous.

Mr. Huffman commented on the amount the budget has increased over the past ten years because of student financial aid. He also commented that a large portion of these funds are spent within the college's service area.

Reaffirm the Navarro College Investment Policy and Strategy

Ms. Moreno stated the Public Funds Investment Act requires the Board of Trustees to review its investment policy and investment strategies annually. She stated there were no changes proposed to the current Investment Policy and Strategy which as last affirmed on January 21, 2010.

Ms. Moreno stated the "first and foremost" objective continues to be safety over yield of the college's invested assets. She stated she and Ms. York take their job of investing funds very seriously and carefully monitor the risk of each investment. Liquidity is another issue that is factored into investing funds. Ms. Moreno explained because allocations from the state are not always received on a timely basis, funds must be available for payroll and other expenditures when needed.

Ms. Moreno briefly highlighted other items covered by the policy including "conflict of interest" and the "quality and capability" of investing managers. She concluded by recommending the Board reaffirm the current investment policy.

Mr. Judson moved to reaffirm the Navarro College Investment Policy and Strategy and Mr. Atkeisson seconded the motion. The decision was unanimous.

Take Action on the Election Order

Ms. Moreno stated the election of college trustees is mandated by the Texas Education Code. An Order of Election was required for the purpose of electing two Navarro College trustees on May 14, 2011. The positions to be opened for consideration will be Trustee District 1 (Precinct 1) currently held by Mr. Phil Judson and Trustee District 7 (At Large) currently held by Mr. Lloyd Huffman

Ms. Moreno reviewed the calendar of events that has been established for the 2011 Board of Trustees Election. She stated notice of the filing period dates was previously posted in the Albritton Administration Building on January 13, 2011 as required by Senate Bill 1970 enacted by the 81st Legislature. The filing period for a place on the ballot will take place February 12 through March 14, 2011. The deadline for write-in candidates to file their declaration with the Secretary of the Board of Trustees will be March 21, 2011. A drawing to determine ballot position will be held on March 22, 2011. A "Notice of Election" will be published in the Corsicana Daily Sun on April 24, 2011 and voting will take place on May 14, 2011.

Ms. Moreno stated in order to comply with the State of Texas election statutes, which require electronic-type voting machines, the college will contract with the Navarro County Elections Administrator, Ms. Danda Parker, to conduct the election. She concluded by stating the election will be held concurrent with the seven (7) independent school districts in Navarro County.

Mr. Atkeisson moved to adopt the Election Order and Mr. Aldama seconded the motion. The decision was unanimous.

Update on 2010 National Student Satisfaction and Priorities Report

Mr. Gragg was asked to present the results of the 2010 National Student Satisfaction and Priorities Report. He began by stating the Noel Levitz Student Satisfaction and Priorities Report was a tool used by the college to assess student satisfaction and determine what areas may need improvement. The survey is administered every three years and includes 77 statements covering elements in 11 major areas including: instructional effectiveness, registration effectiveness, academic advising and counseling effectiveness, concern for the individual, academic services, admissions and financial aid effectiveness, safety and security, student centeredness, campus climate, service excellence, and campus support services.

Mr. Gragg stated the student population for the community, junior, and technical colleges includes 178,116 students from 204 institutions that were surveyed with the Noel-Levitz Student Satisfaction Inventory (SSI) between the fall of 2007 and the spring of 2010. The Navarro College SSI administration was given in the spring 2009 semester to 1,259 students mirroring the overall student body. Students were asked to indicate the level of importance for each area and their level of satisfaction with each. The results were compared to the national results and to previous surveys.

Mr. Gragg reviewed charts ranking student satisfaction in each area and compared the results by campus location, the college as a whole, and nationally. In reviewing the assessment of the college's responsiveness to student safety and security, Mr. Huffman inquired if a breakdown could be given to determine how many students were concerned about safety in relation to parking.

Following a review of the results, Mr. Gragg summarized the college's strengths and challenges based on the survey. The top five strengths were:

1. Classes are scheduled at times that are convenient for me.
2. The quality of instruction I receive in most of my classes is excellent.
3. I am able to register for classes I need with few conflicts.
4. There is a good variety of courses provided on this campus.
5. I am able to experience intellectual growth here.

The top five challenges were:

1. Adequate financial aid is available for most students.
2. Students are notified early in the term if they are doing poorly in a class.
3. This school does whatever it can to help me reach my educational goals.
4. Faculty members are fair and unbiased in their treatment of individual students.
5. My academic advisor is knowledgeable about my program requirements.

Mr. Gragg stated two of Navarro College's highest ranked strengths (classes are scheduled at times that are convenient and ability to register for classes with few conflicts) are ranked as the top two challenges nationally. Mr. Gragg concluded by stating the college is working to address the top five challenges, especially in the area of student advising which is key to student satisfaction.

Mr. Huffman thanked Mr. Gragg, and Mr. Aldama stated it was a "very enlightening" report.

Update on Personnel

Ms. Ballew was asked to present an update on personnel.

Ms. Ballew stated there was little activity during the month of December 2010 with only one appointment. Ms. Kitty Clark was appointed lab coordinator for the Mexia State Supported Living Center. There were no resignations, terminations or retirements and there were no reclassifications, reassignments or transfers during the month of December 2010.

Ms. Ballew stated two open positions on the Corsicana Campus were currently being advertised. She stated the Area Housing Coordinator position was posted last month but a strategic decision was made not to fill the position until after the Christmas holidays. She concluded her report by stating Ms. Mary Lou Percy plans to retire in May which is the reason the second position, Instructor of Sciences, was currently being advertised.

