

NAVARRO COLLEGE BOARD OF TRUSTEES
MARCH 28, 2019 MEETING
MINUTES

Navarro College Board of Trustees gathered on the Mexia Campus located at 901 N. MLK Jr. Hwy., Mexia, Texas on Thursday, March 28, 2019 to conduct their regular monthly meeting. Trustees in attendance included: Mr. Phil Judson, Chairman; Mr. Billy Todd McGraw, Vice Chairman; Mr. Richard Aldama, Secretary-Treasurer; Ms. Faith Holt; Mr. Loran Seely and Mr. Kim Wyatt. Trustee A. L. "Buster" Atkeisson was absent.

Others in attendance included:

Dr. Kevin G. Fegan	District President
Ms. Teresa Thomas	Vice President, Finance and Administration
Ms. Sina Ruiz	Vice President, Enrollment Mgmt. and Instl. Effectiveness
Ms. Marcy Ballew	Vice President, Human Resources
Ms. Maryann Hailey	Vice President, Student Services
Ms. Stacie Sipes	Director, Marketing
Mr. Barry Sullivan	Director, Information Technology
Ms. Christina Mims	Dean, Mexia Campus
Ms. Leslie Smith	Executive Assistant to the District President
Mr. Eric Garrett	City Manager, Mexia
Mr. John Boswell	Corsicana/Navarro County Director of Economic Development

Students, faculty, staff and members of the community were also present.

Call to Order

Chairman Judson called the meeting to order at 7:00 p.m. and expressed the Board's excitement to be in Mexia. He then asked Mr. Aldama to begin the meeting with a prayer.

Announcements

No announcements were made.

Open Forum

Mr. Eric Garrett, Mexia City Manager, welcomed the Board on behalf of the Mayor of Mexia and expressed appreciation for the support Mexia receives from Navarro College. He shared a brief update on improvements that have been taking place in Mexia. A \$2.4 million road project is being funded by the Economic Development Administration and Mexia Economic Development Corporation (MED). When completed, over two miles of heavy-duty concrete roadway with associated utilities (water, sewer, and storm water) will provide access to over 500 acres of "ready lots" off Highway 14. In addition, the City has received word it has been approved for a \$500,000 grant from the Texas Department of Parks and Wildlife, to be matched with a \$500,000 grant from MED, to build a sports complex in downtown Mexia. Mr. Garrett stated the city is working hard to keep and bring people to Mexia and to the College.

Mr. Garrett praised Dr. Fegan stating he visits Mexia regularly and because he always encourages everyone to "tell me what the College can do for you", it has made a positive change in conversations about the College. Mr. Garrett also commended Dean Christina Mims for running an outstanding campus and her support of the community. He commented on the Legacy fundraising event which was sold out, stating this kind of attendance was "unheard of" in their community.

Chairman Judson thanked Mr. Garrett for his comments and for the City of Mexia's support. He stated the College is proud to be a part of Mexia.

Consent Calendar

- a. Minutes – February 28, 2019 Board of Trustees Meeting
- b. Minutes – March 21, 2019 Board of Trustees Enrollment Workshop

Trustee Holt made a motion to approve the Consent Calendar and Trustee Aldama seconded the motion. The decision was unanimous.

Board Recognitions

Dr. Fegan invited Dean Mims to introduce outstanding individuals associated with the Mexia Campus. Dean Mims began by recognizing committee members responsible for the success of the Legacy fundraising event including: Dr. Harold Housley, Teresa Sutton, Michelle Smith, Karen Lenamond; Stacie Sipes, Jennifer Lynch, Jill Flat, Marissa Santos and Debbie Wilson. She thanked them all for their work.

Dean Mims then introduced Associate Professor Christian Pinesett, English instructor and sponsor of the Mexia Chapter of the Phi Theta Kappa Honor Society. Ms. Pinesett stated she has had the pleasure of working with the Mexia PTK for the past two years and introduced students who have been members since the fall semester including Ezequiel Lozano, Alliyah Butler and Pablo Aguero.

