

NAVARRO COLLEGE BOARD OF TRUSTEES
AUGUST 25, 2016 MEETING
MINUTES

Navarro College Board of Trustees gathered on Thursday, August 25, 2016 in Walker Dining Hall located on the Corsicana Campus to conduct their regular monthly meeting. All trustees were in attendance including: Mr. Lloyd Huffman, Chairman; Mr. Phil Judson, Vice Chairman; Mr. Richard Aldama, Secretary-Treasurer; Mr. Todd McGraw, Ms. Faith Holt, Mr. A. L. Atkeisson, and Mr. Loran Seely.

Others in attendance included:

Dr. Richard Sanchez	Interim Chancellor
Dr. Kenneth Martin	President, Ellis County Campuses
Ms. Teresa Thomas	Vice President, Finance and Administration
Mr. Carol Hanes	Interim Vice President, Academic Affairs
Dr. Harold Housley	Vice President, Operations & Institutional Advancement
Ms. Marcy Ballew	Vice President, Human Resources
Ms. Sina Ruiz	Interim Vice President, Enrollment Management
Mr. Roark Montgomery	Athletic Director
Mr. Karl Humphries	Executive Director, Facilities
Ms. Elizabeth Chivers	Director, Institutional Research
Mr. Charles Betts	Director, Residence Life
Ms. Leslie Smith	Executive Assistant to the District President

Other faculty, staff and guests were also in attendance.

Call to Order in President's Dining Room/Closed Session

Mr. Huffman called the meeting to order at approximately 12 noon in the President's Dining Room. Ms. Holt made a motion to immediately convene into Closed Session to discuss real property and personnel matters. Mr. Seely seconded the motion and the decision was unanimous.

At 2:20 p.m., a motion to relocate to the Lone Star Room and reconvene into Open Session was made by Mr. Atkeisson and seconded by Mr. Judson. The decision was unanimous.

No action, decision, or vote regarding the subject(s) discussed was taken during Closed Session.

Relocate to Lone Star Room and Reconvene into Open Session

At approximately 2:23p.m. Mr. Huffman called the meeting to order in Open Session and asked Mr. Judson to begin with a prayer.

Announcements

There were no announcements.

Open Forum

There were no requests to speak to the Board.

Consent Calendar

- a. Minutes – July 6, 7 and 8 Closed Session Meetings
- b. Minutes – July 14, 2016 Meeting
- c. Board Policy Manual Revision – Policy DDC – Personnel – Compensation and Benefits – Absences and Leaves

Dr. Sanchez requested approval of the Consent Calendar containing the minutes from July meetings and a revision to Board Policy DDC increasing the amount of earned sick leave time full-time employees may use for personal reasons each year from 24 hours to 32 hours.

Mr. Aldama moved and Mr. Judson seconded motion to approve the Consent Calendar. The Consent Calendar was approved by a unanimous vote.

Take Action on June 2016 Financial Statement

The new Vice President of Finance and Administration, Ms. Teresa Thomas, was introduced by Dr. Sanchez and asked to present the June 2016 financial statement.

Ms. Thomas reported the FY 2016 revised budget increased by \$49,134 during the month of June 2016 for a total of \$98,514,318. She continued with a review of budget changes and a comparison of the amount of budgeted funds earned and expended through June 30, 2016 to the same point in time last year. Total income decreased by \$3,011,957 and expenses by \$926,713 for a net difference of -\$2,085,244 compared to the previous year.

Mr. Judson made a motion to approve the June 2016 financial statement and Mr. Atkeisson seconded the move. The financial statement was approved by a unanimous vote.

Take Action on July 2016 Financial Statement

Ms. Thomas continued with a presentation of the July 2016 financial statement for approval.

The 2015-2016 revised budget increased by \$2,487,140 as of July 31, 2016 for a total of \$101,001,458. Ms. Thomas reviewed the budget changes and stated federal and state grant award funds received in July will be carried over into the next fiscal year.

Ms. Thomas shared a comparison of sources and disbursements as of July 31, 2016 to the previous year. Net income as of July 31, 2016 decreased \$2,257,134 (-58.48%) when compared to July 31, 2015.

Mr. Seely moved and Ms. Holt seconded a motion to approve the July 2016 financial statement. The decision was unanimous.

