

**NAVARRO COLLEGE BOARD OF TRUSTEES  
MARCH 22, 2013 MEETING  
MINUTES**

The Navarro College Board of Trustees gathered in the President's Dining Room located in Walker Dining Hall for dinner on Friday, March 22, 2013. Following dinner, the governing body moved to the Cook Education Center to conduct their regular monthly meeting. All trustees were in attendance including: Mr. Lloyd Huffman, Dr. James Price, Mr. Phil Judson Mr. Richard Aldama, Mr. A. L. "Buster" Atkeisson, Ms. Faith Holt and Mr. Todd McGraw.

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
Mr. Dewayne Gragg	Vice President, Enrollment Mgmt., Student Success & Instl. Studies
Dr. Tommy Stringer	Vice President, Institutional Advancement
Ms. Marcy Ballew	Director, Human Resources
Ms. Leslie Smith	Executive Administrative Assistant
Ms. Janice Cason	Executive Administrative Assistant
Mr. Cody Dickerson	M.I.S.C. Coordinator
Mr. Stuart Lamb	M.I.S.C. Audio Visual Specialist
Ms. Susan Johnson	Executive Director, Corsicana Independent School District

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

#### **Call to Order**

At approximately 7 p.m., Mr. Huffman called the meeting to order in the Cook Education Center and asked Mr. Judson to begin with a prayer.

Following the prayer, Mr. Huffman announced a closed session would be held following *Item 108* to discuss personnel matters according to Government Code 551.074.

#### **Board Announcements**

Mr. Huffman announced a special meeting of the Board of Trustees will be held March 27, 2013 at 12 noon in the Lone Star Room, located in Walker Dining Hall. He stated the Board will meet in executive session to discuss legal matters.

#### **Open Forum**

There were no requests to speak during Open Forum.

#### **Consent Calendar**

- a. Minutes – Board of Trustees February 19-22, 2013 Special Meetings
- b. Minutes – Board of Trustees February 22, 2013 Meeting
- c. Minutes – Board of Trustees March 1, 2013 Special Meeting

Dr. Sanchez recommended approval of Consent Calendar which contained the minutes from the February 19, 20, 22 and March 1, 2013 special meetings and February 22, 2013 regular meeting. Mr. Aldama moved to approve the Consent Calendar and Mr. Judson seconded the motion. The decision was unanimous.

### **Update on Presidential Search Process**

Dr. Price stated the Presidential Search Process was nearing completion. He stated following the Closed Session, he anticipates the Board to take action that will complete the process.

### **Presentation on Corsicana ISD \$54 Million Bond Proposal**

Mr. Huffman welcomed Ms. Susan Johnson from Corsicana Independent School District and invited her to make a presentation on the proposed \$54 million bond package. Ms. Johnson began by distributing printed material about the proposed bond package to each of the Trustees. She stated CISD's goal is to educate voters so they will be able to make an informed decision before going to the polls to vote on May 11, 2013.

Ms. Johnson continued stating a Facility Review and Recommendation Committee was assembled consisting of Ms. Faith Holt, Mr. Charles Betts, and Ms. Belinda Adams from Navarro College and 21 other community members. The committee was asked to review Corsicana ISD's needs from a facility standpoint. After listening to financial presentations, visiting with architects and touring brand new and existing facilities, the committee determined the following: district-wide safety and security needs to be addressed to protect students and staff, technical capabilities and equipment need to be upgraded, existing facilities need improvements, and new facilities are needed to meet the demands of the students. To fund these needs, voters will be asked to approve a \$54 million bond package on May 11, 2013.

Ms. Johnson explained how the \$54 million in bond proceeds will be allocated if approved by the voters. Approximately \$3,713,200 will be allocated to enhance the safety and security of students and staff by installing keyless entry systems and cameras district-wide; \$4,000,000 will be allocated for district-wide improvements including libraries and media center; \$36,000,000 is being allocated for construction of a new middle school for seventh and eighth grades; \$1,500,000 will be allocated for a "facelift" of the James G. Price baseball facility; \$7,486,800 will allow existing facilities to be upgraded. New floors will be installed at several campuses, updates made to the high school's stage, lighting and sound; the high school's north hallways will be extended to allow better traffic flow; and portable buildings will be removed from the elementary campuses. Approximately \$1,300,000 has been allotted for a facility to house the district administration.

