

NAVARRO COLLEGE BOARD OF TRUSTEES
NOVEMBER 10, 2011 MEETING
MINUTES

Following a dinner with members of the Faculty Association Executive Committee in the President's Dining Room, the governing body of Navarro College gathered on Thursday, November 10, 2011 in Arrowhead Room located in the Gooch One Stop Student Center to conduct their regular monthly meeting. All trustees were in attendance including: Mr. Lloyd Huffman, Dr. James Price, Mr. Phil Judson, Mr. Richard Aldama, Mr. A. L. Atkeisson, Ms. Faith Holt and Mr. Todd McGraw.

Others in attendance included:

Dr. Richard Sanchez	District President
Dr. Kenneth Martin	President, Ellis County Campuses
Ms. Gertrud Moreno	Vice President, Finance and Administration
Ms. Maryann Hailey	Vice President, Student Services
Mr. Dewayne Gragg	Vice President, Enrollment Management and Inst. Studies
Dr. Tommy Stringer	Vice President, Institutional Advancement
Ms. Marcy Ballew	Director, Human Resources
Ms. Donna Parish	Director, Marketing and Student Relations
Ms. Leslie Smith	Executive Administrative Assistant
Ms. Darla Littrel	Executive Administrative Assistant

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

Call to Order

Mr. Huffman called the meeting to order in the Arrowhead Room at approximately 7:00 p.m. and asked Mr. Judson to begin with a prayer.

Board Announcements

Ms. Holt and Mr. Aldama, who attended the Texas Higher Education Leadership Conference in Austin held November 13-14, 2011, were invited to comment on the conference. Ms. Holt stated as a new board member, she learned a great deal from the informative sessions that were presented. Mr. Aldama stated several four-year schools and most of the community colleges throughout the state were represented. He stated he found the forum on ethics, presented by college attorneys, one of the most interesting sessions he attended.

Open Forum Time

There were no requests to speak to the Board.

Consent Calendar

- a. Minutes - Board of Trustees November 10, 2011 Meeting
- b. Addition of Section IX.23.00 – Social Media Policy in the Navarro College Administrative Policies and Procedures Manual

Dr. Sanchez requested Item b. of the Consent Calendar- Addition of a Social Media Policy to the Navarro College Administrative Policies and Procedures Manual – be pulled from consideration and presented at a later time.

Ms. Holt made a motion to approve the November 10, 2011 Minutes in the Consent Calendar, and Mr. Aldama seconded the motion. The decision was unanimous.

Review of Unaudited Statement of Changes in Fund Balances for Year Ended 8/31/11

Ms. Moreno presented the Unaudited Statement of Changes in Fund Balances for the Year ended August 31, 2011. She stated the unaudited statement she was presenting provides an indication of how the fiscal year end will look when the audited statement is presented at the December 2011 meeting.

A review of the fund balances for the fiscal year ended August 31, 2011 indicated the Educational and General Fund balance increased by approximately \$1.5 million for a total of \$7,626,218. The Auxiliary Fund balance increased \$116,037 for a total of \$3,463,072, and the Debt Service Fund balance increased \$20,472 for a total of \$236,165. The Scholarship Fund balance reported a decrease of \$9,957, for a total of \$2,782,126. Ms. Moreno stated the increases in each of the fund balances were healthy. She added that the Scholarship Fund will be receiving reimbursement for scholarships awarded which will offset the decrease in its fund balance.

Dr. Price inquired how the college's fund balance compared to other districts and what amount would be considered the "goal." Ms. Moreno responded that any amount over \$1 million is considered good. She stated the goal is to have a fund balance equal to or greater than the amount needed to cover three months of operating expenses. She stated the college's fund balance equates to slightly more than three months' worth and is comparable to Kilgore, Hill and McLennan community colleges' fund balances.

Ms. Moreno continued with a review of the Auxiliary Enterprises Schedule of Revenues and Expenditures for the year ending August 31, 2011. The College Stores, Cook Center Gift Shop and Dining Services exceeded 100% of their budgeted revenues, and Residence Life Housing earned approximately 90% of its budgeted revenues. Ms. Moreno explained that housing was impacted by the loss of revenues from summer camps. Due to financial issues, the college had to sever its relationship with a volleyball coach, who previously hosted summer camps each year. Efforts are being made to increase "in-house" summer campus in volleyball, baseball and softball. Ms. Moreno stated that the college's future plans to include indoor batting cages in the new field house will assist the college in offering baseball and softball camps. She concluded by stating overall, Auxiliary Services generated a net profit of \$81,033.

