

NAVARRO COLLEGE BOARD OF TRUSTEES
AUGUST 19, 2010 MEETING
MINUTES

The governing body of NAVARRO COLLEGE met on Thursday, August 19, 2010, at 6 p.m. in the President's Dining Room for dinner. No business was discussed or conducted during this time. Following dinner, trustees relocated to the Arrowhead Room of the Gooch One Stop Student Center for their regular monthly meeting. Trustees in attendance included: Mr. Lloyd Huffman, Chairman; Dr. James Price, Vice-Chairman; Mr. James Borkchum, Jr., Secretary-Treasurer; Mr. Richard Aldama, Member; Mr. A. L. Atkeisson, Member; and Mr. Phil Judson, Member.

Mr. Todd McGraw, Member, was absent.

Others in attendance included:

Dr. Richard Sanchez	District President
Dr. Harold Nolte	President, Ellis County Campuses
Dr. Kenneth Martin	Vice President, Academic Affairs
Ms. Gertrud Moreno	Vice President, Finance and Administration
Ms. Maryann Hailey	Vice President, Student Services
Dr. Tommy Stringer	Vice President, Institutional Advancement
Mr. Dewayne Gragg	Vice President, Enrollment Management
Ms. Donna Parish	Director, Market Relations & Public Information
Mr. Roark Montgomery	Athletic Director
Ms. Marcy Ballew	Director, Human Resources
Mr. Lee McCleary	Corsicana/Navarro County Director of Economic Development
Mr. Stephen Gallets	Russell Stover Candies, Inc.
Mr. Kenneth Leonard	Partnership Specialist, U.S. Census Bureau
Ms. Leslie Smith	Executive Administrative Assistant
Ms. Darla Littrel	Executive Administrative Assistant
Mr. Rayland Haynes	Media Integration Services Center
Mr. Bob Belcher	Corsicana Daily Sun

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

Call to Order and Dinner

Mr. Huffman called the meeting to order in the President's Dining Room at approximately 6:00 p.m. and a dinner was served. Trustees were joined during the meal by Dr. Sanchez, Dr. Nolte, Dr. Martin, Ms. Moreno, Ms. Hailey, Dr. Stringer, and Mr. Gragg; no business was conducted at this time.

Following the dinner in the President's Dining Room, the board relocated to the Arrowhead Room where Mr. Huffman reconvened the board into regular session at approximately 7:02 p.m.

Board Announcements

There were no announcements made by the Board.

Open Forum Time

There were no requests to speak to the Board.

Consent Calendar

- a. Minutes - Board of Trustees July 13, 2010 Meeting
- b. Minutes – Board of Trustees July 22, 2010 Meeting

Dr. Sanchez stated minutes from the special meeting held on July 13, 2010 to award the construction contract for the new Oil and Gas and Campus Police Buildings and minutes from the regular meeting held on July 19, 2010 were presented for approval in the Consent Calendar.

Dr. Price moved to approve the Consent Calendar. Mr. Aldama seconded the motion, and the decision was unanimous.

Adopt Two Resolutions Authorizing Tax Abatements for Russell Stover Candies, Inc.

Dr. Sanchez introduced Mr. Lee McCleary, Corsicana/Navarro County Director of Economic Development, and asked him to present the requests for tax abatements.

Mr. McCleary stated Russell Stover Candies, Inc. was requesting two tax abatements: one for personal property improvements in the amount of \$1,033,651 for their new product line and one for improvements in the amount of \$1,215,587 for the Cremè Egg project. He stated their request was for a 50% abatement of the taxes assessed on the improvements over a ten year period.

Mr. McCleary stated Russell Stover Candies, Inc. has been a Navarro County employer since 1999 and plans to add fifty-five (55) new full-time positions as a result of this expansion project. He recommended adoption of the two abatements. Mr. Aldama inquired if the city and county had approved the abatements. Mr. McCleary stated they approved them in at their meetings in June and July.

Mr. Borkchum moved to adopt the resolutions authorizing the tax abatements for Russell Stover Candies, Inc. on the improvements to the property. Dr. Price seconded the motion and the decision was unanimous.

Take Action on July 2010 Financial Statement

Ms. Moreno was asked to present the Financial Statement for the period ending July 2010.