President's Report on Items of Information

Prior to asking Ms. Parish to present the Board Calendar, Dr. Nolte announced notice was received from the National Council on Marketing and Public Relations that the college's view book, designed by Ms. Parish, has won a national award.

Ms. Parish stated it will not be known if the view book won first, second or third place until it is announced during the NCMPR conference in March. She continued with a review of the Board calendar and highlights of upcoming events including: Community College Day in Austin on February 2, 2011 which will be attended by Navarro College students, Dr. Sanchez and Ms. Hailey; President's Spring Forums scheduled February 22 – 25, 2011; a birthday celebration for the college's mascot, Beauregard; upcoming athletic events; and the National Western Artists of America Show and Sale to be held at the Cook Education Center January 24 through March 12.

Dr. Nolte asked Mr. Gragg to present an update on enrollment. Mr. Gragg stated enrollment for the spring 2011 semester was currently up 13% and enrollment at the Corsicana campus was up 8%. He stated after registration is complete and "unpaid" are dropped, he predicts enrollment will be approximately 10,800 students, an 8% increase over last spring.

Ms. Moreno was asked to present an update on the Residence Life occupancy rate. Ms. Moreno reported 730 out of 835 Residence Life beds, or 87%, were currently subscribed for the spring 2011 semester. This is an increase over last year and previous spring semesters which had an 80% occupancy rate. She concluded by stating several students are still waiting to move in pending required background checks and meningitis immunization shots.

Ms. Moreno was asked to continue with an update on construction projects. Pictures depicting the progress of the Petroleum Technology Building and Campus Police Building were shown. Ms. Moreno stated Hill & Wilkinson has done a "fine job" on both projects. Final touches were nearing completion and furniture was being delivered. The Police Department will be moving into their new facility next week and classes will begin in the Petroleum Technology building within the next few weeks. Plans are being made to hold a Grand Opening within the next few months. Ms. Moreno concluded by stating a bus barn has been constructed next to the Physical Plant Building to house the college's buses. Previous fencing around the sign on Second Avenue will be used to secure the area containing the college buses and other vehicles.

Dr. Nolte stated Dr. Sanchez was in Washington D.C. conducting interviews for the American Council of Education and would be returning the next day. He continued with a legislative update.

Dr. Nolte stated the preliminary budget developed by the House of Representatives proposes a 7% cut in funding and closing four community colleges, including Odessa College. Dr. Nolte said he recently attended Representative Jim Pitts' inauguration in Austin and was told nine schools were originally on the "chopping block" because of poor enrollment growth.

Dr. Nolte stated that Dr. Sanchez has always preached the importance of enrollment growth and that is being proven now by the schools that are facing closure. The proposed budget also cuts several grants which will impact Navarro College. Ms. Moreno stated that if the state grants are eliminated, it will affect a large number Navarro College first year students who do not qualify for federal aid. Another matter of greater concern is the reduction from \$328 million in state funding to \$58 million for employee health insurance. Some discussion followed. Mr. Huffman expressed concern about the financial burden that will be shifted to students and employees because of the cuts in funding. He stated the "good thing about Texas is it can't run a debt like Californiathere will be a light at the end of the tunnel, we just have to get through it."

Dr. Nolte announced the board meeting scheduled on March 24, 2011 will be held in Midlothian. A grand opening ceremony is being planned for the new campus building prior to the meeting.

Dr. Nolte asked Dr. Stringer to present an update on the Western Artists of America Sale and Show. Dr. Stringer began by distributing a schedule of events for the Seventh Annual Show and Sale to be held at the Pearce Museum in the Cook Education Center. Forty artists from the Western United States are participating in the event and each is allowed to show six pieces. He stated college staff have been working frantically to hang artwork arriving in shipments daily. He stated the college will receive 25% of all sales from hosting the event. Several unofficial sales have already been made by phone from people wanting several items "put back" for them. Dr. Stringer stated the event is creating national exposure for the college's museum and the community.

The event will kick off with a breakfast on Friday, January 28. Board members were invited to attend any of the scheduled events including the awards dinner on Saturday night. Dr. Stringer responded to questions from the board stating he was not sure about the actual number that will be attending. He stated tickets sales were strong and he anticipates having adequate room for the event. In response to Mr. Judson's inquiry, he stated the event organizers are aware of the Cook Center's expansion and hopes it will be an incentive for a long term commitment. He stated they have rotated the event from place to place over the years and are looking for a permanent site.

Dr. Nolte concluded the President's Report.

Closed Session, Announcement and Adjournment

Mr. Huffman announced the next meeting of the Board of Trustees will take place in the Arrowhead Room on the Corsicana Campus on Thursday, February 17, 2011. Mr. Aldama moved to convene into closed session and Dr. Price seconded the motion. Mr. Huffman announced the next meeting would be held on February 17, 2011 in the Arrowhead Room. Following a short break, the board convened into closed session at 8:45 p.m. to discuss personnel matters according to Government Code 551.074. No action, decision or vote was made.

At 9:10 p.m., Mr. Aldama moved to reconvene into open session and adjourn the meeting. Mr. Atkeisson seconded the motion and the decision was unanimous.

Respectfully submitted,

Phil Judson, Secretary-Treasurer
NAVARRO COLLEGE BOARD OF TRUSTEES