

NAVARRO COLLEGE BOARD OF TRUSTEES
NOVEMBER 15, 2012 MEETING
MINUTES

The governing body of Navarro College met at 7:00 P.M. on Thursday, November 15 2012, at the Navarro College Mexia Campus, 901 N. MLK Jr. Highway, Mexia, Texas for their regular monthly meeting. Trustees in attendance included: Mr. Lloyd Huffman, Chairman; Dr. James Price, Vice Chairman; Mr. Phil Judson, Secretary-Treasurer; and members: Mr. Richard Aldama, Mr. A. L. Atkeisson, and Mr. Todd McGraw. Ms. Faith Holt, member, was absent.

Others in attendance included:

Dr. Richard Sanchez	District President
Dr. Kenneth Martin	President, Ellis County Campuses
Dr. Harold Housley	Vice President, Academic Affairs
Ms. Gettie Moreno	Vice President, Finance and Administration
Ms. Maryann Hailey	Vice President, Student Services
Dr. Tommy Stringer	Vice President, Institutional Advancement
Ms. Marcy Ballew	Director, Human Resources
Ms. Linda Davis	Dean, Navarro College at Mexia
Ms. Leslie Smith	Executive Administrative Assistant
Ms. Lynne Coker	Executive Administrative Assistant
Mr. Matt Miller	Director of Online Instruction and M.I.S.C.
Mr. David Zuber	President, Fairfield Industrial Development Corporation

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

Call to Order

At approximately 7 p.m., the Board of Trustees Chairman, Mr. Lloyd Huffman, called meeting to order and asked Mr. Judson to begin the meeting with a prayer.

Board Announcements

There were no announcements from the Board.

Open Forum Time

There were no requests to address the Board of Trustees.

Consent Calendar

a. Minutes - Board of Trustees October 18, 2012 Meeting

Dr. Sanchez stated the minutes from the October 18, 2012 Board of Trustees Meeting was the only item on the Consent Calendar and recommended approval. Mr. Judson moved to approve the Consent Calendar and Mr. Aldama seconded the motion. The decision was unanimous.

Update on Presidential Search Process

Dr. Price, Presidential Search Committee Chairman, presented an update on the Presidential Search Process. He stated the search is progressing well. The deadline for receiving applications is November 19, 2012, and approximately 30 applications have been received to date. He stated ACCT consultant, Dr. Marie Kane, has informed him several good candidates submitted applications over the past weekend.

Dr. Price stated the Presidential Search Committee will review and rank all the applications November 27-29, 2012 and will meet on December 3, 2012 to select the candidates to be interviewed. He concluded his report.

Mr. Huffman added that the Board has contracted with the Association of Community College Trustees (ACCT) and Dr. Marie Kane, ACCT Consultant from Wimberly, Texas, is assisting with the nationwide search. He stated ACCT's method is a refined and sophisticated process and been successfully utilized in the past to find the last two presidents, Dr. Gerald Burson and Dr. Richard Sanchez. Once the number of candidates has been culled down to three to five, staff will be invited to meet the finalists in public forums and give their input. He stated the Board of Trustees will make the final selection based on all factors.

Review of Unaudited Statement of Changes in Fund Balances for Year Ended August 31, 2012

Ms. Moreno was asked to present the unaudited statement of changes in fund balances for the year ended August 31, 2012. She began by stating the official audit findings will be presented during the December board meeting. However, the numbers being presented in the unaudited statement of changes in fund balances for year ended August 31, 2012 have been verified with the auditors and will not change.

Ms. Moreno continued stating the E&G Fund increased \$3.4 million as of August 31, 2012 for an ending fund balance of \$11,039,566. The Auxiliary Fund increased by \$4,602 for a total fund balance of \$3,467,674, and the Debt Service Fund increased \$74,246 for a fund balance of \$310,411. Expenditures exceeded revenues in the Scholarship Fund by \$126,795, leaving a fund balance of \$2,655,331. Ms. Moreno stated not only is the district in a very healthy financial position but the net change in the fund balances is a clear indication it is also very responsive. Steps were taken to reduce expenditures when enrollment projections were not met.

