

NAVARRO COLLEGE BOARD OF TRUSTEES
DECEMBER 18, 2008 MEETING
MINUTES

The governing body of NAVARRO COLLEGE met on Thursday, December 18, 2008, in the Arrowhead Room of the Gooch One Stop Student Center for their regular monthly meeting. Trustees in attendance included: Mr. Lloyd Huffman, Vice-Chairman; Dr. James Price, Secretary/ Treasurer; Mr. James Borkchum, Member; Mr. Phil Judson, Member, Mr. Zane Stites, Member, and Mr. Todd McGraw, Member.

Mr. Homer Wasson, Chairman, was absent.

Also in attendance were:

Dr. Richard Sanchez	District President
Dr. Harold Nolte	President, Ellis County Campuses
Dr. Kenneth Martin	Vice President for Academic Affairs
Mr. Darrell R. Raines	Vice President, Finance and Administration
Ms. Gettie Moreno	Vice President Elect, Finance and Administration
Dr. Erik Zoellner	Vice President for Student Services
Dr. Tommy Stringer	Vice President for Institutional Advancement
Mr. Dewayne Gragg	Dean of Enrollment Management and Institutional Research
Ms. Nelida Aguilar	Director, Human Resources
Ms. Donna Parish	Director, Market Relations and Public Information
Dr. Harold Housley	Dean of Business, Professional and Technical Education
Dr. Larry Weaver	Dean of Arts, Sciences and Humanities
Mr. Joe Guerra	Assistant Dean, Arts and Sciences
Ms. Linda Davis	Assistant Dean, Humanities and Kinesiology
Ms. Rachel Moore	Coordinator/ Art Instructor
Ms. Catherine Kraft	Coordinator Foreign Language/Spanish Instructor
Ms. Brenda Duncan	Business Manager
Ms. Aaron York	Business Manager Elect
Mr. Matt Miller	Director, Media Integration Services Center
Mr. Tom Hammargren	Chairman, Faculty Association Committee
Ms. Rhina Sandoval	Controller
Ms. Jan Phillips	Accountant
Ms. Leslie Smith	Executive Administrative Assistant
Ms. Darla Littrel	Executive Administrative Assistant
Ms. Diana Ward	Sr. Manager, Jaynes, Reitmeyer, Boyd & Therrell PC
Mr. Bob Belcher	Corsicana Daily Sun
Mr. Dick Aldama	KAND Radio
Ms. Julianne Dodge	Navarro County Times

Various other faculty, staff, students and visitors were also in attendance.

Call to Order

Mr. Huffman, Vice-Chairman, called the meeting to order at 7:00 p.m. and asked Mr. Borkchum to begin the meeting with a prayer.

Board Announcements

No announcements were made.

Open Forum Time

There were no requests to speak to the Board.

Consent Calendar

- a. Board of Trustees November 20, 2008 Meeting Minutes**
- b. Revision to Section IV.20.00 Early Admission/Dual Credit Instructional Program to the Administrative Policies and Procedures Manual**

Mr. Borkchum made a motion to approve the Consent Calendar, and Mr. McGraw seconded the motion. The decision was unanimous.

Approve the Annual Financial Audit for the Fiscal Year Ended August 31, 2008

Dr. Sanchez stated this was the last official meeting Mr. Darrell Raines and Ms. Brenda Duncan will be attending as they were retiring as of December 31, 2008. He then asked Ms. Moreno to introduce the financial audit for the fiscal year ending August 31, 2008.

Ms. Moreno began by expressing appreciation for the Christmas bonuses and extra day of holiday given staff given by the Board and thanked them for their generosity. She stated Jaynes, Reitmeyer, Boyd & Therrell P.C. was contracted in June 2006 to audit the college's records. She introduced Ms. Diana Ward, Senior Manager and Project Leader, and asked her to present the results of their findings for the fiscal year ending August 31, 2008.

