

**NAVARRO COLLEGE BOARD OF TRUSTEES
OCTOBER 16, 2008 MEETING
MINUTES**

The governing body of NAVARRO COLLEGE met at the Navarro College South Campus in Mexia, Texas on Thursday, October 16, 2008, for their regular monthly meeting. Trustees in attendance included: Mr. Homer Wasson, Chairman; Mr. Lloyd Huffman, Vice-Chairman; Dr. James Price, Secretary/ Treasurer; Mr. James Borkchum, Member; Mr. Phil Judson, Member and Mr. Todd McGraw, Member

Mr. Zane Stites, Member, was absent.

Also in attendance were:

Dr. Richard Sanchez	District President
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
Mr. Guy Featherston	Dean, Navarro College South
Mr. Matt Miller	Director, Media Integration Services Center
Ms. Leslie Smith	Executive Administrative Assistant
Ms. Darla Littrel	Executive Administrative Assistant
Ms. Julianne Dodge	Navarro County Times

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

Call to Order

Mr. Wasson called the meeting to order at 7:02 p.m. He expressed the Board's pleasure with holding their meeting at the Mexia campus and welcomed everyone present. He acknowledged the presence of Mr. Dick Flatt and congratulated him on becoming president of the Navarro College Foundation Board of Directors.

He then asked Mr. McGraw to begin the meeting with a prayer.

Board Announcements

There were no announcements from the Board.

Open Forum Time

There were no requests to speak to the Board.

Consent Calendar

- a. Minutes - Board of Trustees September 18, 2008 Meeting**
- b. Revision of Section VIII.02.00 – Personnel Employment Procedures of the Navarro College Administrative Policies and Procedures Manual**

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

Take Action on August 2008 Financial Statement

Dr. Sanchez asked Mr. Raines to present the August 2008 Statement, his last presentation to the Board before his retirement in December. Ms. Gettie Moreno, Vice President-Elect, will assume the responsibility beginning with the November Board meeting.

Mr. Raines stated the August 2008 financial statement was the final budget report for the 2007-2008 fiscal year. A review of the Unaudited Statement of Changes in Fund Balances for the fiscal year ended August 31, 2008 showed a net increase in the Educational and General Fund, Debt Service Fund, and Scholarship Funds fund balances.

The Educational and General Fund increased by \$381,383 for an ending fund balance of \$2,760,776. Expenses exceeded revenues in the Auxiliary Fund due to the construction of the Gibson Hall addition. This decreased the Auxiliary Fund's fund balance \$93,656 for a total of \$2,111,740. Mr. Raines stated the addition to Gibson Hall is an ongoing project and has been included in next fiscal year's budget as well.

The fund balance of the Debt Service Fund increased \$31,425 for a total of \$230,220, and the Scholarship Fund's increased \$2,665 for a total of \$4,148,706. Mr. Raines stated the return on investments in the Scholarship Fund was "tough going" due to current economic conditions.

In reviewing the Statement of Budget Changes, amendments totaling \$1,070,209 were made to adjust the budget to reflect actual revenues received and expenditures made during the fiscal year. The budget total at August 31, 2008 was \$71,131,253. Mr. Raines stated many federal and state grants cross fiscal years and had to be re-appropriated into the new budget. The re-appropriation of grant funds offset the increase of \$2,045,493 in Student Financial Aid.

A review of the Source of Funds for the period ending August 31, 2008 indicated 99.51% of the budget had been earned as compared to 100.29% the previous year. The Disbursement of Funds showed expenditures exceeded the budget with 100.95% expended as compared to 98.62% the previous year. Mr. Raines stated non-cash depreciation and amortization expenses of \$1,486,231 in the Plant Fund were included in the report this year.

Ms. Gettie Moreno explained the depreciation and amortization expenses were

calculated based on the straight line method of aging. She stressed these were non-cash entries required to meet legislative accounting standards and will also be reflected in next year's report.

Mr. Raines concluded his report stating it was a very good year having ended with an increase in the fund balance.

Dr. Price made a motion to approve the August 2008 financial statement and Mr. Borkchum seconded the motion. The decision was unanimous.