Ms. Moreno added that funds set aside in the event the State mandated a portion of the state allocation must be returned, approximately \$678,000, is included in the E&G Fund's ending fund balance. She continued stating the Auxiliary Fund's fund balance has had greater increases in past years but expenditures for renovating Hoosier Hall and for the purchase of bacterial meningitis vaccines for students impacted this year's balance. In addition, a portion of budgeted auxiliary fund revenues were not realized because of the delay in opening the newly constructed Deli on the Waxahachie campus.

Ms. Moreno explained the increase in the Debt Service Fund's fund balance was a result of savings realized from refunding the bond issue. The Debt Service Fund's fund balance however is restricted for use in meeting the college's debt service obligations.

She continued stating the decrease in the Scholarship Fund's fund balance was a result of issuing scholarships for the bacterial meningitis vaccine which had not been included in the budget. Ms. Moreno responded to Mr. Judson's inquiry about the total cost of purchasing the bacterial meningitis vaccine, stating it was approximately \$74,000.

Some discussion followed. Mr. Huffman inquired if the Auxiliary Fund balance was also considered restricted funds. Ms. Moreno responded that the Auxiliary Fund and all other fund balances, with the exception of the Debt Service Fund's, were considered unrestricted.

Mr. Huffman inquired what dollar amount was recommended to be maintained in the fund balance. Ms. Moreno responded that a desired fund balance would equal three months of unrestricted operating expenses. Currently, that would amount to approximately \$3 million. She also responded to Dr. Sanchez's inquiry about the debt ratio by stating the debt to income ratio rose to 6.8 when the bonds were refunded and reissued last year.

Ms. Moreno concluded by stating the available fund balances, other than the Debt Service's, could be used to finance projects at the Board's discretion.

Take Action on October 2012 Financial Statement

Ms. Moreno continued with a presentation of the October 2012 financial statement. A review of the Statement of Budget Changes for the period ending October 31, 2012 indicated \$261,704 in adjustments were made to carry over grant funds

from the previous fiscal year. The grant funds included: J.E.T. Petroleum Equipment Grant, Small Business Development Center (SBDC) State and Federal Grants, Nursing Shortage Reduction Program Grant, and the TRIO-Student Support Services Grant. A transfer of funds in the amount of \$766 was made to purchase basketball equipment. The amended budget as of October 31, 2012 totaled \$121,208,808.

A review of the Source of Funds for the month ending October 31, 2012 indicated 23.90% of budgeted revenues had been earned compared to 30.10% at this point in time in 2011. Ms. Moreno stated the budget was set higher for tuition and fees this year making it appear less student income had been earned with 39.34% earned as of October 31, 2012 compared to 44.05% last year.

A review of the Disbursement of Funds indicated 46.07% of the budget had been expended as of October 31, 2012 compared to 41.7% at this time last year. Ms. Moreno stated salaries for the entire year have already been encumbered making the amount expended in the Educational and General Fund appear higher with 73.41% expended compared to 69.81% last year. Expenditures in the Plant Fund with 27.7% expended compared to 87.21% last year cannot be compared to each other due to the varying types of construction projects.

Some discussion followed. Mr. Huffman inquired if the first payment on the bond issue has been made yet. He noted that after five years when the \$5 million in bonds issued for the construction of a classroom and physical plant building on the Waxahachie campus are paid off, the college's annual debt service will drop by \$1 million. Mr. Judson and Dr. Price commented the decision to accelerate the payments to pay off the \$5 million in new bonds was a good one because of the effective interest rate of 1.7%.

Dr. Price made a motion to approve the October 2012 financial statement and Mr. Atkeisson seconded the motion. The vote was unanimous. Mr. Huffman announced that preliminary consideration was being given for construction of additional space at the Mexia campus.