Dr. Sanchez discussed the use of fund balances for the 2011-2013 biennium. He prepared a chart showing the fund balance for 2011-12, the projected fund balance for 2012-13 and the 2010-11 year-end amount of \$1,532,869 reported by Ms. Moreno. He stated that the fund balance in 2011-12 of \$2,237,604 would fund the expected return of 5% (\$780,505) in state appropriation to the State of Texas and the 3% compensation increase awarded to staff this academic year 2011-12, with an amount of \$1,078,000 remaining. The projected contingency in 2012-13 would also fund another 5% (\$780,505) for a total of 10% (\$1,561,010) that may have to be returned to the state of Texas for the biennium to cover an expected shortfall in funds. In addition, three (3) new faculty positions have been funded to assist in generating additional contact hours and a 2% increase in staff compensation are planned if funds remain unaffected in 2012-13. The balance once these two commitments are accommodated would leave \$825,264. The \$1,078,000 remaining in 2011-12 and the projected \$825,264 for the 2012-13 fiscal year total \$1,903,264 to be used toward construction of the 64-bed residence hall, field house and the soccer dressing facility. The projected cost for the new construction is \$2,550,000. A shortfall of \$646,736 (\$2,550,000 - \$1,903,264 = \$646,736) will be used from the year-end balance of \$1,532,869 leaving \$616,133 which will be directed to the existing fund balance.

Dr. Sanchez continued stating four weeks ago he received notification from the State of Texas that they have changed the base year for determining funding. In the past, only contact hours generated during the second year of each biennium had to be reported to justify funding allocations. Dr. Sanchez stated with the change, every year will now be considered a base year for funding purposes. Contact hours generated this year must justify next year's allocation.

Dr. Sanchez stated he has met with Dr. Martin, deans and staff to determine how to generate additional contact hours for this base year. He stated the objective is to preserve the college's allocated funding of \$15 million, in addition to generating more funds above the \$15 million. Because of the uncertainty when the budget was developed, plans for enrollment growth for the fall semester were contained and as a result, only a 1.5% increase was generated. By expanding course offerings for the spring semester and 8-week sessions and by adding a winter mini-mester, he anticipates generating a 5% increase in student enrollment and a potential increase of \$1,532,869 in funding.

Mr. Judson inquired when funding through Momentum Points will begin. Dr. Sanchez and Mr. Gragg stated momentum point funding has not been approved yet. Dr. Price inquired if hiring three new faculty members will create an issue with classroom space and Dr. Sanchez responded that the additional courses can be accommodated in existing facilities.

Take Action on October 2011 Financial Statement

Ms. Moreno continued with a brief review of the October 2011 financial statement. She stated the 2011-2012 fiscal year began with a budget of \$113,870,097, and budget adjustments over the first two months of the fiscal year have increased this total to \$114,062,492.

A review of the Statement of Budget Changes as of October 31, 2011 showed adjustments totaling \$163,185 for changes in the state and federal Adult Basic Education grants as well as an increase in Cosmetology Shop sales and unused LEOSE funds (state funding provided for law enforcement equipment deferred to FY 2012).

A review of the Source of Funds indicated 30.10% of budgeted revenues had been earned as of October 31, 2011, compared to 28.27% this point in time the previous year. Ms. Moreno attributed the increase in revenue to Student Income. A review of the Disbursement of Funds indicated 41.70% of the budget had been expended or obligated as compared to 48.23% the previous year. Ms. Moreno stated expenditures were down approximately 7%.

Dr. Price moved to approve the October 2011 financial statement and Mr. Judson seconded the motion. The decision was unanimous.

Adopt Resolution to Continue to Tax Goods in Transit (Texas Tax Code 11.253)

Ms. Moreno presented the resolution to continue to tax Goods-in-Transit. She stated the Texas Legislature passed a bill several years ago exempting goods-in-transit from taxation. If the governing body of a taxing unit provides for taxation of the goods-in-transit, the exemption will not apply. Ms. Moreno stated with the existing tax rolls, an exemption on goods-in-transit could affect the Navarro College District by \$150,000 in potential tax revenues annually.