Take Action on Quarterly Investment Report for Period Ending August 31, 2008

Mr. Raines continued with a presentation on the Quarterly Investment Report for the period ending August 31, 2008 and reviewed changes in investments made during the quarter.

During the quarter ending August 31, 2008, cash invested in Public Funds Interest Bearing Checking/Savings accounts decreased by \$524,042.21 for a total of \$1,805,000. Investments in Certificates of Deposits increased \$2,500,000 for a total of \$7,519,000. Mr. Raines stated that three competitive bids are always obtained before purchasing new certificates of deposit.

Investments in U.S. Government Securities (U.S. Treasury Bills) decreased \$1,000,000 and funds invested in U.S. Government Agency Securities (Fannie Mae's) remained unchanged with \$350,000 invested. Overall, the College's position increased \$975, 958 over the previous quarter for a total of \$9,674,000.

A review of the investment portfolio's maturity schedule indicated \$1,805,000 with open maturities, \$2,879,000 in investments maturing in 2008 and \$4,990,000 in investments maturing in 2009.

Mr. Raines reported the College's cash and investments are well insured by FDIC insurance and pledged collaterals totaling \$34,398, 266.73. This is almost three times its total deposits of \$15,693,147 which exceeds 110% coverage required by law.

Questions and discussion followed regarding the pledged collaterals and the possibility of some of the banks failing including Prosperity Bank, the College's depository bank. Mr. Raines stated if one of the banks were to fail, the College would automatically receive the amount covered by FDIC insurance. In addition, as co-owners of the investments the bank pledged as collateral, the College would receive its share of those funds as they were liquidated. He stated the College has a contract with its depository bank, Prosperity Bank, which states that if it cannot meet rates of return offered at other banks, the College has the right to move funds to those institutions.

Mr. Raines concluded his report by stating the depository bank contract has two more years before it expires. He concurred that Prosperity Bank was not as financially sound

as others and stated that it would “not hurt to take a look at the depository contract” again and determine if a more stable institution can be found.

Dr. Price made the motion to approve the Quarterly Investment Report for the period ending August 31, 2008. Mr. Huffman seconded the motion, and the vote was unanimous.

Update on Navarro College South Campus Enrollment, Student Activities, Affiliations and Excellence Scholarship Fundraiser

Dr. Martin introduced Mr. Guy Featherston, Dean, and asked him to present an update on the Navarro College South campus.

Mr. Featherston welcomed trustees and mentioned this was Mr. Judson’s first time to visit the Mexia campus since becoming a member of the Board of Trustees. Mr. Featherston then introduced members of Navarro College South campus staff who were present at the meeting. He stated the staff is responsible for serving a diverse population of approximately 1,060 students from Freestone, Leon and Limestone counties with limited resources because of their remote location.

Mr. Featherston stated the Navarro College South campus serves a large geographic area encompassing 2,800 square miles that is “land rich and people poor”. The rate of growth in its population is very low, especially when compared to the growth in Ellis and Navarro counties.

Mr. Featherston continued stating the Navarro College South campus meets the needs of area high schools by offering dual credit courses and, in some cases, providing instructors for the courses. He stated the partnership with Mexia State School continues to be a strong one. The College’s presence at Mexia State School increased last year after it assumed responsibility for teaching a cohort of classes previously taught by McLennan Community College.

Mr. Featherston stated plans are proceeding with the NRG Energy Initiative. The power plant located in Jewitt, Texas, thirty miles south of Mexia, is partnering with Navarro College to offer educational opportunities for residents in the south portion of our service area. Through evening classes offered at NRG’s plant, both junior and senior level high school students and adults will be able to learn viable job skills and earn a Power Plant Production Certificate. Students completing the certificate will be eligible for an apprenticeship at NRG for three years earning \$24/hour. Mr. Featherston stated employees who have completed the apprenticeship earn an average straight-time salary of \$66,000. He stated he has contacted each superintendent throughout the service area and they are supportive. The initiative is scheduled to begin spring 2009.

Mr. Featherston also stated the Student Government Association is very active on campus and will be participating in activities during homecoming week. Kids College is

held each year on the South Campus for children in the community. Last year's theme was based on the television show, CSI. Mr. Featherston stated it was interesting to note that this year's junior high school class preparing to take college level dual credit courses had been Navarro College South's first year Kids College students.