Dr. Fegan commended Ms. Pinesett for being an outstanding professional. He stated Ms. Pinesett knows her students' well including their goals, dreams and aspirations. She connects with them on a personal level and is one of the many outstanding faculty members Navarro College has.

Chairman Judson thanked Ms. Pinesett for her leadership and commended the PTK students.

Consider Resolution Approving Tax Abatement Agreement with Pactiv LLC (Project Orange - \$19M)
Mr. John Boswell, Corsicana/Navarro County Economic Development Director, presented requests on behalf of Pactiv LLC for tax abatement agreements for two different expansion projects. The first abatement request was for a \$19 million dollar expansion project (referred to as Project Orange) with a request to freeze the number of jobs required. Mr. Boswell stated the investment is for equipment only and under the terms of the proposed agreement, the company will not be allowed to drop below the current number of 425 employees. He stated the terms of the declining tax abatement were the same as previous agreements made with Pactiv.

Trustee Seely moved to approve the resolution authorizing a tax abatement agreement with Pactiv LLC for their \$19 million expansion project. Trustee McGraw seconded the motion and the decision was unanimous.

Consider Resolution Approving Tax Abatement Agreement with Pactiv LLC (Project Apple - \$25M)
Mr. Boswell continued. He stated Pactiv LLC is also requesting a tax abatement on another expansion project totaling \$25 million dollar (referred to as Project Apple). This expansion project will include both equipment and real estate. The same terms of the declining tax abatement will apply.

Mr. Boswell responded to questions from Trustees. He explained the terms of a declining tax abatement and stated he and Appraisal District staff are responsible for monitoring the terms of the agreement to make sure they are met. He stated if the company defaults, Navarro College will have the ability to call back the amount abated. Mr. Boswell also confirmed the City of Corsicana and Navarro County had approved similar tax abatement agreements with Pactiv LLC at their last meetings.

Trustee Aldama made a motion to approve the resolution authorizing a tax abatement agreement with Pactiv LLC for their \$25 million expansion project. Trustee Wyatt seconded the motion and the decision was unanimous. Dr. Fegan noted Pactiv has been a very good partner with Navarro College over the years.

Consider Action on February 2019 Financial Statement

Ms. Thomas presented the February 2019 financial statement. Budget changes included mid-year adjustments to reduce both Educational & General Fund and Auxiliary Fund departmental budgets by approximately \$2 million. Other budget changes included adjustments to recognize additional grant fund revenues. Total budget changes as of

February 28, 2019 decreased the 2018-2019 budget \$1,225,240 for a revised total of \$89,053,534.

Dr. Fegan stated the College has the responsibility to be good stewards and because budgeted enrollment goals were not met, reductions were necessary. Leadership collectively worked together in making the decisions necessary to reduce budgets by \$2 million.

Ms. Thomas continued with a review of revenue and expenditures through February 28, 2019. The cash flow statement showed year-to-date income in the amount of \$29,473,750 exceeded expenses totaling \$23,226,525 for a net income of \$6,247,225. Ms. Thomas noted this was a 22% decrease in net income compared to the previous year.

Trustee Wyatt moved to approve the February 2019 financial statement and Trustee Seely seconded the motion. The motion passed by a unanimous vote

Review Preliminary March 2019 Financial Statement

Ms. Thomas continued with a review of the preliminary March 2019 financial statement. To date, the only activity to report was a \$2,313 grant received from the Navarro College Foundation.

Consider Action on Quarterly Investment Report for Quarter Ended February 28, 2019

The Quarterly Investment Report for the period ended February 28, 2019 was presented next. Ms. Thomas stated a \$750,000 Certificate of Deposit (CD) at Community National Bank and matured during the quarter and the funds were reinvested into a CD at Citizens State Bank in Dawson earning 2.250% interest. The total book value of all investments for the quarter ended February 28, 2019 remained unchanged at \$2,975,000.