Ms. Ward commended the Board for hiring two quality individuals, Ms. Gettie Moreno and Ms. Aaron York, in regard to financial reporting. Ms. Ward stated a management letter had been issued with no changes to the draft copy previously mailed to the board members. She stated it was the auditor's responsibility to provide reasonable assurance that financial statements presented by management are free of material misstatement and fairly presented. In addition, they are responsible for determining the College's compliance with state and federal programs. Based on their assessment, Ms. Ward stated she was pleased to announce they are issuing a clean, unqualified opinion on the financial statements for the year ending August 31, 2008.

Ms. Ward stated net assets increased \$616,000 from \$29,638,000 in 2007 to \$30,314,000 in 2008. She stated no new or significant changes in accounting policies were adopted during the year. No discrepancies were found, and estimates in financial statements made by management were found to be reasonable and consistent. In addition, no difficulties were encountered with management operations during the audit.

During the course of the audit, one area of concern involved errors in the bookstore inventory. She stated management was already aware of the problem and had taken action to correct it. Ms. Ward stated another small finding regarding Texas Education Opportunity Grant (TEOG) grant eligibility requirements had also been addressed. She commended the registrar's office on significant improvements that have been made over the past three years. Ms. Ward concluded her presentation stating the college is in a strong financial position.

Dr. Price asked Ms. Ward if they had any suggestions for improvements. Ms. Ward responded suggestions were included in their report regarding the information technology (IT) department. She stated an IT consultant was brought in during the audit and made suggestions on areas that can be improved.

Mr. Judson made a motion to approve the financial audit for the year ended August 31, 2008. Mr. Borkchum seconded the motion and the vote was unanimous.

Ms. Moreno invited Mr. Raines to present the Government Finance Officers Association Certificate of Excellence to Ms. Brenda Duncan, Ms. Rhina Sandoval, and Ms. Jan Phillips for the 2007 Financial Audit. Mr. Raines noted this is the seventh year in a row that the College has received this honor for excellence in financial reporting and hopes the tradition continues.

Take Action on October 2008 Financial Statement

Ms. Moreno stated that as she has had more time to review the financial statements in greater detail. She was pleased to confirm that the College is in a "very healthy" financial condition. She continued with a presentation on the October 2008 financial statement.

A review of the Statement of Budget Changes showed amendments totaling \$10,698. The amendments recognized receipt of Fund for the Improvement of Postsecondary Education (FIPSE) Year 3 grant funds in the amount of \$1,000, Cosmetology sales revenues in the amount of \$3,036 and softball and soccer team fund raising efforts in the amount of \$6,662. The revised budget at October 31, 2008 totaled \$71,288,068.

A review of the Source of Funds revealed 25.67% of the current budget had been earned at October 31, 2008 as compared to 25.15% in 2007. Ms. Moreno stated a slight decrease in student income was a result of the budget being increased from the previous year making the percentage earned look lower. She noted that receipt of revenues earned from the residence halls and auxiliary services were ahead of schedule.

The Disbursement of Funds showed expenditures running slightly ahead of the previous year with 56.81% obligated and/or expended as compared to 53.81% last year. Ms. Moreno stated increased General Institutional expenditures were a result of additional contracted services, including auditing services, and for the cost of the installation of a gigaman line and Datatel software for computer services. An increase in Staff Benefits

was due to a change in state policy requiring the college to fund its employees' insurance benefits until the state reimburses the college at the end of the year.

Ms. Moreno responded to Dr. Price's inquiry about the Plant Fund stating that current funds budgeted in the Plant Fund had not been part of the original budget and were taken from the fund balance.

Ms. Moreno concluded her report by reiterating that the college is in sound financial condition.

Mr. Huffman inquired if there has been any word from the state regarding paying staff insurance. Dr. Sanchez responded that the matter is expected to be addressed by the legislature in the upcoming legislative session.

Dr. Price made a motion to approve the October 2008 financial statement, and Mr. Stites seconded the motion. The decision was unanimous.