Excellence, the South Campus' annual fundraiser, that was held last spring netted approximately \$35,000 for student scholarships. Mr. Featherston stated the scholarships are made available to both traditional college students and dual credit students. He stated enough funds were left over from the fall semester that will allow more scholarships to be offered for the spring 2009 semester. The next Excellence fundraising event is scheduled for April, 2009.

Mr. Featherston concluded his report and responded to questions. Dr. Price inquired if area schools receive state funding for dual credit courses similar to funding Corsicana ISD receives. Mr. Featherston responded that every school district receives funding for dual credit but it is up to each individual ISD on how those funds are utilized. He stated it is a struggle to find high school faculty members qualified to teach dual credit courses, and he suggests that superintendents apply those funds towards teacher stipends to encourage them to become credentialed.

Mr. Judson commented that the NRG initiative is "huge" and becoming "more needed" as additional power plants are built. He stated he recently attended a meeting in Austin with State Comptroller, Susan Combs, who mentioned this specific subject. He stated because "the State is behind it and the infrastructure is in place, the program is going to continue to grow and grow." He commended Mr. Featherston and others for their initiative.

Mr. Wasson thanked Mr. Featherston for an excellent report. He added that the South campus is very special to Navarro College and thanked the staff for the good work they are doing.

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

Ms. Aguilar was asked to present an update on personnel for the month of September 2008. The following appointments took place:

- Holly Beasley, Director of Pearce Collections Museum
- Gertrud Moreno, Vice President for Finance and Administration
- Marcy Ballew, Director of Adult Education
- Anthony Longoria, Video Conference Program Manager
- Scott Batts, Lab Coordinator, Mexia State School
- Cody Dickerson, Audio Visual Specialist
- Debra Armstrong, Administrative Assistant IV, Benefits Coordinator
- Kevin Fuller, Campus Police Officer
- Jennifer "Brooke" Sanchez, Administrative Assistant I, Financial Aid

The following reassignments were made:

- Matt Miller, Director of Online Instruction and MISC from Director of MISC
- Renee Ramsey, Counselor from Academic Advisor, Waxahachie Campus
- Elizabeth Shabazz, Continuing Education Instructor from Lab Coordinator, Mexia State School
- Tim Kevil, Head Librarian from Librarian
- Jan Phillips, Internal Auditor from Grants Accountant
- Lynne Coker, Administrative Assistant IV, Business, Professional and Technical Education, from Registrar's Assistant

No resignations, terminations or retirements occurred during the month of September, 2008.

Mr. Wasson thanked Ms. Aguilar for her presentation.

President's Report on Items of Information

Board of Trustees Calendar

Dr. Sanchez asked Ms. Parish to present the Board calendar for October – November 2008. Ms. Parish reviewed highlights of upcoming events including: Civil War presentation at the Cook Center by distinguished lecturer, Ed Bearss; upcoming soccer, volleyball and football games; potential championship playoff game dates; and homecoming events and related activities.

Fall 2008 Enrollment

Dr. Sanchez asked Mr. Gragg to present data on the fall 2008 enrollment. Mr. Gragg stated enrollment for fall 2008 had been certified earlier that day (October 16, 2008). He stated the certified headcount enrollment of 8,328 students is an increase of 142% since Dr. Sanchez became president in 1998 and began the push for increased enrollment.

Mr. Gragg compared the enrollment goals previously set to actual enrollment numbers achieved. Overall, the headcount enrollment of 8,328 did not quite meet the goal of 8,414. The Corsicana campus, which has not had a large growth in the past few years, exceeded its goal of 3,165 with 3,190 students enrolled and an increase of 7.2%. The Waxahachie campus, which had previously experienced a two-year decline in enrollment, exceeded its goal of 2,377 students with 2,411 enrolled, an increase of 12.2%. The Midlothian campus goal of 912 students was exceeded with 991 enrolled and an increase of 5.4%. The Navarro College South campus experienced a 14% growth in enrollment and exceeded its goal of 1,050 students with 1,066 enrolled.

