

**NAVARRO COLLEGE BOARD OF TRUSTEES
MAY 23, 2019 MEETING
MINUTES**

The Navarro College Board of Trustees gathered in the Bulldog Board Room located in Walker Dining Hall on the Corsicana Campus to conduct their regular monthly meeting on Thursday, May 23, 2019 following dinner in the President's Dining Room with spouses and guests. All trustees were in attendance including: Mr. Phil Judson, Chairman; Mr. Billy Todd McGraw, Vice Chairman; Mr. Richard Aldama, Secretary-Treasurer; Mr. A. L. "Buster" Atkeisson; Ms. Faith Holt; Mr. Loran Seely and Mr. Kim Wyatt.

Others in attendance included:

Dr. Kevin G. Fegan	District President
Ms. Teresa Thomas	Vice President, Finance and Administration
Ms. Marcy Ballew	Vice President, Human Resources
Ms. Maryann Hailey	Vice President, Student Services
Mr. Michael Landers	Director, Athletics
Mr. Barry Sullivan	Director, Information Technology
Ms. Stacie Sipes	Director, Marketing and Public Information
Mr. Guy Featherston	Dean, Midlothian Campus and Health Professions
Ms. Christina Mims	Dean, Mexia Campus
Ms. Terry Gibson	Dean, Waxahachie Campus
Ms. Susan Womack	Research Analyst, Strategic Planning Lead for Corsicana Campus
Ms. Leslie Smith	Executive Assistant to the District President
Dr. Tommy Stringer	Professor of History Emeritus
Ms. Kim Moyers	Assoc. Professor of Cosmetology
Ms. Terri Mitchell	Director of College Stores
Dr. Tammy Adams	Registrar/Director of Admissions
Mr. John Boswell	Corsicana/Navarro County Economic Development Director
Mr. Sam Moore	Representative/Liaison for Clean Vision Solar, LLC
Dr. James Price	Navarro Central Appraisal District Board of Directors

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

Call to Order

At 7:03 p.m., Chairman Judson called the meeting to order and welcomed everyone present. Trustee Aldama was asked to begin the meeting with a prayer.

Announcements

Chairman Judson announced a Closed Session would be held following the District President's Report to discuss Real Property and Personnel Matters according to Government Codes 551.072 and 551.074. No action was anticipated.

Open Forum

There were no requests to address the Board.

Consent Calendar

- Minutes – April 25, 2019 Meeting
- Minutes – May 10, 2019 Special Meeting

Trustee Seely moved to approve the Consent Calendar and Trustee Aldama seconded the motion. The motion passed by a unanimous vote.

Report on Canvass of May 4, 2019 Election Returns held May 14, 2019 and Declare Trustees Re-elected

Dr. Fegan stated he, and Trustees Wyatt and Aldama met on May 14, 2019 to canvass May 4, 2019 election returns provided by the Navarro County Elections Administrator and to certify the vote totals received by each trustee in accordance with the Texas Election Code.

Based on results of the canvass of the May 4, 2019 general election, Trustee Aldama made a motion to declare Trustee Faith Holt, Trustee Loran Seely and Trustee (Billy) Todd McGraw re-elected by the voters of Navarro County to serve additional six-year terms on the Navarro College Board of Trustees through May 2025. Mr. Atkeisson seconded the motion and the decision was unanimous.

Chairman Judson congratulated each trustee for the support they have in the community. He commended them for their dedication, time and efforts as Board members. He also thanked spouse, Ms. Liz McGraw, for her support of Trustee McGraw.

Administer Oath of Office

Trustee Holt, Trustee Seely and Trustee McGraw took the Oath of Office administered by Navarro County Judge H. M. Davenport. Certificates of Election were presented to each. All were congratulated by a round of applause.

Election of Officers

Chairman Judson stated in accordance with Board Policy, the Board of Trustees is required to elect a Chairman, Vice-Chairman and Secretary-Treasurer in May of odd-numbered years. Mr. Atkeisson moved to nominate Phil Judson to serve as Chairman; Todd McGraw as Vice Chairman, and Richard Aldama as Secretary-Treasurer. Trustee Holt seconded the motion and the vote was unanimous.

Chairman Judson expressed his thanks for the confidence placed in them and for their support.