Ms. Johnson stated with the construction of the new Middle School for seventh and eighth grade students, the fifth and sixth grades can be moved to the existing Collins Middle School. This will alleviate space at the elementary campuses and the need for the portable buildings. Drane School, built in 1923 nearly 100 years ago, has been grandfathered into the plans but needs significant renovation. Ms. Johnson stated it has not yet been determined if the estimated \$1.56 million it would require to upgrade the building would be a feasible investment. If updated, the building could possibly be used by administration or leased out to the community for office or meeting space.

Ms. Johnson continued stating CISD's current bond debt of \$61.5 million will be paid off in 2037. If the new bond is passed, the total bond debt will be paid off in 2039. Property taxes within CISD's district boundaries will go from a current tax rate of \$1.28 per \$100 valuation to \$1.44 per \$100 valuation. Taxes on property valued at \$75,000 will increase \$95.44 annually. Before concluding her presentation, Ms. Johnson stated the election will take place on May 11, and early voting will begin on April 29, 2013.

Some discussion followed. Mr. Judson applauded CISD's efforts and cited the key role education plays in recruiting business and industry to the area. Mr. Huffman agreed and asked Ms. Johnson to introduce the members of CISD's Board of Trustees present in the audience.

After being introduced, CISD trustees, Rev. Ed Monk, Mr. Scott Watkins and Ms. Leah Blackard, took turns commenting on the urgent need for the bond proposal to pass in order to update aging facilities and upgrade the technology at all Corsicana Independent School District campuses.

Ms. Holt concurred with their comments. She stated as a member of the Facility Review and Recommendation Committee, she was "blown away" by the differences when they toured Waxahachie ISD's new buildings and stated Corsicana ISD's schools need to be brought up-to-date quickly.

Mr. Huffman thanked Ms. Johnson and CISD trustees and expressed the Board's support for their bond proposal.

### **Convene into Closed Session to Discuss Personnel Matters According to Government Code 551.074**

At 7:22 p.m., Mr. Aldama moved to convene into Closed Session to discuss personnel matters according to Government Code 551.074. Ms. Holt seconded motion and the decision was unanimous.

### **Reconvene into Open Session and Take Action on Matters Discussed in Closed Session and Adopt Resolution**

At 7:42 p.m. Mr. Atkeisson moved to adjourn the Closed Session and reconvene into Open Session. Ms. Holt seconded motion and the decision was unanimous.

After reconvening into Open Session, Mr. Huffman read a proposed resolution to appoint Barbara R. Kavalier, Ph.D. as the next District President for Navarro College. Dr. Price moved to approve the resolution and Mr. Aldama seconded the motion.

The motion to approve the resolution to employ Dr. Kavalier was approved by a unanimous vote.

Mr. Huffman expressed appreciation for the time Dr. Price, Mr. Aldama and members of Presidential Search Committee spent on this important process.

### **Employee Recognition**

Dr. Sanchez stated on February 20, 2013, the College received a bomb threat to be activated on the Corsicana campus on February 21, 2013. Navarro College Police, under the direction of Chief Kraig Hawkins, engaged in "extremely outstanding work" identifying and pursuing a suspect. By working with AT&T, information was gathered and the suspect was quickly apprehended and arrested. Dr. Sanchez also acknowledged the work of Ms. Venes Brown, who performed her duties on the switchboard in an exemplary manner when the call was received.

Dr. Sanchez stated the work performed was extraordinary and asked the Board to endorse recognizing all the individuals involved with a bonus in recognition of their outstanding efforts.

After polling the Trustees, Mr. Huffman stated it was the Board's consensus to endorse recognition of the outstanding work performed by the Navarro College Police and Ms. Venes Brown with a bonus. The intent

was followed by applause.

### **Approve Orders Declaring Unopposed Candidates Elected and Elections Cancelled**

Ms. Moreno requested approval of an order declaring unopposed candidates for the Board of Trustees elected and canceling the election.