Discussion of Calendar Year 2016 (Fiscal Year 2016-2017) Tax Rate, Take Record Vote of Intent to Set Rate at \$0.11830 per \$100 Assessed Valuation and Schedule Public Hearings as Proposed Tax Rate Exceeds the Effective Tax Rate

Ms. Thomas shared that the Board is required by statute to approve the 2016 ad valorem tax rate for the College District in September and must declare their intent by taking a record vote during the August meeting. Statutes also require the Board of Trustees to publish notice and schedule two public hearings if they wish to set the tax rate greater than the effective tax rate, the calculated rate

that would provide the same amount of revenue received the year before. The rollback rate is the maximum rate that can be approved.

Navarro College District's net taxable valuation for calendar year 2016 has increased by \$51.9 million from calendar year 2015, bringing the net tax valuation to \$3,046,069. If the current ad valorem tax rate of \$0.11830 per \$100 assessed valuation is maintained, Ms. Thomas stated the college will earn an additional \$12,892 in tax revenues over the previous year. If the Board were to consider the rollback rate of \$0.127300 per \$100 assessed valuation, the college would earn an additional \$273,331. A chart comparing Navarro College's ad valorem tax rates since 2007 was reviewed.

Dr. Sanchez stated he had originally recommended the Board consider adopting the existing tax rate of \$0.118300 per \$100 of assessed valuation, but has since reconsidered this recommendation. He expressed concern for a potential budget deficit due to a possible loss in contact hour funding and the continuous decline in state appropriations. Texas Higher Education Coordinating Board is considering new procedures that could impact funding received for TJJD and Mexia State Supported Living Center courses. The new rule could result in a potential loss of an additional \$350,000 for Navarro College. He requested the Board consider adopting the rollback rate to help supplement this loss in revenue.

Discussion on the impact the different tax rates would have on the average household followed. Mr. Aldama moved to maintain the current ad valorem tax rate of \$0.118300 per \$100 assessed valuation. The Board Chair called for a record vote on the intent to set the 2016 ad valorem tax rate at \$0.118300 per \$100 assessed valuation:

FOR:	Aldama, Atkeisson, Holt, Huffman, Judson, McGraw and Seely
AGAINST:	none
ABSTAINED:	none

Public hearings on the intended tax rate will be held at 12 noon on September 8 and September 15, 2016 in the Lone Star Room. A vote to set the tax rate will be conducted during the September 29, 2016 meeting.

Presentation on Dual Credit Study

Dr. Sanchez asked Ms. Elizabeth Chivers to share the results of her research on dual credit enrollment and tuition and fee rates.

Ms. Chivers stated data from Texas Higher Education Coordinating Board (THECB) and peer institutions indicates the percentage of dual credit enrollment at Navarro College is greater than its peers. Over the past five years, Navarro College's dual credit enrollment has significantly increased by 1200 students compared to peer institutions with an average increase of approximately 256 students.

In FY 2015-16, dual credit students represented 32% of the Navarro College's total enrollment but only represented 12% of the Educational and General Fund's income. A comparison of in-district and out-of-district rates to peer institutions indicates Navarro College is earning substantially less from dual credit enrollment.

Ms. Chivers stated Navarro College charges lower tuition and fees for dual credit than the majority of

its peers, earning lower revenue per student. In addition, contact hour funding generated by dual credit students is substantially lower than credit students. In 2013-14, a flat fee for dual credit tuition went into effect reducing tuition and fees for in-district dual credit students to 30% of the amount regular credit students paid and out-of-district students to 50.7%. Currently, no tuition or fees are charged for students taking dual credit technical education courses.

Since 2013-14, tuition and fees for regular credit students have increased approximately 28%; these increases have not been reflected in dual credit tuition rates. Ms. Chivers stated if consideration were given to increasing in-district dual credit tuition and fees to 50% of regular credit tuition and fees and maintaining the out-of-district dual credit tuition and fees at 50.7%, the college could realize an additional \$453,629 in student income.

Discussion was held regarding any impact an increase would have on dual credit enrollment. Dr. Sanchez stated in the past, ISDs have considered alternatives but returned to Navarro College due to the quality of instruction and customer service provided. The key to a successful transition will be in how the increase is implemented and how the ISD's are approached.

Dr. Sanchez requested permission to bring forward a request to increase dual credit tuition and fees for consideration at the September 28, 2016 meeting. His request was approved by a consensus of the Board.

Dr. Sanchez thanked Ms. Chivers for her presentation and commended her for the valuable data she provides.