Take Action on Quarterly Investment Report for the Quarter Ending November 30, 2008

Ms. Moreno continued with a report on the Quarterly Investment Report for the quarter ending November 30, 2008.

Investments for the quarter ending November 30, 2008 totaled \$7,800,000, a reduction of \$1,874,000 from the quarter ended August 31, 2008. Ms. Moreno stated that funds kept in Interest Bearing Checking Accounts in the amount of \$1,805,000 are still available but are now recorded as "Cash" and are not included in the College's investment portfolio.

Ms. Moreno stated all high yield savings accounts have been liquidated because of low interest rates. As savings accounts have matured, they have been replaced with 6-month Certificates of Deposit which offer higher rates of interest. Funds invested in Certificates of Deposits totaled \$7,450,000 for the period ending November 30, 2008 as compared to \$7,519,000 at August 31, 2008. There were no changes or additions to funds invested in U.S. Government Agency Securities totaling \$350,000.

Ms. Moreno stated total investments are adequately secured by pledged collaterals in the amount of \$33,819,416.06.

Mr. Stites made a motion to approve the Quarterly Investment Report for the period ending November 30, 2008, and Mr. Judson seconded the motion. The vote was unanimous.

Proposed Construction of 32-Bed Student Apartment Building and Authorize Announcement of Bid for Construction

Dr. Sanchez stated that in the past, a new student apartment building has been constructed each year; however, one was not built last year because funds were not available. He stated the residence halls were over-subscribed this past fall and more students are expected next year. He asked the Board's consideration for requesting bids and constructing a new 32-bed student apartment building. He asked Ms. Moreno to explain the source of funding that would be used.

Ms. Moreno stated during the fall 2008 semester, 860 students were living in the Residence Life student apartments, 58 over capacity. At the end of the semester, students were still doubled and, in some instances, tripled in rooms. A new student apartment building would help in alleviate this problem.

The total cost for the building, including demolition of the existing building on the construction site and construction of a 40-car concrete parking lot is estimated at approximately \$722,500. Ms. Moreno stated after thorough review of funds available, she believes the best option would be to fund the construction of the new 32- bed student apartment building by using a combination of funds. A review of previous construction funds revealed that \$395,000 remained in building fund. The remaining \$337,500 would be taken from the fund balance. She stated these funds could be replenished within the next few years from the net profit generated.

Ms. Moreno stated the proposed location for the new student apartment building and parking lot is located along Second Avenue next to the other residence halls. Construction would be completed in time for the fall 2009 semester.

Some discussion followed. Mr. McGraw inquired if there was any way to fund the construction without using funds from the fund balance. Ms. Moreno stated there were not enough funds available without using the fund balance. Dr. Sanchez stated that it is a strong possibility that Navarro College will receive a healthy allocation from the state legislature because of its increased enrollment. He stated he could not guarantee this would happen but, if that is the case, some of those funds could be used to replenish the fund balance.

Mr. Stites made a motion to approve the construction of a 32-bed student apartment building and to authorize the announcement of bid for construction. Dr. Price seconded the motion. The motion was approved by a vote of 5 (for) to 1 (against). Mr. Todd McGraw opposed.

Approve Construction of the Extension to the Cook Education Center and Authorize the Navarro College Foundation to Raise Funds for Construction

Mr. Huffman stated he and Dr. Price were part of a committee with the Navarro College Foundation developing plans for the expansion of the Cook Center. Over the past several months, much discussion has taken place relative to this project. He stated that the addition would provide space for a variety of activities. He also stated that the project involves expansion of the kitchen and storage area for items used by the museum. Construction of the expansion is to be funded by private donations raised by the Foundation.

Dr. Price stated the committee is excited about the prospect of adding an extension to the Cook Center which will greatly enhance its facilities. He stated that because the College owns the building, the committee has requested the Board's approval before moving forward with this project.