Approve Award of Service Contract for Residence Life Internet Services

Ms. Moreno continued with a request for the Board's approval to award the service contract for internet services in Residence Life housing.

Ms. Moreno stated current internet services do not provide enough bandwidth to meet the needs of Residence Life students. Because of the multitude of technology each student brings with them, including iPhones, iPads, Xbox gaming systems, and laptops, the entire network provided by AT&T is easily shut down.

Bids for internet services were recently solicited and three vendors responded: Apogee, Northland Cable and Campus Televideo (CTV). Ms. Moreno recommended awarding the service contract to Apogee based on their ability to provide the greatest band width and technical support services for students 24 hours a day/7 days a week. Apogee's bid includes replacing the existing, dated wireless connections in Residence Life with new equipment, installing one access point per suite. Anti-virus/anti-spyware software is included.

Ms. Moreno stated Apogee was not the lowest bidder. Apogee specializes in higher education internet services, whereas, Northland Cable and CTV's first priority is cable television. In addition, Apogee can guarantee 15 mbps per suite to equal approximately three (3) megabytes per student. Apogee also has the ability to limit the usage of one megabyte per student for educational purposes only. For an additional cost, they will provide an on-site coordinator for technical support for students 24 hours a day/7 days a week.

Northland Cable was not able to provide set costs to match the bandwidth that can be provided by Apogee. Northland Cable's bid also included replacing the dated wireless connections with updated equipment but the company will only provide technical support services to students during the week, Monday through Friday, between the hours of 8 a.m. and 5

p.m. CTV's bid indicated they would use the existing equipment with one access point per four suites and a bandwidth of only 100 mbps per access point.

If the contract is awarded to Apogee, a Residence Life fee increase of \$14 per student/ per month will be requested in January 2013 to cover the cost for both internet service and on-site technical support. Ms. Moreno stated the gigaman line for AT&T internet services will be eliminated to help offset a portion of the cost. The contract will be for three years with an option to renew for another two years if the College desires.

Following some discussion, Mr. Aldama moved to approve awarding the contract for Residence Life internet services to Apogee. Mr. Judson seconded the motion and the decision was unanimous.

Update on Navarro College at Mexia Campus

Dr. Housley introduced Ms. Linda Davis, Dean, and asked her to present an update on the Mexia Campus.

Ms. Davis began by her presentation by introducing the full-time staff on the Mexia Campus. She stated the Mexia Campus serves a large territory covering Freestone, Limestone and Leon Counties and is very dependent on a large number of adjunct instructors. The current ratio of part-time to full-time instructors is approximately 60% to 40%.

Navarro College continues to maintain close relationships with area high schools to provide dual credit classes including Buffalo, Centerville, Coolidge, Fairfield, Groesbeck, Leon, Mexia, Normangee, Oakwood, Teague, and Wortham ISDs. The partnership with Mexia State Supported Living Center (MSSLC) continues to be strong. MSSLC provides classroom and office space for Navarro College to provide pre-service training and annual retraining for all staff. MSSLC currently employs approximately 1,600.

Ms. Davis stated a Power Plant Operations & Maintenance Certificate is offered through a partnership with NRG located in Jewett, Texas. The NRG Program targets high school juniors and seniors and adult participants seeking a career change or skills development. Currently, students range in age from 16 to 28 years. Many graduates have successfully found employment in the industry with a beginning salary of approximately \$40,000.

Ms. Davis continued by stating Mexia's Student Government Association has six active members who meet weekly and travel with the Corsicana SGA to Austin for state meetings. Ms. Davis stated Mexia's SGA member, Ms. Teyasha Brown, was recently elected Executive Secretary of the State Student Government Association. Other student activities include: Adopt-a-Highway Program, Campus Clean-up, Food Drives, Toy Drive, and a float in the Christmas parade. A chapter of Phi Theta Kappa is the newest student organization on the Mexia campus, sponsored by Dr. Monica Castator and Dr. Anna Kantor. Eleven active members will be inducted in spring 2013.