In order for the board to take action to continue taxing personal property-in-transit that will otherwise be considered exempt as of January 1, 2012, a public hearing on the topic was included on the board's October 20, 2011 agenda. Ms. Moreno stated no public feedback was received during the meeting and action to adopt the resolution was now required.

Mr. Huffman stated he contacted Mr. Lee McCleary, Economic Development Director, about the impact the resolution would have on recruiting new business and industry to Navarro County. He stated Mr. McCleary has assured him this will not "be a problem."

Mr. Judson made a motion to adopt the resolution to tax tangible personal property in transit (Texas Tax Code Section 11.253). Mr. Aldama seconded the motion and the decision was unanimous.

Update on Deferred Maintenance 2009 to 2011

Ms. Moreno was asked to continue with a presentation on deferred maintenance.

Ms. Moreno stated each year for the past several years, an allocation of \$200,000 has been provided to the Physical Plant Department for deferred maintenance needs. She reviewed a list of major projects that were completed during the past three years on the Corsicana campus as well as the Mexia and Waxahachie campuses. She further stated that the Midlothian campus was all new construction and did not fall under the category of "deferred maintenance."

Ms. Moreno stated the Physical Plant Department, consisting of 17 staff members, has been highly productive. Major projects completed included: upgrading the telephone system; upgrading exterior campus lighting systems; installing new campus signage; dismantling, cleaning and resetting the windows of the Albritton Administration Building; installing new sidewalks and sewer lines; repairing parking lots, driveways, and sidewalks; replacing carpet and drapes; roof repairs, renovation of the soccer field and remodeling facilities for the Cosmetology and Nursing programs.

Ms. Moreno noted the list does not include the numerous routine maintenance request orders the Physical Plant Department received on a daily basis.

Discussion followed regarding AT&T's unwillingness to provide the fiber infrastructure needed to update the phone system on the Mexia campus.

Update on Student Success

Mr. Gragg was asked to present an update on the Student Success Program. Mr. Gragg stated since the Student Success Program was initiated and presented to the Board a few months ago, a committee has been appointed consisting of faculty, paraprofessional, support staff, instructional administration, and executive leadership. The committee met for the first time on October 21, 2011.

The initial charge of the committee is to "define what student success is at Navarro College" and to "review and understand data." Mr. Gragg explained there is much data available from various sources and it is the committee's responsibility to determine what data is useful to the college, what data needs to be modified, and what additional data is needed to help define student success.

Mr. Gragg continued stating within the next few years, performance funding will be based on the number of Momentum Points earned, and Momentum Points will be based on student success. The criteria for determining student success is still being decided and it is the committee's responsibility to stay abreast of this information. Over the past few months, English and dual credit were added to the criteria and most recently, Adult Basic Education (ABE) and English as a Second Language (ESOL) completions.

Based on three years of data, FY 2008 – FY 2010, Navarro College students are falling behind the state in four areas: math readiness, reading/writing readiness, passing grade in first college level math class, and receiving a degree or certificate. Navarro College students are ahead of the state average in completing 15 SCH (Semester Credit Hours), completing 30 SCH, and transferring to a four-year institution. Mr. Gragg stated the committee will focus on the deficient areas and will report back on progress being made. Another responsibility of the committee is to review existing policies and the college's mission and philosophy statement to determine whether they clearly define student success as a priority.

Mr. Gragg stated the First Year Experience Committee is not necessarily a part of the Student Success Committee but is responsible for concentrating on students' first year experience and ways to improve upon it. The committee is looking at needed improvements in the orientation course currently being offered and plans to make a recommendation for changes to be implemented summer 2012. Mr. Gragg stated the first year is crucial to a student's success and the college's ability to retain them.

Mr. Gragg concluded his report by stating the Student Success Committee's role is to define student success and implement an annual evaluation process to be used.

Update on Personnel

Ms. Ballew was asked present an update on personnel for the month of October 2011.

Ms. Ballew reported during the month of October 2011: Ms. Karen Rollison was appointed Administrative Assistant V, Housing/Residence Life on the Corsicana Campus; Ms. Holly White was reassigned to the position of Assistant Director of Student Financial Aid on the Corsicana Campus; and Mr. Damon Jackson resigned his position as Police Academy Coordinator on the Corsicana Campus. There were no terminations or retirements during the month of October 2011.