Ms. Thomas continued with a review of the maturity schedule of investments and the breakout of concluded by stating cash and certificates of deposit totaling \$20,275,645.48 are secured with pledged collateral in the amount of \$28,356,215.59 and \$1,000,000 in FDIC insurance..

Chairman Judson announced Trustee Aldama and Trustee Wyatt would abstain from voting and asked for a motion.. Trustee McGraw moved to approve the Quarterly Investment Report for the quarter ended February 28, 2019 and Trustee Holt seconded the motion. The motion passed by a quorum of the Board including Chairman Judson.

Consider Action on Tuition, Fees, Room and Board Increases Effective Fall 2019

Dr. Fegan stated strategically, tuition, fees, room, board and other institutional rates should be set in alignment with the College's vision and the three guiding elements of that vision: to be nationally recognized as a higher education institution and committed to providing innovative career pathways and student-centered learning opportunities. He stated Navarro College is committed to strategically basing educational costs to/for its students on:

1. a yearly analysis of the College's three major revenue components: state appropriations, local appropriations, and tuition and fees;
2. benchmarking with established Texas Community College state average(s) for credit hours, fees, room, board and performance-based funding; and
3. benchmarking with established peer Texas Community College average(s) for credit hours, fees, room, board and performance based funding.

During the Board Workshop held on March 21, 2019, recommendations from the Leadership Team were presented for setting tuition and fees for the 2019-2020 academic year based on the above outlined strategic principles. Three scenarios were presented:

- Scenario 1 - Increase Tuition and Fees Equivalent to Spring 2019 State Averages based on 12 Semester Credit Hours (see attachment)
- Scenario 2 – Increase Tuition and Fees \$3 (see attachment)

- Scenario 3 – Increase Tuition and Fees to Mid-point State Average (see attachment)

Increases in Other Fees and Room and Board rates were also proposed. Ms. Thomas walked through the proposed scenarios and reviewed the breakouts within each. It was noted that less than ¼ students enrolled at Navarro College are full-time and would not pay the full increase proposed with each scenario.

Discussion followed. Chairman Judson stated time was spent reviewing this very complicated subject during the Board workshop on March 21st. He stated it is the Board's desire not to go up but it is necessary to move closer to the state average to keep Navarro College a great institution.

Dr. Fegan stated whatever decision to charge students is made, it will be fully supported by the Leadership Team. The Leadership Team is committed to ensuring value for stakeholders and community members. Dr. Fegan stated when faculty and students leave in spring and come back in the fall, they should see "new". The current model does not allow this. Navarro College's tax rate is one of the lowest in the state because of the Board's commitment to its stakeholders. In addition, the legislature is looking at a reduction in state appropriations making it necessary for Navarro College to find other resources.

More discussion followed. Trustee McGraw stated he did not want to see the rates go up and was struggling with the decision. He stated he feels the "users" should be the ones to pay and from his experience paying college tuition for the past eight years, he knows the proposed rates are affordable and a good value. Trustee Aldama noted the tax rate of \$0.1208/\$100 has not changed "a penny" since the College was formed in 1946. He stated tuition and fees were the best way to generate needed resources.

Trustee Seely inquired if all scenarios were based on 12 semester credit hours and asked which scenario would provide the greatest increase based on the majority of the student population being part-time. Ms. Thomas confirmed that all three scenarios were based on 12 SCH and that *Scenario 1 - Increasing Tuition and Fees Equivalent to Spring 2019 State Averages* would provide the greatest increase.

Trustee Wyatt moved to approve the increases in tuition and fees as proposed in Scenario One and the proposed increases in Other Fees and Room and Board rates to be effective fall 2019. Trustee Aldama seconded the move. The motion passed by a unanimous vote.

Update on Enrollment

Ms. Ruiz reported Spring 2019 2nd 8-weeks enrollment is up 895 students or 39% compared to 2018 and up 64,432 (56.8%) in contact hours compared to 2018. An additional 917 students are "pre-registered." Enrollment in Summer 1 and full Summer classes are down; a -4 decline in revenue compared to 2018 is projected.