Mr. Gragg stated funding is based on contact hours, which is considered the “true measure” of growth. Certified contact hours totaled 1,722,452 for fall 2008, exceeding the goal of 1,710,708. This is an increase of 12.1%. A review of contact hours by campus showed the Corsicana campus exceeded its goal of 767,854 contact hours with

779,264 reported, a 7.9% increase. Waxahachie campus experienced a 23.6% increase in contact hours and exceeded its 2010 goal with 392,256 hours certified. The Midlothian campus reported 132,230 contact hours, a decrease of 2.4%.

Mr. Gragg stated there had been concern with the decline in enrollment in Ellis County over the past two years, especially since it had been expected to grow much faster. He stated was pleased to see it turn around this year with an overall increase of 15.8%. Dr. Sanchez responded to Mr. Huffman's inquiry about what had caused the decline, stating it was determined to be a result of capacity and staffing issues. He stated the capacity issue was resolved with the addition of the new classroom building and the staffing issues were also addressed.

The Navarro College South campus increased its contact hours by 5.6% with 165,712 hours certified, but was below its goal of 176,104. Internet instruction increased 23% with 252,228 contact hours. Mr. Gragg stated the goal of 286,154 contact hours set for internet instruction had been excessive and was pleased with the increase of 23%.

Mr. Gragg continued by reviewing the reasons attributed to the past year's enrollment growth including: an increase in dual credit and career tech courses, a new petroleum technology program, an increase in Mexia State School training, new TYC training program, full enrollment in the health professions, and new facilities built at Waxahachie. He stated in order to grow, the College cannot allow itself to become complacent and continue doing the same thing every year. He stated many of the new programs are at maximum capacity and cannot be expected to generate more growth, making it more important to constantly seek new alternatives for attracting new students.

Following a review of enrollment by geographical design and age, Mr. Gragg concluded his report by stating funding for fall 2009 will be determined by contact hours generated during the current base year beginning March 2008 and ending with the spring 2009 semester. He stated contact hours have increased 18.8% over the previous base year, and anticipates the increase could easily be as high as 25% when the spring enrollment is completed.

Mr. Wasson commended Mr. Gragg for his report.

Gibson Hall Addition

Dr. Sanchez asked Mr. Raines to present an update on the Gibson Hall addition.

Mr. Raines stated work on the Gibson Hall addition is progressing slowly. The roof is finished and the air conditioning units are installed. Windows and doors will be in place next week. He stated the completion date for the project is now November 15th.

ACCT Meeting October 29 – November 1, 2008

Dr. Sanchez distributed airline and hotel travel information packets to trustees that will be attending the ACCT meeting in New York on October 29-November 1, 2008. He stated a letter would be sent the following week detailing the timeline for travel to D/FW airport.

Legislative Hearing on Community College Funding

Dr. Sanchez reported on the legislative hearing on community college funding. He stated although the Texas Association of Community College's is promoting that community colleges receive 100% formula funding, he expects to receive 56% funding or lower depending on the amount the state has to allocate, especially after Hurricane Ike. Dr. Sanchez stated he had received a letter from the Governor earlier in the day stating the State of Texas is in very good financial condition. The governor was asking all state agencies to prepare for a slowing economy by reducing travel expenses and "tightening belts". All state agencies have been directed to respond to his office within ten (10) days. Dr. Sanchez stated he has drafted a letter which states because Navarro College is a low wealth district it has a very small travel budget which does not allow the College to do the things it wants, but that will do what it can to ensure all expenditures are appropriate.

Dr. Sanchez stated Navarro College's football team is ranked number one and the soccer team is ranked number two in the nation. He stated this is the first time two teams have been ranked as high as they are at the same time. The homecoming football game will be on Saturday, October 25, 2008 at 3:00 p.m. Several board members indicated they would be attending the game.

Dr. Sanchez concluded his report.

Announcement and Adjournment

Mr. Wasson announced the next meeting of the Board of Trustees will be held on Thursday, November 20, 2008.

Mr. Huffman made a motion to adjourn the meeting at 8:20 p.m. and Mr. Borkchum seconded the motion. The decision was unanimous.

Respectfully submitted,

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