Ms. Ballew stated nineteen (19) open positions were currently being advertised including:

- Academic Advisor/ Coordinator of Tutorial Services – Corsicana Campus
- Accounting Clerk II – College Stores - Waxahachie Campus
- Campus Police Officer – Ellis County Campuses
- Counselor/Academic Specialist – Corsicana Campus
- District Coordinator of Disability Accommodations/Counselor - Corsicana Campus
- Dishwasher – Corsicana Campus
- E.M.S. Coordinator – Waxahachie Campus
- Police Academy Coordinator – Corsicana Campus
- Transfer Counselor/Tutor Coordinator – Corsicana Campus
- Dean of Navarro College at Mexia – Mexia Campus
- Vice-President of Academic Affairs – Corsicana Campus
- Financial Aid Counselor – Corsicana Campus
- Custodial Services Supervisor – Corsicana Campus
- Administrative Assistant III – Waxahachie Campus
- A.M. Deli Cook – Waxahachie Campus
- P.M. Deli Cook – Waxahachie Campus
- Professor of Sciences – Corsicana Campus
- Professor of Sciences – Waxahachie Campus
- Professor of Developmental Studies-Mathematics – Corsicana Campus

Ms. Ballew concluded her report.

President's Report on Information

Ms. Parish was asked to present the Board Calendar. Highlights of upcoming events included: Veterans Day Ceremony on November 11; SWJCFC (Southwest Junior College Football Championship) game against Tyler on Sunday, November 13; finalists interviews for Vice President of Academic Affairs; and various Christmas events. Dr. Sanchez

stated if the football team wins the SWJCFC game against Tyler on Sunday, they will be invited to participate in the CHAMPS Heart of Texas bowl game at Copperas Cove in early December. If not, they should receive a bid to participate in another bowl game.

Dr. Sanchez asked Mr. Gragg to present an update on enrollment. Mr. Gragg stated his report would be a little more detailed to explain the changes the legislature has made in the base year for funding. In the past, the second year of each biennium was considered the base year. This year the appropriations act included a rider making every year a base year for funding purposes. Funds will now be redistributed each year based on contact hours generated the previous year. Mr. Gragg stated because of the uncertainty when the budget was created, the college took a "cost-effective" approach towards enrollment for the fall 2011 semester. As a result, contact hour enrollment increased by only 1.5%. This was in line with the state average increase in headcount enrollment of 2.5% and 1.5% in contact hours.

With only the spring semester and third and fourth quarters in continuing education left in this base year, a committee was convened to look at ways to increase Navarro College's yield for contact hours with the goal to generate a 10% increase in student enrollment spring 2012. A list of courses to be added to the spring 2012 schedule has been generated and a winter mini-mester created. He stated full-time faculty will be employed in the greatest needs area including sciences and developmental math. Two additional math labs are being created to help boost enrollment. Dual credit offerings and technical credit programs, such as welding, will be expanded to generate more contact hours. Goals are to also increase continuing education enrollments.

Generating a 10% increase in the spring 2012 semester and an 8.6% increase in continuing education enrollment will result in a 5.6% overall increase for the base year. Mr. Gragg stated many schools are not taking the same initiative to increase their enrollments for this base year. As a result, when the funds are divided for the second year of the biennium, it is highly likely Navarro College will receive a "larger slice of the pie."

Mr. Gragg concluded by stating advertising and "getting the word out" about the winter mini-mester classes has been effective. After only three days of enrollment, 180 students have already signed up for winter mini-mester and over 1,000 students have enrolled for spring.

Ms. Moreno was asked to present an update on construction. Ms. Moreno stated the City of Corsicana is working on increasing the water pressure throughout Corsicana and has been working on the Navarro College campus in front of the Albritton Administration building. She continued with an update on the new Waxahachie deli. She displayed pictures of the work in progress. Tables and chairs are scheduled to be installed on November 18, 2011. A Certificate of Occupancy is expected to be issued next week and the hope is to open the deli for business before the Thanksgiving holidays. She continued stating plans for the construction of the new field house, residence hall and soccer facility were being developed and a timeline has been established. Plans are to complete construction of a new 64-bed residence hall behind Burson Hall before the fall 2012 semester begins. She continued stating schematics are still being developed by architects for the field house and soccer facility. Plans are to have the buildings completed by November 1, 2012.