Ms. Moreno stated the filing deadline for the May 11, 2013 Board of Trustees Election was March 1, 2013. No additional candidates other than the incumbent Trustees filed for the three positions: Trustee District 2 (currently held by Ms. Faith Holt), Trustee District 3 (currently held by Dr. James Price), and Trustee-At-Large District 5 (currently held by Mr. Todd McGraw). The last date to file for a write-in candidate was also March 1, 2013. No one filed as a write-in candidate.

Ms. Moreno continued stating the State of Texas statute allows for the Board to cancel the election and declare the unopposed candidates elected. She concluded by stating, if approved, the newly elected Trustees will be sworn in at the May 2013 Board of Trustees meeting.

Mr. Atkeisson made a motion to approve the order declaring the elections cancelled and the unopposed candidates elected. Mr. Aldama seconded the motion and the vote was unanimous.

Mr. Huffman inquired how much money was saved from canceling the elections. Ms. Moreno responded approximately \$15,000 had been budgeted for election expenses.

### **Review of Preliminary February 2013 Financial Statement before Mid-Year Adjustments**

Ms. Moreno was asked to present the February 2013 preliminary financial statement before mid-year adjustments.

Ms. Moreno began by stating February 28 marks the midpoint in the College's fiscal year. The financial statement being presented was preliminary and for informational purposes only. She stated her staff is in the process of conducting a thorough analysis of all revenues and expenditures budgeted to assure that the revenues will be earned as budgeted and that ample funds are available to support the educational programs and support services for the remainder of the fiscal year. A final statement with mid-year adjustments will be presented for approval during the April 2013 Board of Trustees meeting.

A review of the preliminary Statement of Budget Changes indicated a total budget of \$123,414,508 at February 28, 2013. Amendments totaling \$354,076 reflected receipt of Texas Work Commission Skills Development – Certain Teed Grant in the amount of \$39,750, revenues from Cosmetology sales in the amount of \$1,813, a total of \$233 in new grant funds (Carl Perkins – Unlimited Potential Grant) and an increase of \$322,280 in Plant Funds to cover additional expenses incurred with Waxahachie Campus construction projects. These increases were offset by \$10,000 in unearned funds returned to the Nursing Shortage Reduction Program Over 70 Grant.

A review of the Source of Funds indicated 59.03% of the 2012-13 budget had been earned as of February 28, 2013 compared to 69.65% the previous year. A review of the Disbursement of Funds for the same period indicated 71.75% of the budget had been expended as of February 28, 2013 compared to 70.06% the previous year. Ms. Moreno stated the district continues to be in sound, financial condition.

Ms. Moreno continued with a quarterly update on Auxiliary Enterprises and a quarterly comparative balance sheet. As of February 28, 2013, 66.98% of budgeted Auxiliary Enterprises revenues had been earned,

compared to 74.40% the previous year. Ms. Moreno stated the slight decrease in enrollment impacted dining, housing and bookstore sales. With a decrease in revenues, steps were taken to curtail expenditures. As of February 28, 2013, 70.87% of budgeted expenditures had been expended. This was almost a ten percent reduction when compared to the previous year with 79.31% expended. Overall, as of February 28, 2013 revenues exceeded expenditures by \$1,735,460.

The Comparative Balance Sheet for the quarter ending February 28, 2013 indicated an increase of 5.86% when compared to the same period in 2012. Ms. Moreno stated the increase in Accounts Receivable-Other Funds with \$4,361,773 compared to \$2,097,802 last year was simply a "timing difference" as PELL grant funds were disbursed after February 28, 2013. Deferred Gain – 2012 Refunding was a new line item required over the life of the new 2012 bond issue to recognize the savings of \$1.4 million the college realized.

Mr. Huffman inquired how much debt will be left on the 2003 bond issue once the \$5.5 million from the 2012 bond issue is paid off in five years. Ms. Moreno responded approximately \$16 million and added that the previous bond issues did not have call options to pay them off early.

Ms. Moreno concluded her report on the preliminary February 2013 financial statement by stating the fund balance of \$17,635,127 did not include the bond issue and was a "real increase" over the 2012 fund balance of \$14,363, 647.