Board Recognitions

Dr. Fegan welcomed Dr. Tommy Stringer and his wife, Cheryl. He stated Dr. Stringer, who is cherished and revered by all for his passion and teaching of students, was recognized by the Board of Trustees and awarded the title of Professor of History Emeritus during a special Board meeting prior to the commencement ceremonies in May. Dr. Stringer stood and was recognized by applause.

Dr. Fegan called on Associate Professor of Cosmetology, Kimberly Moyers, to be recognized. He stated in line with the College's vision of being nationally recognized, the Cosmetology Program has participated in the 2018 and 2019 Skills USA Competitions and won several medals both times. Ms. Moyers introduced Cosmetology students, Marissa Blum, who won a gold medal, and Katrina Williams, Cosmetology's student president and also a third place winner in the Skills USA competition. Ms. Moyers stated Ms. Blum-Jones and Shelby Nickell, who was not present, will be competing against other national gold winners in June. Ms. Moyers and the students were commended for their achievements. Dr. Fegan noted that Navarro College's Cosmetology Program was recently recommended to a potential student by professionals at North Park Mall's salon as being the "best cosmetology program in the State of Texas". Dr. Fegan thanked Ms. Moyers and students. Chairman Judson also thanked them and wished them good luck in the upcoming competition.

Ms. Terri Mitchell, Director of College Stores, was recognized next for "leading on a national level". Dr. Fegan stated Ms. Mitchell was recently selected by the Zeta Omicron Chapter of Phi Theta Kappa for the Alumni Award of Appreciation and was recognized at the PTK Catalyst Awards Ceremony in April 2019. She has also been elected to serve as President-Elect of the Southwest College Bookstore Association (SWCBA) for the coming year (2019-2020) and will serve as President in 2020-2021. The Southwest College Bookstore Association represents all institutionally owned bookstores throughout five states: Oklahoma, Texas, New Mexico, Louisiana, and Mississippi. Chairman Judson commended Ms. Mitchell.

Dr. Tammy Adams, Director of Admissions and Registrar, was also recognized. Dr. Fegan stated the US Dept. of Education sent him a letter commending Dr. Adams for her work as IPEDS key holder submitting survey data three weeks early. Dr. Fegan stated he felt it was important to recognize Dr. Adams as letters of gratitude from

the government are very seldom issued. He thanked Dr. Adams and Chairman Judson commended her for her work in a “behind the scenes job that is so very important.”

Clean Vision Solar LLC Request for Tax Abatement

Mr. John Boswell, Navarro County Economic Development Director, introduced Mr. Sam Moore, Clean Vision Solar LLC's representative and consultant. Mr. Boswell reminded trustees that Clean Vision Solar LLC was seeking a new tax abatement for their \$120 million solar project being developed in Precinct 1 and Blooming Grove ISD district. The 10-year tax abatement is shaped on a sliding scale. Navarro College would receive projected net revenue of \$843,000 through 2045.

Chairman Judson noted Clean Vision Solar LLC's request was tabled during the May 23, 2019 Board of Trustees meeting until a representative from company could be present to answer questions. Mr. Moore came forward to answer questions from the Board. Mr. Moore was asked why the number of employees was reduced from five in the original tax abatement to only two. It was noted the number of jobs being created does not fit the normal “mold” of tax abatements. Mr. Moore agreed and responded that it is “just the nature of the business.” One person will be hired to monitor the equipment and another to mow and maintain the grounds.

More questions followed regarding the start date of the project, the life span of solar systems, other government rebates and tax incentive credits the company is expecting to receive, and where Clean Vision Solar LLC's headquarters is located. Mr. Moore responded:

- The project's start date has been pushed back a year because of the delay in the tax abatements.
- Solar projects, while new in Texas, have long-lived in Nevada and on the west coast. The facilities can last a quarter of a century or more.
- Investment tax credit for a green power initiative can be taken in a lump sum amount and applied towards federal income tax as a write off. The amount depends on how much the company qualifies for and how much income tax will be levied. For instance for \$120 million investment, the company will receive \$40 million of income tax credit that can be applied over a period (i.e. if they have \$10 million federal taxes levied per year they will not have to pay federal taxes for four years)
- Mr. Moore's company, K.E. Andrews, is based out of Rowlett and is historically a property tax consulting firm. They were hired by Clean Vision Solar LLC to represent them as a liaison in property tax matters. Alpine Son is the owner/developer. The company is chartered out of Romania and has a global presence according to Mr. Moore.