The Statement of Budget Changes for the month ending July 31, 2010 showed an increase of \$250,511 in the Educational and General Fund. Ms. Moreno stated the increase was due to receipt of funds from the J.E.T. Grant, state funds awarded for S.B. D.C. Grant, Cosmetology sales and an appropriation from Auxiliary Funds for the Bridge Program. The revised budget at July 31, 2010 totaled \$90,505,128.

A review of the Source of Funds for the same period indicated 99.02% of the revised budget had been earned at July 31, 2010 compared to 99.53% the prior year. Ms. Moreno stated that Student Income with 111.34% earned has continued to exceed expectations despite the mid-year adjustment. An increase of tax receipts was reflected in Local Appropriations with 102.32% earned. Ms. Moreno pointed out that State Funds with 87.82% earned will not reach 100% due to the 5% reduction in state appropriations.

Ms. Moreno stated the Debt Service Fund, with 100.51% earned as compared to 295.41% the previous year, was "in line with where it should be" and did not compare to the prior year because of the revenue bonds issued last year.

A review of the Disbursement of Funds showed 104.10% of the revised budget had been expended and/or obligated as of July 31, 2010 compared to 95.67% the previous year. Ms. Moreno stated instruction costs have increased as a result of the student growth experienced and increased expenditures in Student Financial Aid directly correspond to the revenues received in this flow-through account.

Ms. Moreno concluded her report by stating the college continues to be in "very good, sound financial condition."

Mr. Judson made a motion to approve the July 2010 financial statement, and Mr. Atkeisson seconded the motion. The decision was unanimous.

Take Action on Adoption of the Budget for the 2010-2011 Fiscal Year

Ms. Moreno stated the proposed 2010-2011 budget being presented for approval was identical to the one presented during the board's workshop on July 22, 2010 with a few exceptions. Tax revenues were increased \$83,680 due to an increase in certified tax valuation, and two previously proposed part-time positions in Ellis County have been converted to two full-time positions for the Waxahachie campus.

The proposed 2010-11 budget total of \$106,274,145 is a \$20 million increase over the previous year's amended budget of \$87,788,145. Ms. Moreno stated this dramatic increase in the budget is due to the increase in Student Financial Aid.

A review of the Educational & General Fund budget displayed the largest portion of the fund is allotted towards personnel and benefits (60%) followed by maintenance and operations (19%), transfers/contingency/debt (10%), utilities (5%), supplies/software/PR (4%) and equipment and travel (1% each).

Mr. Huffman inquired if the increase in tax revenues was due to increased property valuations and Ms. Moreno responded it was. She stated the additional \$83,000 in tax revenues is being allocated towards the purchase of four new vehicles: a new maintenance department truck and police car for the Waxahachie campus and two new Suburbans to add to the college's fleet. The Suburbans will be used by the Student Relations Office for student recruiting three months out of the year and during the remaining nine months, they will be available for use by other departments and staff, i.e. athletics department. Approximately \$12,000 spent each year on renting vehicles for use by the recruiters will be applied to the purchase price of the two Suburbans.

Dr. Price moved to adopt the Budget for the 2010-11 Fiscal Year and Mr. Aldama seconded the motion. The vote was unanimous.

Discussion of Calendar Year 2010 (Fiscal Year 2010-2011) Tax Rate. Take Record Vote of Intent to Set Rate per \$100 Assessed Valuation and Schedule Public Hearings if the Intended Tax Rate Exceeds the Effective Tax Rate

Ms. Moreno stated the board is required by law to discuss and take a record vote of their intent to set the tax rate for calendar year 2010 (fiscal year 2010-2011). Based on information obtained from the Navarro County Tax Assessor, the college's current tax rate of \$.119 per \$100 valuation is slightly higher than the effective tax rate of \$.115/\$100 and less than the rollback rate of \$.1246/\$100.

Ms. Moreno requested the board consider adopting a tax rate of \$.123, slightly below the rollback rate of \$.1246. The rate of \$.123 would result in an average annual increase of only \$4 in property taxes on a home valued at \$100,000 and would generate an additional \$99,376 in revenue for the college.

Dr. Sanchez added the reason for requesting a rate of \$.123 was to help offset the loss of \$3 million in state appropriations the college is facing over the next biennium, 2011-13, and possibly \$5 million over the next two bienniums. He stated setting the tax rate at \$.123 would create a modest increase for Navarro County taxpayers, and the tax increase would assist the college in preparing for the loss in state appropriations during the next biennium.