#### **Take Action on Quarterly Investment Report for the Quarter Ending February 28, 2013**

Ms. Moreno continued with a presentation on the Quarterly Investment Report for the quarter ending February 28, 2013. There were no Certificates of Deposit (CDs) that reached maturity during the quarter ending February 28, 2013. Ms. Moreno stated the book value of total investments in the amount of \$3,090,000 did not change from the previous quarter (ending November 30, 2012).

Ms. Moreno continued stating the current investment portfolio consists of Certificates of Deposit with interest rates ranging from .20% to 1.25%. Efforts to find banks willing to offer decent interest rates or collateralize deposits were mostly unsuccessful. Three institutions have recently been identified for investments. Funds have been invested with State Farm earning .95% interest. City National Bank in Corsicana offered 1.05% interest on an investment of \$250,000; and First National Bank in Dawson offered 0.75% rate of interest on \$150,000. Ms. Moreno stated all deposits were based on amounts covered by FDIC insurance. Plans are to continue looking for more banks in order to reduce the amount of funds held in an interest-bearing checking account at the College's depository bank, Prosperity Bank. Ms. Moreno stated she is reluctant to move the funds to another location when they are earning interest at the rate of .75%.

A review of the maturity schedule indicates Certificates of Deposit totaling \$1,000,000 will mature in the third quarter. A review of pledged collateral by financial institutions indicated a total of \$33,327,661.22 in pledged collaterals and \$1,750,000 in FDIC Insurance to secure cash and certificates of deposit totaling \$26,217,693.

Mr. Atkeisson inquired if Ms. Moreno had checked on the amount of funds covered by FDIC insurance. She responded by stating deposits of \$250,000 will continue to be covered by FDIC insurance through December 2013 and concluded her report.

Mr. Judson moved to approve the Quarterly Investment Report for the Quarter Ended February 28, 2013.

Mr. Aldama seconded the motion, and the decision was unanimous.

### **Approve Restated Resolution of Signature Authority**

Ms. Moreno continued with her presentation by stating the Resolution of Signature Authority was last updated October 2012. Two changes were proposed to update the signature authority for executing business documents and contracts.

Ms. Moreno stated the revisions authorize the Vice President of Finance and Administration's signature as an alternate signature for the District President's signature. The proposed revision to Section IV adds terminology "Related Documents" to include all documents that could be generated under this section.

The proposed revision to Section VI adds terminology to further clarify what is included under this section. It includes goods in addition to services and provides for construction-related contracts and interlocal agreements. Signature authority for checks will remain unchanged.

Ms. Moreno concluded her presentation.

Dr. Price made a motion to approve the restated resolution of signature authority. Mr. Atkeisson seconded the motion and the decision was unanimous.

### **Approve Tuition and Fee Increase Effective Fall 2013**

Dr. Sanchez stated during the budget and planning workshop held in July 2012, a strategic plan was presented recommending an increase in tuition and fees at the beginning of each biennium through 2021 as a means of funding anticipated expenditures (the addition of new staff and purchase of instructional equipment) and increasing the college's leverage for bond coverage for future construction.

Dr. Sanchez stated the proposed increase of \$6 per semester credit hour (SCH) for out-of-state tuition, \$1/SCH increase in building use fees, and \$1/SCH in out-of-district fees would be effective beginning the fall 2013 semester. He then asked Ms. Moreno to share information on the financial impact of the increase.

Ms. Moreno stated during a recent meeting with the student body, Dr. Sanchez shared the need for the proposed increase in tuition and fees. He explained how the funds would be used and the college's efforts to keep costs low for students. Members of the student body present indicated their support of the increase by a unanimous vote.

Ms. Moreno stated the proposed increase in tuition and fees will generate approximately \$527,500 in additional revenues for fiscal year 2013-14. Based on 12 semester credit hours, Navarro County residents will see an increase of \$12 per semester. Out-of-district students will see an increase of \$24 and out-of-state students taking 12 semester credit hours will see an increase of \$84.

With the proposed increase, Navarro College's in-district tuition will still be \$17 below the state average based on spring 2013 tuition. The out-of-district will be \$24 below and out-of-state \$29 below when compared to the spring 2013 state average.