Discussion followed. The project is estimated to cost approximately \$1 million and will

be funded by private donations. The expansion will offer space for large meetings which was lost with the renovation of the previous dining hall into a classroom building.

Mr. Stites made a motion to approve the construction of the extension to the Cook Education Center and authorize the Navarro College Foundation to raise funds for construction. Mr. McGraw seconded the motion. The decision was unanimous.

Update on Arts, Sciences, Humanities and Kinesiology Division

Dr. Martin introduced Dr. Weaver, Dean, and asked him to present an update on the Arts, Sciences, Humanities and Kinesiology Division. Dr. Weaver stated that the division covers a large spectrum of courses and called on Mr. Joe Guerra and Ms. Linda Davis to introduce a few of these areas.

Mr. Joe Guerra, Assistant Dean of Arts and Sciences, stated that the visual arts department does an outstanding job and introduced Ms. Rachel Moore, Visual Arts Coordinator and Instructor.

Ms. Moore gave a brief review of the visual arts program including the variety of courses currently offered as both prerequisites and as electives. Ms. Moore stated she and Mr. Jon Boles, full-time art instructors, are assisted by nine outstanding adjunct faculty members. Students are encouraged to consider options other than the typical art appreciation courses and often become interested in taking more art classes. A new digital photography course recently added to the curriculum is filled to capacity. Ms. Moore stated the visual arts program has seen a 1.5% increase in contact hours.

Following Ms. Moore's presentation, Ms. Linda Davis, Assistant Dean of Humanities and Kinesiology, introduced Ms. Catherine Kraft, Foreign Language Coordinator and Instructor. She stated that Ms. Kraft has made many positive changes in the department since she took the position last fall.

Ms. Kraft presented highlights of the foreign language program. She stated demand to become bilingual is high and the need is increasing as the Hispanic population in the State of Texas continues to rise. Overall, contact hours are up 15.3%. Internet courses are a growing trend and are increasing in demand over face-to-face courses. She stated two beginning level and two intermediate level Spanish courses are offered at all four campuses and reviewed techniques used to teach the courses. Future plans include reviving the Que Pasa Club student organization and travel opportunities to enhance students' learning.

Ms. Kraft concluded by stating instructors for American Sign Language as well as other foreign languages such as German, French, and Russian are actively being sought to expand the program.

Update on Personnel

New Hires / Reassignments-Transfers / Reclassifications Resignations / Terminations / Retirements

Ms. Aguilar was asked to present an update on personnel for the month of November

2008.

There was one new hire during the month of November 2008; Damon Jackson was appointed Police Academy Coordinator. Two reassessments were made:

- Steve Petty, System/Network Administrator from Network Administrator
- Mike Robinson, Network Administrator I from PC Specialist

One resignation was accepted; Ms. Candy Wiley resigned as Lab Coordinator, Mexia State School.

There were no terminations or retirements.

President's Report on Items of Information

Dr. Sanchez asked Donna Parish to review the Board calendar. Ms. Parish stated many faculty and staff were overwhelmed by the Christmas bonus they received and were very appreciative of the Board's generosity. She stated many cards and letters have been sent thanking them. She read a letter she had written to trustees. She then continued with a review of upcoming events. Following a review of the Board calendar, Dr. Sanchez asked Dr. Zoellner to present a proposal regarding graduation.

Dr. Zoellner stated because of overflow crowds during commencement ceremonies, some parents and families have had to be redirected from the S.E.C. to Dawson Auditorium. To alleviate this problem, three commencement ceremonies were being proposed for May 2009. Two ceremonies would be held on the Corsicana campus for Corsicana and Navarro College South students, one at 9 a.m. and the other at 1 p.m. A third ceremony at 4 p.m. was being proposed for Ellis County students and would be held in the Midlothian Civic Center adjacent to the Navarro College Midlothian Campus. Dr. Sanchez stated plans are to serve the Board a lunch between the 9 a.m. and 1 p.m. ceremonies. At the conclusion of the second ceremony, the Board will be transported to Midlothian for the 4 p.m. ceremony. Afterward, they will be taken to dinner before returning home. It was the consensus of all members present to add the third ceremony in Midlothian.