Discussion followed regarding the amount of revenue that could be generated by leaving the tax rate at \$.119/\$100 and increasing tuition and fees instead. Mr. Judson stated he was concerned about the perception it would give the public during these hard economic conditions if the board were to increase property taxes, even though the tax increase would be minute. He added nothing was mentioned about the possibility of a tax increase during the budget proceedings. It was his understanding the shortfall the college is facing would be made up through tuition and fee increases. He stated he would prefer to increase tuition and fees before it gets to a point where a possible legislative "freeze" is placed on tuition at which point the college would get "locked in."

Mr. Aldama commented that an increase in tuition and fees was already being considered for fall 2011, and with that increase it appears Navarro College will be in the middle range of tuition and fees when compared to the state average.

Dr. Sanchez stated that if the board decides to maintain the current rate of \$.119/\$100 he would likely request an increase in tuition in the fall by another \$1 in addition to the \$1 increase planned. He expressed concern over increasing the out-of-district fees. He stated that approximately 40% of Navarro College's students come from Ellis County and approximately 80% are out-of-district students. He further stated he would not want the college to get into a position where Tarrant County and Dallas County community colleges looked more attractive because of their lower out-of-district rates.

Mr. Atkeisson stated that perception of the college and trustees raising taxes during trying economic times is the issue. He concurred with the idea of tuition and fee increases to spread the burden over those using the college instead of the taxpayers. He also agreed with Dr. Sanchez that it is important not to increase the burden so much that other institutions look more attractive to potential students.

Dr. Price moved that the board take a record vote on its intent to set the tax rate at \$.119 per \$100 of assessed valuation. Mr. Aldama seconded the motion. A record vote was taken with Atkeisson, Judson, Borkchum, Huffman, Price, and Aldama voting in favor of the motion. McGraw was absent.

Ms. Moreno stated that because the board's intent is to set the tax rate higher than the effective tax rate, a calendar of events outlined by the State of Texas must be followed. Ms. Moreno stated that public notices must be advertised in the newspaper and two public hearings must be held prior to the September 16, 2010 meeting when the board must vote on setting the tax rate. The first public hearing has been scheduled for Tuesday, August 31, 2010 and the second public hearing Wednesday, September 8, 2010. Both hearings will take place at 12 noon in the Lone Star Room located in the Walker Dining Hall.

Presentation of Plaque by U.S. Census Bureau

Mr. Huffman acknowledged the presence of Mr. Kenneth Leonard, U. S. Census Bureau Partnership Specialist.

Mr. Leonard stated he was asked to present a plaque to Navarro College on behalf of the U.S. Census Bureau. He read the plaque aloud which stated the U.S. Census Bureau recognized Navarro College as a valued partner and expressed appreciation for the college's support in "raising awareness and inspiring participation" in the 2010 Census. Mr. Leonard stated that the college's efforts helped in achieving the goal of a complete and accurate census count.

Mr. Huffman expressed appreciation for the acknowledgement and thanked Mr. Leonard.

Discuss and Approve Increase to Tuition and Fee Schedule for Spring 2011

Ms. Moreno stated a \$1 increase in-district, out-of-district, and out-of-state tuition and in addition, a \$1 increase in the out-of-district fee was being proposed for spring 2011.

Ms. Moreno stated with the proposed increase, Navarro College's tuition and fees will remain below the state average based on spring 2011 rates. Ms. Moreno also stated she anticipates the state average to increase tremendously this fall. The cost for enrolling in 12 semester credit hours (SCH) at Navarro College is lower when compared to McLennan and Tyler Community Colleges and slightly higher than Trinity Valley Community College. She added that Trinity Valley collects a maintenance tax in some of their service area making it possible for them to assess a lower rate.

Ms. Moreno reviewed the new tuition rates that will apply with the \$1 increase added. She reminded the board they voted last year to assess international students a "per class" charge. In previous semesters, fewer international students enrolled in courses during summer terms and mini-semesters because international students were required to pay for 12 semester credit hours even if they only wanted to take one class.

Dr. Sanchez stated the reason for bringing the increase in spring 2011 tuition and fees to the board at this time was due to spring registration which will begin in the next few months. Approving the recommendation to increase tuition and fees spring 2011 will also allow staff to update the rates in the schedule of classes for spring 2011.

Mr. Aldama made a motion to approve the increase in the tuition and fee schedule for Spring 2011. Mr. Judson seconded the motion and the decision was unanimous.