When asked how critical it would be to the company if the tax abatement is not approved, Mr. Moore indicated the company is cash-flow driven. Denial of the tax abatement could have an impact on its rate of return and make it difficult for the company to secure financing.

At the end of the question and answer period, Chairman Judson stated the tax abatement agreement approved in November 2018 needs to be terminated and a motion was needed to adopt or deny a new tax abatement agreement. Trustee Aldama moved to approve the termination of the tax abatement agreement approved November 2018 and approve the resolution adopting a new tax abatement agreement with Clean Vision Solar LLC.

The motion failed due to a lack of a second. Chairman Judson asked if a new motion was required to terminate the original tax abatement agreement approved November 2018 since the motion to approve a new tax abatement agreement failed to receive a second. Mr. Boswell stated there was no need for the Board to take any action to terminate the current tax abatement agreement. Because the company, Clean Vision Solar LLC, will not be able to meet the terms of the November 2018 agreement, it will self-terminate on its own.

Chairman Judson thanked Mr. Moore for coming in and answering questions and thanked Mr. Boswell as well.

Consider Action on Resolution Approving Navarro Central Appraisal District's Acquisition, Remodeling and Financing of Building

Dr. James Price, representing the Navarro Central Appraisal District, presented a request to approve a resolution approving Navarro Central Appraisal District's acquisition, remodeling and financing of a building. He stated the Appraisal District Office is over-crowded. Several options have been looked at to alleviate the problem. One option was to add-on to the current facility but that would take up too much parking space and still not provide enough office space.

Another option was to build a new facility. The best option, however, is to move into one of the former State Home large classroom facilities purchased by the City of Corsicana for \$500,000. The facility will need to be remodeled to accommodate the needs of the Appraisal District and will provide lots of opportunity for future growth. This will be the first project on the State Home property. The City plans to demolish the red brick cottages, take the fence down and build a new entry-way from Drane Road.

The acquisition and remodeling of the facility requires the approval of three quarters of the 28 taxing entities entitled to vote on the Navarro Central Appraisal District's Board of Directors. Each taxing entity will pay a pro-rata share of the project. Dr. Price indicated the Appraisal District has already received the required number of approvals to move forward but desired to have Navarro College's Board of Trustees approval as well.

Trustee Wyatt moved to adopt the resolution approving Navarro Central Appraisal District's acquisition, remodeling and financing of the building. Trustee Aldama seconded the motion. The motion passed by a majority vote. Trustee Atkeisson and Trustee Seely abstained.

Consider Action on April 2019 Financial Statement

Teresa Thomas presented the April 2019 financial statement for approval. Budget adjustments decreased the 2018-2019 budget \$769,647 for a revised total of \$88,172,080 as of April 30, 2019. Ms. Thomas stated the majority of the decrease was a result of the mid-year budget analysis of the budget and a TPEG grant adjustment due to reduced student income. Decreases were offset by increases in Cosmetology shop sales in the amount of \$6,006, a SBDC grant allocation for equipment in the amount of \$6,673, and a \$1,000 increase in Bookstore Deli sales.

.A review of the Cash Flow Statement indicated a net income of \$5,979,683 as of April 31, 2019. This was a \$764,822 increase compared to \$5,214, 861 net income at this point in time last year. Ms. Thomas stated efforts to closely monitor expenditures will continue with the desire to break-even at the end of the fiscal year.

Trustee Holt moved to approve the April 2019 financial statement and Trustee McGraw seconded. The motion passed by a unanimous vote.

Review Preliminary May 2019 Financial Statement

Ms. Thomas continued with a preliminary review of the May 2019 financial statement. One adjustment recognizing funds earned by the Emergency Medical Program providing parking services during the Brilliance fundraiser increased the budget \$198 for a revised total of \$88,172,278.

The information presented was preliminary and no action was required.