Presentation on Albritton Administration Building Engineering Survey

Dr. Housley was invited to give a brief overview on the status of the Albritton Administration Building's facilities.

Dr. Housley began with a brief history of the Albritton Administration Building, which was built in 1951 and remodeled in 1976. He stated engineers were recently hired and a full team arrived on campus last week to conduct a full assessment of the entire building and its foundation. A complete report is expected by mid-to-late September.

Dr. Housley stated it appears significant repairs will be required. If estimates exceed \$50,000, the College will be required to bring the entire building up to current fire codes, building codes and accessibility standards.

Dr. Sanchez asked Mr. Humphries, Executive Director of Facilities, if he had any idea of the cost that will be involved. Mr. Humphries stated the engineers will include estimates for every piece required in their final report.

Mr. Huffman thanked Dr. Housley for his report.

Update on Residence Life Program

Mr. Charles Betts was invited to share an overview of the Residence Life Program.

The Residence Life Department currently has twenty-four (24) residence halls that are managed by ten (10) full-time professional staff and twenty-one (21) student resident advisors. Area coordinators

are available 24/7 and are responsible for enforcing policy, resolving roommate conflicts, overseeing hall operations, and helping plan and sponsor activities for students. Approximately twenty-one (21) college students serve as Resident Advisors. In addition to assisting with on-campus activities, they also serve as a student leader, friend, resource and referral agent for fellow students.

Mr. Betts stated maximum occupancy in Residence Life housing is 860. Currently, 851 students have been accepted for fall 2016. After Mr. Betts concluded his presentation, a brief question and answer period followed.

Mr. Betts was thanked and commended by the Board for his work.

Update on Personnel

Ms. Ballew presented an update on personnel activity during the month of July 2016. One new face was introduced: Ms. Kristen Schmitz, Dual Credit Coordinator at the Midlothian Campus.

Four employees exited during the month of July 2016: Meredith Chase, Executive Director of Marketing and Public Relations; Patti Binger, Office Manager; Elizabeth Thompson, Cook Education Center Volunteer Coordinator; and Oliver Pineda, Waxahachie Campus Deli Manager.

Ms. Ballew concluded her report and stated she would be on maternity leave next month. Best wishes were extended to her by the Board.

Interim Chancellor's Report on Items of Information

Board Calendar

Dr. Sanchez asked Ms. Ruiz to present the Board Calendar. Highlights of upcoming events included the first home football game and tailgate party at Tiger Field to be held that evening; a Beau Camp finale to be held on Saturday, August 27, at the Clock Tower; Fall Convocation Friday, August 26; and the beginning of Fall 2016 semester classes on Monday, August 29.

Interim Chancellor's Report

Dr. Sanchez began his report by acknowledging staff for all of their hard work. He continued with several items of information:

- Student enrollment is currently down -9.58% and contact hours -10%. Dr. Sanchez noted the 2016-17 Budget was based on a 5% reduction and stated he is hopeful the percentage will be reduced to -8% over the next few days.
- Congressman Joe Barton visited on August 24 and offered his assistance to Navarro College.
- Dr. Sanchez reminded Trustees the first Bulldogs football game of the 2016-17 season will be held at Tiger Stadium that evening at 6 p.m.
- McLennan Community College President, Johnette McKown, has agreed to take the issue of TJJD contact hour funding before TACC membership in October. A decision on TJJD contact hour funding should be known by end of the legislative session
- A conference call has been scheduled with institutions interested in offering baccalaureate degrees. Dr. Sanchez stated there aren't many institutions showing interest and TACC doesn't want to be involved.
- ACCT Leadership Congress will take place in New Orleans, LA. Trustees are scheduled to leave on October 5 return on October 8.
- The results of the engineer's report on the Albritton Administration Building will be shared at the next meeting.

Dr. Sanchez concluded his report.

Next Meeting Announcement and Adjournment

Mr. Huffman announced public hearings on setting the tax rate will be held September 8 and September 15, 2016 at 12 noon in the Lone Star Room. The next regular meeting of the Board of Trustees will be held on September 29, 2016 at 7 p.m. in the Cook Education Center.

Ms. Holt moved to adjourn the meeting at 4:07 p.m. and Mr. Aldama seconded the motion. The decision to adjourn was unanimous.

Respectfully submitted,



Richard L. Aldama, Secretary-Treasurer
NAVARRO COLLEGE BOARD OF TRUSTEES