The Fairfield Industrial Development Corporation (FIDC) recently began discussions with Navarro College as a potential partner to provide technical training for area industries. FIDC is in the process of acquiring existing facilities from Windstream Communications to be remodeled into a Career and Technical Center. Ms. Davis stated in addition to acquiring the property, FIDC has allocated \$100,000 for welding equipment for Navarro College to offer training beginning spring 2013. The goal is to provide training for area high school students (dual credit), recent graduates, and displaced workers.

Ms. Davis displayed pictures of the Windstream facility being purchased by FIDC. The property has 29,283 square feet of building space located on approximately 16 acres. The main building has 5,822 sq. ft. of shop space and 11,580 sq. ft. of potential classroom space in the main building. FIDC is considering moving their offices from the downtown square to the newly acquired property. Other business partners are considering a move to this location as well. Some discussion followed.

A Tri-County Advisory Committee has been assembled in an effort to encourage input from the tri-county community on needs they may have. The committee held its inaugural meeting on September 7, 2012 at the Navarro College Mexia Campus. Ms. Davis stated great feedback was received.

Ms. Davis concluded her presentation and introduced Mr. David Zuber, President of the Fairfield Industrial Development Corporation.

Mr. Zuber began with a brief background on the history of the Fairfield Industrial Development Corporation which is funded from ½ cent sales tax revenues. The FIDC's biggest investment has been the purchase of 400 acres for an industrial park located ideally near a main highway and Interstate 45. Industries that meet certain requirements and commit to a certain amount of jobs are allowed to use the property free of charge.

FIDC is currently developing plans to build a new airport. With the help of TXDOT, a feasibility study was conducted and the results indicated that a new airport would pay for itself by attracting new business and industry to the area, bringing in millions of dollars in revenues.

Mr. Zuber stated this is not the first time FIDC has attempted to purchase the Windstream property. FIDC originally wanted to be a "minor" owner in partnership with the high school. Since then, FIDC has realized it would be better to take the lead and is in the final stages of closing the sale. He stated contractors and inspectors are on standby and once the contract is approved, they will move along quickly with developing the property for use.

Mr. Zuber concluded by commenting on the good relations FIDC has with Navarro College and looks forward to the partnership to provide skills training.

Mr. Huffman thanked Mr. Zuber and offered Navarro College's help in any way possible.

Update on Personnel Actions

Ms. Ballew presented an update on personnel actions for the month of October 2012. She stated three new employees were appointed in October including: Mr. Brian Bowman – Network Operations/PC Support Specialist – Corsicana Campus; Ms. Jamie Weaver – Administrative Assistant I to the Assistant Dean of Business, Professional & Technical Education – Corsicana Campus; and Ms. Peggye Henderson – Administrative Assistant III-Business Office – Waxahachie Campus.

Ms. Ballew reported there were no reassignments, transfers resignations, terminations or retirements during the month of October 2012.

Seven open positions were currently being advertised:

- International Cook – Dining Services – Corsicana Campus
- ShaleNET US Regional Hub Coordinator – Corsicana Campus
- ShaleNET US Support Technician – Corsicana Campus
- Assistant Football Coach/Instructor/Intramurals – Corsicana Campus

Ms. Ballew stated the ShaleNET Coordinator and Support Technicians were fully grant funded. She concluded her report and responded to Dr. Price's inquiry about the international cook position stating Ms. Trinidad Tamayo retired from the position and it has been a difficult position to fill. Culinary art schools are being contacted in an attempt to find a qualified candidate.

Mr. Huffman thanked Ms. Ballew for her report.