Consider Action on Awarding Contract for Auditing Services

Ms. Thomas stated a Request for Qualifications (RFQ) for auditing services was issued and four responses were received. A committee reviewed the responses and narrowed them down to two qualified and capable vendors. After negotiations with the two vendors, there was only a \$900 difference in price. Based on the College's past experience with the current auditor, the committee recommends remaining with Whitley Penn for an additional 3 years with an option to renew. Ms. Thomas stated the college will save approximately \$7,000 based on the new

negotiated fee.

Trustee McGraw inquired if there is a requirement to change auditors every few years. Ms. Thomas responded it is not a requirement to change auditors. She noted the current audit firm sends out a new team each year and the managers often change as people are promoted to partners. Trustee Wyatt inquired about the other firm that was considered. Ms. Thomas responded the firm was Weaver, whose lack of knowledge of billable hours required to perform the audit was noted during the negotiations.

Dr. Fegan stated moving forward, the company performing the audit will be doing most of the work. In the past, the College has performed most of the work.

Trustee Atkeisson moved to approve awarding the contract for auditing services to Whitley Penn LLC. Trustee Seely seconded motion and the decision was unanimous.

Update on Enrollment

Ms. Ruiz presented an update on enrollment in relation to the budget. She stated projections for Summer 2019 enrollment are estimated to generate \$3,069,712 in revenue. Enrollment increases in two of the five summer terms (Spring 2nd 8 Weeks and May Mini) have now been validated and estimated to generate \$723,583 in tuition and fees revenue, 24% of the total Summer 2019 projected revenue.

Enrollments in Summer 1, Full Summer and Summer II classes are currently in progress. Once students who are currently pre-registered are validated, an estimated \$2,258,012 in tuition and fees revenue will be generated, bringing the total up to 97% of Sumer 2019 projections.

Dr. Fegan stated close to 150 student athletes will be on campus for Summer II classes and only about half (70-80) are yet to be registered which will increase the enrollment. He stated fall sports (football, volleyball, and soccer) are working to enroll students in summer as an attempt to keep students longer and improve student success points as well. Chairman Judson inquired if the 4% decline was included in the projections. Ms. Ruiz stated even though the 4% decline was projected, the trend in summer enrollment is exceeding it.

Ms. Ruiz continued stating a decline of -1.36% in fall 2019 enrollment is projected and estimated to generate \$9,552,241. Once validated, students currently pre-registered for Fall 1st 8-weeks and Fall 16-weeks classes will generate an estimated \$2,725,590 or 29% of the projected estimated revenue. Ms. Ruiz confirmed that the revenue projections for fall are based on the new tuition and fee rates. Dr. Fegan added plans are to add room and board revenue to future reports as well.

Ms. Ruiz concluded her report and was thanked by Chairman Judson.

Update on Personnel Actions

Ms. Ballew presented an update on personnel activity. During the period from April 26, 2019 to May 23, 2019, the following appointments were made:

- Susan Nall – Assistant Professor of Licensed Vocational Nursing
- Emmanuel Doak – Colleague Applications Specialist

The following resignations and retirements were received:

- Cameron Hieb – Head Athletic Trainer
- Jens Danielsen – Assistant Football Coach
- Belinda Adams – Professor of English
- Brad Richardson – Associate Professor of Criminal Justice

There were no non-renewals or transfers during the period from April 26 to May 23, 2019.

Chairman Judson thanked Ms. Ballew for her report.

District President's Report

Dr. Fegan reviewed dates of upcoming events including the Board Budget workshop and Board meetings scheduled in June and July. Trustees were asked to contact Leslie Smith by May 30th regarding their plans to attend the ACCT Leadership Congress October 16 -19, 2019 so that reservations can be secured.

Announcement, Closed Session

Chairman Judson announced the next meeting of the Board of Trustees including the Budget Workshop would be held on June 27, 2019. Trustee McGraw stated he would not be able to attend the workshop and meeting on June 27th because of his daughter's wedding scheduled that week. He was congratulated by all.

At 8:17 p.m., a motion to convene into Closed Session was made by Trustee Atkeisson and seconded by Trustee Wyatt. The decision was unanimous.

Closed Session and Adjournment

At 8:45 p.m., Trustee McGraw moved to reconvene into Open Session and adjourn the meeting. Trustee Wyatt seconded the motion and the decision was unanimous. No action, decision or vote regarding the subjects discussed was taken during or after the Closed Session.

Respectfully submitted,



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