Update on Navarro College Website and Demonstration of Virtual Campus Tour

Donna Parish was asked to present an update on the Navarro College website. Ms. Parish presented a demonstration of the new virtual campus tours.

Ms. Parish stated that because prospective students have grown up in a digital era, a video tour component has been added to the college's website to appeal to them. She stated bids were solicited last year and a contract was issued between the college and Point A Media to produce video tours for the website.

Nine different campus video tours were designed to be fun and easy to access. Instead of hiring narrators or actors, Ms. Parish stated actual Navarro College students were used in creating the videos. Ms. Parish stated scripts were written for the students based on questionnaires they completed. The videos focus on each campus location as well as on academics, athletics and campus life.

Following a demonstration of the video tours, Ms. Parish stated the videos are helping reach prospective students and their families who aren't able to visit the campus by allowing them to see what Navarro College has to offer.

Ms. Parish was asked if she has seen an increase in campus tours. She responded her office has been very busy. The response to the video tours has been positive and they have been a good recruiting tool. She added that the cost of this project was less than similar projects she has completed.

Mr. Atkeisson inquired if other community colleges have this type of virtual campus tour for their campuses. Ms. Parish responded they do but they are not comparable to the quality of Navarro College's virtual campus tour.

Mr. Atkeisson further inquired if there was a time available when he could reintroduce a group of people to Navarro College who keep in contact with him but have not been on campus for many years. Ms. Parish welcomed him to bring them at any time.

Dr. Sanchez asked if the college website has seen an increase in the amount of "hits" since the virtual tour was added. Ms. Parish stated that typically 35,000 to 37,000 unique users access the college's website each month. Last month and since the video tours were added, 43,200 unique users accessed the website.

Mr. Huffman commended Ms. Parish for a good job.

Personnel update

Ms. Ballew was asked to present an update on personnel for the month of July 2010. She reported the following appointments were made during the month:

- Rose Aldama – Licensed Vocational Nursing Instructor – Ellis County Campuses
- Mary Karlik – Licensed Vocational Nursing Instructor – Waxahachie Campus
- Carrie Self – Licensed Vocational Nursing Instructor – Waxahachie Campus
- Rachel Dickerson – Admissions Specialist/Recruiter – Corsicana Campus
- Brett Manley – Assistant Director of Residence Life – Corsicana Campus
- Pamela Rose – Account Clerk II – Cashier – Corsicana Campus

The following resignations occurred during the month of July, 2010:

- Margaret Moreno – Admissions Specialist /Recruiter – Corsicana Campus
- Tyrell McCrea – Assistant Football Coach/Intramurals – Corsicana Campus
- Will Cook – Assistant Football Coach/Intramurals – Corsicana Campus
- Regan Davis – Administrative Assistant II/Arts & Sciences – Corsicana Campus
- Keri Pace – Administrative Assistant III – Midlothian Campus
- Lacey Hamel – Administrative Assistant III – Waxahachie Campus
- Kim Vielma – Network Operations/PC Support Specialist – Corsicana Campus

One termination occurred during the month of July, 2010:

- Craig Draxler – Campus Police Officer – Corsicana Campus

There were no reassignments, reclassifications/transfers, or retirements to report during the month of July, 2010.

Ms. Ballew reviewed open faculty, paraprofessional and support staff positions and stated approximately 15 vacancies were currently being advertised. She concluded her report.

President's Report

Dr. Sanchez asked Ms. Parish to present the Board's calendar. Highlights of upcoming events included: new faculty orientation, faculty convocation, fall registration, President's fall forums, as well as upcoming athletic events including football, soccer and volleyball.

Dr. Sanchez asked Mr. Gragg to present an update on enrollment. Mr. Gragg stated Summer II enrollment was certified with a 62% increase in contact hours, a total of 2,366 students of which 49% were online students. He stated fall classes will begin on Monday, August 30, and regular registration will begin on Wednesday, August 25 and continue through Wednesday, September 1. Currently 8,200 students are enrolled. Mr. Gragg stated he anticipates fall enrollment could reach 11,161 students, an increase of 21%, before registration concludes. This will be a 224% increase since Dr. Sanchez became president. Mr. Gragg stated the schedule is very tight and it is going to be a struggle to have enough course sections available for students. Dr. Sanchez stated his major concern is having enough courses available for students. He stated that adding core courses will require additional revenue not included in the budget. He added that many faculty are taking overload classes beyond the policy maximum and approximately 50 out of 400 adjunct faculty members are teaching classes over the policy limit as well.