President's Report on Items of Information

Board of Trustees Calendar

Mr. Gragg presented upcoming events on the Board Calendar including upcoming football and basketball games. The bulldogs will play in the Heart of Texas Bowl Game against Georgia Military on December 1. Offices will be closed for the Thanksgiving holidays November 21-23. Concerts will be held in Dawson Auditorium December 3 and December 6. The fall 2012 semester will end with final exams December 10-15. The annual staff holiday gathering will be held in the Cook Education Center at 11 a.m. on Tuesday, December 18.

Enrollment Report

Mr. Gragg continued with an update on enrollment. He stated the fall 2012 enrollment numbers have now been certified with headcount enrollment down 3.2% and contact hours down 3.1%. He stated it appears the preliminary reports from schools who had indicated increased enrollments had been inflated as they are now reporting decreases for fall 2012. Mr. Gragg stated the Coordinating Board is researching the reasons why most community colleges throughout the state are seeing decreases in enrollment. Several factors may have played a part in the decrease including the number of students lost because of the minimum grade point average requirement, the 150% rule for financial aid participants and the bacterial meningitis vaccine requirement.

Mr. Gragg stated Mexia campus was down 12% as a result of the decline in enrollment of MSSLC employees. Ms. Davis stated management turnover and the change in clientele make it difficult for some staff to continue working there which has contributed to a large turnover. Currently MSSLC has 90 open positions needing to be filled.

Mr. Gragg continued stating an intense marketing campaign has been kicked off to increase enrollment on the Waxahachie campus. An emphasis is being placed on technical programs to attract more students. He stated the winter mini-mester has been revived to help generate contact hours. Mr. Gragg concluded by stating registration for spring 2013 classes began earlier in the week and has started out on a positive note.

Construction Update

Ms. Moreno displayed pictures of the construction work in progress on the soccer and baseball/softball field houses. She reported as of November 13, the roof on the soccer field house was being prepped for shingles. Once Navarro College staff finishes work on the utilities, work on the interior will begin. She stated work on the softball/baseball field house continues to progress as well. Dr. Price inquired if the contractor has offered any reason for their "slowness" and Dr. Sanchez responded they would probably claim it was due to the weather. However, the contractor has had very few men working on the project and administration has not been pleased with their progress.

Ms. Moreno continued stating a contract will be issued once a gross, maximum price is determined by Hill and Wilkinson for the construction of a classroom building and physical plant building on the Waxahachie campus. Construction is scheduled to begin in December.

Legislative Update

Dr. Sanchez reported the Coordinating Board and TACC are proposing two different variations to Momentum (Success Points) Funding. Dr. Sanchez reminded the Board Momentum Funding would be based on points earned for student completion of certain requirements such as completion of developmental studies. Dr. Sanchez stated based on TACC's proposed model, Navarro College would receive approximately \$35 million in state funding, approximately \$4 million more than it received last biennium. However, he doubts the state will have the funds to support this model and Navarro College's allocation will likely be closer to the \$31 million previously received. He expressed concern that the percentage of funding removed from the state allocation for community colleges to be "earned back" through success points will probably increase until it eventually reaches a point where 100% funding will be based on outcomes and completion points. He stated

Representative Dan Branch has already introduced a House Bill increasing the amount of outcome-based funding from 10 percent to 25 percent.

Heart of Texas Bowl Game

Dr. Sanchez concluded his report by stating he and Dr. Martin will be attending the Heart of Texas Bowl Banquet on Friday, November 30, at the Copperas Cove Conference Center. He stated if any Trustees were interested in attending the banquet or the Bowl Game on Saturday, December 1, to let him know so that tickets could be acquired for them.

Announcement and Adjournment

Mr. Huffman stated it is always enjoyable to come to the Mexia Campus and thanked everyone for their attendance. He announced the next meeting of the Board of Trustees will be held on December 13, 2012 at the Cook Center on the Corsicana Campus.

Mr. Aldama moved to adjourn the meeting at 8:49 p.m. and Mr. McGraw seconded the motion. The decision was unanimous.

Respectfully submitted,

Mr. Phil Judson, Secretary-Treasurer
Navarro College Board of Trustees