Dr. Sanchez continued stating he would be attending the opening session of the 81st legislature in Austin on Tuesday, January 13, 2009. He stated a new Speaker of the House is expected to be elected. He continued by stating the Texas Association of Community Colleges plans to "push" the legislature for full formula funding but he does not anticipate receiving more than was allocated during the last biennium (56%). He predicted that Navarro College could receive \$2-\$4 million more than the last biennium as a result of the 20% increase in enrollment. Dr. Sanchez stated that "proportionality" is an issue that will also be discussed regarding health benefits for state employees as well as "accountability." The accountability issue relates to a recommendation by the Texas Higher Education Coordinating Board to use end of the semester enrollment in courses as the basis for the state allocations, not the twelfth class day which is presently used.

Dr. Sanchez asked Ms. Moreno to present an update on the expansion of Gibson Hall

and demolition of the Mexia Building. Ms. Moreno stated construction of the new weight room has been completed. The old weight room has been vacated and is in the process of being renovated into a game room. She stated she anticipates the facility to be completed and open in time for the beginning of the spring 2009 semester. She stated demolition of the Mexia building is slow and the neighbor next door remains uncooperative. The contractor is now working on the third building.

Dr. Sanchez stated a spring faculty convocation has been scheduled for January 6, 2009. The new WatchDog Alert System will be presented and procedures that should be followed in the event it is ever activated. He stated a presentation will be brought to the Board in January.

Dr. Sanchez stated he was pleased to announce that Coach Lewis Orr was nominated for the NJCAA Hall of Fame and was selected on the first round.

The American Council on Education (A.C.E.) has written congress asking that higher education be included in the incentive package proposed by President-elect Obama to stimulate the economy. A.C.E. suggested that colleges have projects "ready to go". Dr. Sanchez stated that projects will be prepared to submit for funding under the incentive package. A new health professions building is needed as well as a building for the Oil and Gas Program. He stated that EnCana and XTO have been asked to help pay for the construction of an Oil and Gas Building similar to the Ag Tech Building on campus. He stated that if they will fund half of the construction, the other half could possibly be funded by the incentive package. In addition, Midlothian is pushing to build Phase II of the Midlothian campus. He stated that if the city pays half of the construction, the other half could be submitted as another project for funding under the incentive program. He stated architects are being consulted, and they will be asked to draw up plans to submit as "ready to go" projects. He stated A.C.E. has asked college presidents to write their congressmen to encourage them to include higher education in the incentive package.

Dr. Sanchez concluded his report by extending best wishes for the holidays and the new year to trustees and to express appreciation for them on behalf of all staff at Navarro College.

Announcement and Adjournment

Prior to calling for a motion to adjourn the meeting, Mr. Huffman made two announcements. He stated that during his fifteen (15) years on the Board he has learned that the quality of an institution comes from its people, not the "bricks and mortar". He commented that it was bittersweet to say goodbye to Mr. Darrell Raines and Ms. Brenda Duncan and to wish them well in their retirement. He stated these are "two fine people" who have played an important role for many years at Navarro and asked that they be honored with a standing ovation.

Mr. Huffman next presented Dr. Sanchez with his ten (10) year service pin. He stated since Dr. Sanchez became president in 1998, enrollment at Navarro College has increased 142%. He stated this is an outstanding number and credited Dr. Sanchez for being the "quarterback" of the team responsible for this phenomenal growth.

Mr. Stites made a motion to adjourn the meeting at 8:45 p.m. and Dr. Price seconded the motion. The decision was unanimous.

The next meeting of the Navarro College Board of Trustees will take place in the Arrowhead Room on Thursday, January 22, 2009.

Respectfully submitted,

Dr. James G. Price, Secretary/Treasurer
NAVARRO COLLEGE BOARD OF TRUSTEES