Dr. Sanchez asked Dr. Nolte to present an update on the construction of the Midlothian Campus Phase II project. Dr. Nolte stated that Dr. Sanchez, Dr. Ward and he toured the building the day before with Hill and Wilkinson to view its progress. He stated a new process used on the concrete floors to create a natural finish looks very similar to terrazzo but cost \$9,000 less. Dr. Nolte displayed pictures and detailed the work in progress. He stated Hill & Wilkinson has been doing a very good job and anticipates completion within the next two months.

Dr. Nolte continued with an update on the remodel of the older Waxahachie campus building made possible by a donation from Citizens National Bank. Dr. Nolte stated the new learning resource center/library has transformed the building. He responded to a question related to placing an exit sign off of Highway 287 and stated because of the explosive growth at the Waxahachie campus, TXDOT has indicated a sign could be considered. He added that John Arden Drive needs to be widened to four lanes because of the traffic. Dr. Sanchez added that years ago Navarro College was told that if John Arden were ever widened, the college would have to share the cost but that doesn't appear to be the case now. Dr. Nolte stated that a majority of the Waxahachie city council members are pro-Navarro College. Dr. Sanchez added that the board's November meeting will be held in Ellis County at which time they will be able to see the remodel of the John Arden Drive facility and the new Phase II building under construction in Midlothian.

Dr. Sanchez asked Ms. Moreno to update the board on the construction of the Oil & Gas and Campus Police Buildings. Ms. Moreno stated water injection tests on the soil have been completed and work has begun. She stated that Hill & Wilkinson are continuously looking for cost savings by reviewing the architectural drawings. Dr. Sanchez added that a procedure suggested by the architect was referred to a structural engineer who agreed it was not needed. Eliminating this procedure will save the college \$20,000.

Ms. Moreno continued with an occupancy report on Residence Life housing. She stated that capacity in the residence life halls is 867 students. Currently 913 students are being accommodated and an additional 125 students are on a waiting list. Dr. Sanchez stated it is time to consider building another residence hall. Some discussion followed on the cost to construct a new residence hall. Dr. Sanchez stated he would look into the cost and bring his findings to the board at a later meeting.

Ms. Moreno concluded her report by stating the contract for the addition to the Cook Education Center is in the final stages and work should begin soon.

Dr. Sanchez stated that fall convocation will take place in Dawson Auditorium beginning at 8:00 a.m. on Tuesday, August 24, and invited trustees to attend the morning session and/or lunch in the dining hall with staff.

Dr. Sanchez stated hotel and airline reservations have been made for the ACCT Congress in Toronto, Canada. The cost of airfare for spouses was presented to trustees attending the meeting for them to reimburse the college.

Dr. Sanchez asked Ms. Hailey to update the board on the case before the Office of Civil Rights. Ms. Hailey stated interviews were conducted and the Office of Civil Rights has indicated the college will receive notice of their decision by mid-September unless more information is needed.

Dr. Sanchez advised the board the college has been awarded a Student Services Support Grant in the amount of \$380,000 per year over a five year period.

Dr. Sanchez concluded the President's Report.

Closed Session, Announcement and Adjournment

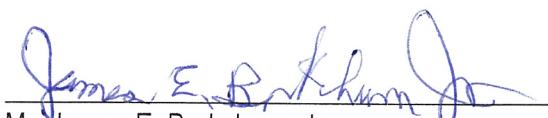
Mr. Atkeisson made a motion to convene into Closed Session at 8:45 p.m. to discuss personnel matters according to Government Code 551.074. Mr. Borkchum seconded the motion and the decision was unanimous.

No action, decision or vote was taken during Closed Session.

At 9:55 p.m., Mr. Aldama moved to reconvene into open session and convene the meeting. Mr. Atkeisson seconded the motion. The vote was unanimous.

Mr. Huffman announced the next regular meeting of the Board of Trustees will be held on September 16, 2010 in the Arrowhead Room and public hearings on the intent to set the tax rate will be held at 12 noon in the Lone Star Room on August 31 and September 8, 2010. The meeting was adjourned.

Respectfully submitted,



Mr. James E. Borkchum, Jr.
Secretary/Treasurer
NAVARRO COLLEGE BOARD OF TRUSTEES