Ms. Ruiz stated a push is being made to identify students from top universities and encourage them to enroll in summer classes. Chairman Judson inquired if the students were being contacted electronically. Ms. Ruiz responded postcards were being mailed because personal e-mail addresses were not provided by the universities.

Dr. Fegan commended Ms. Ruiz.

Update on Mexia Campus

Ms. Mims presented an update on the Mexia Campus. New flag poles have been installed and a new television was placed in the student lounge area. Campus security has been increased with coverage now provided Monday through Thursday from 8 a.m. to 9 p.m. Computers in the Testing Center and various classrooms have been replaced.

Ms. Mims also shared information on campus activities. New Student Orientation held on August 14 had a record attendance. Other activities included a canned food drive, PTK toy drive, and Navarro Express. Three Mexia Campus students participated in Community College Day January 30th at the State Capitol and, more recently, Mexia High School held a mock UIL event on the Mexia Campus.

Ms. Mims continued stating on-campus student enrollment in fall 2018 increased 35 students but due to less enrollment in dual credit students, the overall enrollment decreased by 155 students. Spring 2019 on-campus enrollment decreased by 86 students with a slight increase in full-time enrollment. Total enrollment decreased by 185 students compared to spring 2018.

Ms. Mims shared how stakeholders were being involved in developing the Campus Strategic Plan, which is currently in the data collection stage. She continued stating this year's fundraising event, Legacy-A New Voice, was "sold out" and generated a net income of \$16,258, double the amount raised in 2018. During the event, Mr. Dick Flatt was presented a framed resolution conferring the title of Director Emeritus from the Navarro College Foundation. Ms. Mims concluded by stating Mr. Flatt was not able to attend the Board meeting but sent them a message: "If anything is needed to let him know."

Chairman Judson thanked Dean Mims for all she does and for her involvement with the community which was evident from the attendance at Legacy.

Update on Personnel Actions

Ms. Ballew presented an update on personnel actions that took place during the period from February 28 to March 28, 2019. The following appointments were made:

- Kimberly Diaz – Admissions Specialist/Recruiter
- Courtney Vandiver – Social Media Specialist
- Bryant "Webb" Hamilton – Assistant Football Coach
- Karah Armstrong – One Stop Service Desk Coordinator
- Karen Rollison – Dual Credit Coordinator – Ellis County

Exiting employees included:

- Westtie Godbey – Financial Aid Specialist/Imaging Assistant
- Joseph Barnes – Director of Dining Services
- Robyn Kittrell – Administrative Assistant for International Programs
- Jamie Wright – Purchasing Manager
- David Edwards – Continuing Education Coordinator

After announcing Lovera Johnson, Dining Services Cook, will retire on May 10, 2019, Ms. Ballew concluded her report.

District President's Report

Upcoming Events Update

Dr. Fegan reminded Trustees the first annual "Bulldogs Forever" luncheon will be held April 4th in the Cook Education Center.

Navarro District and/or Campus News

Dr. Fegan stated it has been an honor to work closely with Mr. Eric Garrett, who has been outstanding in his support of Navarro College.

Navarro Branding and Affinity

Stacie Sipes, Michelle Smith, and Lori Snodgrass from the Marketing Department along with Vice President Sina Ruiz attended the National Council for Marketing & Public Relations (NCMPR) annual conference held in San Antonio March 24-26 where they received the Silver Paragon Award (second place out of 1,900 entries) for the Dancing For Our Stars promotional piece they designed. First place (gold) was awarded to a school in Canada. In addition, Navarro College was recognized with a "fun" award for "best packaged entry".

Dr. Fegan concluded his report.

Announcement and Adjournment

Chairman Judson announced the next Board of Trustees meeting will be held on April 25, 2019 on the Corsicana Campus. He thanked the staff on the Mexia Campus for hosting the meeting and thanked everyone for all they do for Navarro College.

Trustee Seely moved to adjourn the meeting at 8:34 p.m. and Trustee McGraw seconded the motion. The decision was unanimous.

Respectfully submitted,



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