Some discussion followed. Mr. Huffman commented on the fact Navarro College's rates continue to be lower than the state average. Ms. Moreno responded stating she anticipates the gap to become even greater in the semesters ahead. The state average tuition for fall 2013 is expected to increase which will make Navarro College's rates even lower in comparison. Dr. Sanchez stated every effort is made to keep the cost of education as low as possible.

Mr. Aldama made a motion to approve the tuition and fee increase effective fall 2013. Mr. Judson seconded

the motion and the vote was unanimous.

### **Approve In-District Dual Credit Fee Reduction**

Dr. Sanchez stated at their last meeting, the Board of Trustees approved the reduction of dual credit instruction for out-of-district students to \$125 per three (3) unit course if the instructor is provided for by the school district and \$150 per three (3) unit course if the instructor is provided by Navarro College. Courses with a laboratory increase by the amount required to offer the laboratory. He stated dual credit instruction is becoming extremely competitive because of the contact hours it generates.

Dr. Sanchez continued stating with the reduction of out-of-district dual credit fees, it is appropriate to reduce in-district rates as well. Currently, the fee for dual credit instruction for Navarro County students is \$119 per three (3) unit course. Dr. Sanchez stated after considering several models, it is recommended the cost of in-district dual credit instruction be reduced to \$75 per three (3) unit course (\$25/unit). Dual credit courses offered with a laboratory component will have the cost added to the \$75. He then asked Ms. Moreno to present the financial impact of this recommendation.

Ms. Moreno shared a cost analysis based on various fee structures. By lowering the rate for in-district dual credit instruction to \$75 per three (3) unit course, school districts will realize a tremendous savings. The reduced fee will generate approximately \$19,634 above Navarro College's instruction and administrative costs. Ms. Moreno added there will be no need to return building use fees to the school districts with the new fee structure.

Some discussion followed. Dr. Price inquired about state law on student eligibility to take dual credit courses. Dr. Sanchez responded the Texas Higher Education Coordinating Board (THECB) was consulted and the college has been informed high school freshman and sophomore students passing appropriate sections of the Accuplacer tests are qualified to take dual credit courses. Another measure must be put in place to determine the eligibility of students in addition to a satisfactory score on the Accuplacer examination. Information has been requested from the THECB to fully understand the conditions related to Dual Credit courses.

Mr. Judson inquired if the proposed reduction is enough to make Navarro College competitive with other schools. Dr. Sanchez responded by stating several colleges do not charge a fee for dual credit instruction. He stated Navarro College is not in that position but he feels the \$75 fee per three unit course is competitive and will attract more dual credit students.

Ms. Holt made a motion to approve the in-district dual credit fee reduction and Mr. Atkeisson seconded the motion. The motion carried by a unanimous vote.

### **Update on Personnel Actions**

Ms. Ballew was asked to present an update on personnel activities. Ms. Ballew reported the following assignments were made during the month of February 2013:

- Robin Lasher – Assistant Dean Business, Professional, and Technical Education – Corsicana Campus
- Dr. Don Capone - Assistant Dean Business, Professional, and Technical Education – Waxahachie

#### Campus

- Scott Joseph – Assistant Football Coach – Corsicana Campus
- Elizabeth Wilson – International Student Coordinator – Corsicana Campus
- Leanne Bancroft – Registrar's Assistant – Corsicana Campus
- Todd Zimmerman – International Cook – Corsicana Campus

One resignation, Ms. Barbara Bartlett – Mexia Campus Associate Professor History/Government, occurred during the month of February 2013. There were no reassignments, transfers, terminations or retirements.

Ms. Ballew continued stating currently eighteen (18) open positions were currently being advertised including:

- Assistant Dean - Humanities and Kinesiology – Corsicana Campus
- Director of the PASS Program – Corsicana Campus
- Director of Small Business Development Center – Corsicana Campus
- Counselor – Corsicana Campus
- Assistant /Associate Professor of OTA / Site Coordinator – Midlothian Campus
- Assistant / Associate Professor of History / Government – Mexia Campus
- Assistant /Associate Professor of Instrumentation and Electrical Technology – Corsicana Campus
- Assistant /Associate Professor of Developmental Math – Waxahachie Campus
- Assistant /Associate Professor of Developmental English – Corsicana Campus
- Assistant /Associate Professor of Developmental Math and English – Mexia Campus
- Assistant/Associate Professor of PTA Program / Program Director – Midlothian Campus
- Annual Retraining Instructor for Continuing Education – Mexia State Supported Living Center
- Area Housing Coordinator III – Corsicana Campus
- ShaleNET US Support Technician – Corsicana Campus
- Career and Technical Advisor – Corsicana Campus
- ShaleNet US Case Manager – Corsicana Campus
- Network Operations / PC Support Specialist – Corsicana Campus
- Academic Fieldwork Coordinator / Professor of
- OTA Program – Corsicana Campus

Ms. Ballew concluded her report.