Dr. Martin was asked to report on the Magna Blend fire. He began by expressing his appreciation to the Board for his appointment to the position of President of the Ellis County Campuses. He stated his transition is being made easy by fellow administrators and has been very positive. He stated he has already met with several school and community leaders and recently made a presentation to "Waxahachie 101" for new citizens wanting to know more about the Waxahachie area. Dr. Martin stated he was pleased to learn that education is a priority with the leaders in Waxahachie and he has been asked to serve on a number of boards and committees by the Chamber of Commerce. He then continued with an update on the status of the Waxahachie campus following the Magna Blend fire. He displayed

pictures and stated the area located on the back of the campus nearest the fire has now been cleaned up with only two cylinders left to be removed. During the fire, ditches/trenches located on the campus were filled with water and chemicals. Tanker trucks have been used to drain and transport the water out and a special mesh material has been laid out to help soak up the remaining moisture and water. He stated based on meetings with city officials and the owner of Magna Blend he is confident they are doing their best to drain the last of the water remaining and finish cleaning up the area. He responded to Mr. Huffman's question about Magna Blend's intention to rebuild by stating Scott Pendry, CEO of Magna Blend, has indicated they are hoping to rebuild contingent upon stipulations the city may require. Mr. Huffman and Dr. Martin agreed Magna Blend has been a good neighbor to the college. Mr. Judson stated it was important the college insist on receiving a closure letter from the Environmental Protection Agency (EPA) or Texas Commission on Environmental Quality (TCEQ). Dr. Sanchez stated he would have someone would follow up on this.

Dr. Sanchez asked Ms. Moreno to share information regarding a potential problem regarding TRS employee retirement benefits. TRS (Teachers Retirement System) is running out of funds and the state is wanting to pass the deficit on to community colleges. Ms. Moreno stated in the past the State of Texas has always provided each district 6.12% of its total payroll for TRS. This year, the state has decided to only send 6% to each district leaving Navarro College with a shortfall of approximately \$80,000. She stated reports are sent to the state each year projecting expected expenditures, but this past year the state requested a second report. Ms. Moreno stated legal counsel is recommending the institutions not send the shortfall amount to TRS and ORP as this would set a precedent. Dr. Sanchez stated TACC has engaged legal counsel and has stressed not to pay any invoice the college may receive from TRS for the shortage as this could waive their right to get reimbursed. He stated it is possible a class action suit will be filed on behalf of all colleges and the Board may be asked to participate.

Dr. Sanchez continued by commenting the State deficit for 2013-1014 is now approaching \$19 billion. The reason is due to the state's structural problem that has not been addressed. Dr. Sanchez stated he is concerned because there is still a year left before the next biennium and feels the deficit could easily reach \$25 billion once again.

Dr. Sanchez stated Home Depot is closing its distribution center in Corsicana and moving it to the Dallas area. Five years ago, the college approved a 50% tax abatement over a 10 year period for Home Depot. The abatement agreement states if Home Depot leaves or closes its doors before the end of the period, the abatement would have to be reimbursed. Mr. Lee McCleary, Navarro County Economic Development Director, has inquired if the college would like to join the city and county in seeking reimbursement from Home Depot. Dr. Sanchez stated the college would likely have to absorb 1/3 of the legal fees. He continued stating Lance Foods is also closing its doors and approximately 450 jobs in the Corsicana area will no longer exist.

Dr. Sanchez continued by asking the Trustees to recall a suggestion he made during the July workshop to consider the transition of the Waxahachie campus from "campus status" to "college status" and asking the Board to begin considering a name. He stated after giving this some thought, he suggests the college call the off-campus centers: Navarro College at Waxahachie, Navarro College at Midlothian, and Navarro College at Mexia. He stated until these counties (Ellis and Limestone) begin paying taxes, they should not have the privilege of choosing their own name. Trustees concurred with the proposed naming of off-campus centers.

Dr. Sanchez concluded by wishing Trustees a happy Thanksgiving on behalf of faculty and staff and thanking them for their commitment and concern for Navarro College.

Before asking for a motion to adjourn, Mr. Huffman inquired if Dr. Sanchez anticipates the impact of the state's budget deficit on the college being similar or worse than the previous biennium's. Dr. Sanchez stated based on information he

has received, he feels it will be very similar. He added that it was very important for the college to generate as many contact hours as possible to receive the funding to which it may be entitled.

Mr. McGraw moved to adjourn the meeting at 8:56 p.m. and Mr. Judson seconded the motion. The decision was unanimous.

Respectfully submitted,



Phil Judson, Secretary/Treasurer
NAVARRO COLLEGE BOARD OF TRUSTEES