### **President's Report on Items of Information**

#### Board Calendar

Ms. Ballew was asked to present the Board Calendar for Dewayne Gragg, who was absent. Highlights for the months of March and April included upcoming athletic events, *Clothed in Glory* - a production by Dr. O'Neill and drama students, *Brilliance* annual scholarship fund raiser for Ellis County Campuses, 100 Years of Broadway to be presented by the Navarro College choirs, and other miscellaneous events. Registration for summer and fall classes will begin on April 1 and commencement ceremonies will be held on May 11 at 10 a.m. and 1 p.m. on the Corsicana campus and at 4 p.m. in Midlothian for the Ellis County campuses.

#### Construction Update

Ms. Moreno gave a brief update on the status of current construction projects. Pictures of construction in progress on the new classroom building and physical plant building on the Waxahachie campus were



displayed. Ms. Moreno stated focus is being directed towards the new classroom building to be completed before fall 2013 classes begin. Walls have been erected on the buildings and work is progressing quickly under the guidance of Hill and Wilkinson.

#### Future Expansion of Waxahachie Campus

Dr. Sanchez shared a concern regarding future expansion of the Waxahachie campus. He stated there is not enough land available on the campus to accommodate the two-story and three-story buildings designated in the master plan. Discussion followed on the prospect of acquiring the Magna Blend property adjacent to the Waxahachie campus. Dr. Martin stated the property has been sold by Magna Blend to another company and Mr. Scott Pendry, formerly with MagnaBlend, was hired as the company's CEO. Dr. Sanchez stated inquiries will be made about the availability of the property.

#### Expansion Plans for Mexia Campus

Dr. Sanchez continued stating plans for the construction of a new administration building for the Mexia campus are now complete and requested direction from the Board on further action. He stated the administration building is badly needed and the cost of \$1.2 million can be taken from the available fund balance of \$17 million. In addition, the Mexia Economic Development Corporation has made a commitment to cover the cost of a new parking lot with a request to be involved in the construction process. Mr. Judson stated he was a proponent for the Mexia facility's need for additional space and would like to look at the plans. Mr. Atkeisson agreed. Based on the consensus of all Trustees, Dr. Sanchez was asked to present the plans for review at the April 18, 2013 meeting.

#### Legislative Update

Dr. Sanchez reported appropriations for community colleges are being considered by the Texas legislature. The proposed senate and house bills are very close in numbers; the house bill is slightly more generous. If Senate Bill 1 passes, Navarro College will receive \$600,000 more than the last biennium. The Texas Association of Community Colleges (TACC) proposed a student success plan to the senate and house. The plan calls for ten percent (10%) of all fifty districts' total allocation to be set aside and allocated based on success points. Every community college would be given \$1 million as a base amount, the second tier of funding would be based on success points earned, and the third based on contact hours. He stated he would provide an update on funding for the biennium when more information becomes available.

#### **Announcement and Adjournment**

Mr. Huffman announced the next regular meeting of the Board of Trustees will be held on the Waxahachie Campus on Thursday, April 18, 2013. In addition, a special meeting to discuss legal matters in executive session will be held in the Lone Star Room on the Corsicana Campus on Wednesday, March 27, 2013.

Mr. Aldama moved to adjourn the meeting at 8:50 p.m. and Ms. Holt seconded the motion. The decision was unanimous. Mr. Huffman stated this was a "historic" meeting with the appointment of Navarro College's next District President and thanked everyone in attendance before adjourning the meeting.

Respectfully submitted,

Phil Judson, Secretary-Treasurer  
Navarro College Board of Trustee