

**NAVARRO COLLEGE BOARD OF TRUSTEES
SEPTEMBER 15, 2011 MEETING
MINUTES**

The governing body of NAVARRO COLLEGE gathered on Thursday, September 15, 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. 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
Mr. Dewayne Gragg	Vice President, Enrollment Management and Inst. Studies
Dr. Tommy Stringer	Vice President, Institutional Advancement
Ms. Marcy Ballew	Director, Human Resources
Ms. Leslie Hayes	Director, Adult Education
Dr. John Howe	Assistant Dean Student Services and Operations, Waxahachie Campus
Ms. Amy Young	Chair, Faculty Association
Ms. Leslie Smith	Executive Administrative Assistant
Ms. Darla Littrel	Executive Administrative Assistant
Mr. Oliver Sheehan	Corsicana Daily Sun

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 7:00 p.m. and asked Mr. Aldama to begin the meeting with a prayer. Following the prayer, Mr. Huffman announced that a Closed Session would be held following the President's Report to discuss personnel matters according to Government Code 551.074. He stated no action or decision was anticipated.

Board Announcements

There were announcements from the board.

Open Forum Time

There were no requests to speak to the Board.

Consent Calendar

- a. Minutes - Board of Trustees August 18, 2011 Meeting
- b. Minutes - Board of Trustees August 30, 2011 Special Meeting/Public Hearing
- c. Minutes - Board of Trustees September 7, 2011 Special Meeting/Public Hearing
- d. Revisions/Additions to *Section IV.00.00 – On Line Instruction Guidelines and Procedures* in the Navarro College Administrative Policies and Procedures Manual
- e. Revisions/Additions to *Section IV.09.00 – Distance Education* in the Navarro College Administrative Policies and Procedures Manual

f. **Revisions/Additions to Section VI.13.00 – Part-time Faculty in the Navarro College Administrative Policies and Procedures Manual**

Dr. Sanchez gave a brief overview of the Consent Calendar which included minutes from the board meeting held August 18, 2011 and special meetings/public hearings held on August 30 and September 7, 2011. In addition, approval for revisions to the Policies and Procedures Manual was requested to update information regarding online instruction and distance learning.

Mr. Aldama moved to approve the Consent Calendar, and Ms. Holt seconded the motion. The decision was unanimous.

Take Action to Set the Ad Valorem Tax Rate for Calendar Year 2011 (Fiscal Year 2011-2012) at \$0.119 per \$100 Assessed Valuation

Ms. Moreno stated because the current tax rate of \$0.119 per \$100 assessed valuation is higher than the effective tax rate, the board was required to publish their intent to maintain this rate in the local newspaper and conduct two public hearings. Notices were published in the *Corsicana Daily Sun* and public hearings were held on August 30 and September 7, 2011.

By maintaining the current rate and based on the increase in assessed valuation in Navarro County and a 95% collection rate, the college anticipates earning approximately \$78,000 more in tax revenues during the 2011-12 fiscal year. Ms. Moreno stated the board has met all the statute requirements and action was now required to set the ad valorem tax rate for the calendar year 2011 (fiscal year 2011-2012).

Dr. Price made a motion to set the ad valorem tax rate for the calendar year 2011 (fiscal year 2011-2012) at \$0.119 per \$100 assessed valuation. Mr. Judson seconded the motion. All trustees voted in favor of the motion including: Lloyd Huffman, Dr. Price, Mr. Judson, Mr. Aldama, Mr. Atkeisson, Ms. Holt and Mr. McGraw.

Review Preliminary August 2011 Financial Statement

Ms. Moreno was asked to continue with a presentation of the preliminary August 2011 financial statement.

Ms. Moreno stated the college's fiscal year ended on August 31, 2011 and the financial statement being presented was pending review by the college's external auditors and end-of-year adjustments. She stated the official financial statement for the year ending August 31, 2011 will be brought to the board for their approval upon completion of the year-end audit.

A review of the Statement of Budget Changes for the period ending August 31, 2011 indicated receipt of \$17,300 for the FY 2010 Nursing Shortage Grant, \$48,302 in faculty grants from the Foundation and \$5,059 in revenues generated from Cosmetology shop sales for a total of \$70,661. The revised budget totaled \$110,445,989 as of August 31, 2011.

A review of the Source of Funds indicated 107.52% of the 2010-2011 budget had been earned as of August 31, 2011 compared to 108.46% the previous year. A review of the Disbursement of Funds for the same period indicated 112.04% of the budget had been expended and/or obligated compared to 119.99% the previous year.

Ms. Moreno continued her presentation by stating she expects the auditors to make year-end adjustments to the student financial aid fund and inventory amounts. Once the audit is completed, she expects a healthy fund balance of \$1.5 - \$2 million dollars for the year ending August 31, 2011.

Ms. Moreno concluded by stating because this financial report was preliminary and for information purposes only, no action was required.

Quarterly Investment Report

Ms. Moreno was asked to continue with the Quarterly Investment Report for the period ending August 31, 2011.

Ms. Moreno stated very little activity took place in investments during the last quarter ending August 31, 2011. A \$250,000 certificate of deposit (CD), earning 2.1%, interest matured on August 1, 2011, and was reinvested into a two-year CD earning 1.19% interest. Ms. Moreno stated although the rate of interest on the CD is low, it was the best rate available and is higher than the benchmark rates published in the Wall Street Journal. Some discussion followed regarding interest income. Ms. Moreno stated the hope is that rebates the college earns from setting up automatic payments to vendors will help to offset the loss in interest income.

A review of the Maturity Schedule indicated investments totaling \$4,700,000 will mature during the first quarter of the 2011-2012 fiscal year and another \$2,140,000 will mature during the second quarter. Ms. Moreno stated the reason for investing in short-term issues was to ensure cash liquidity during the months of January and February when the college will not receive appropriated funds from the state.

Investments for the quarter ending August 31, 2011 totaled \$8,700,000. Ms. Moreno stated the college's investments and cash deposits totaling \$15,608,980 are well secured by \$1,750,000 in FDIC insurance and \$31,729,527 in pledged collateral.

Ms. Moreno was asked how the year-end cash balance at August 31, 2011 compared to the previous year's. She responded last year's balance was higher because it included \$3 million for the construction of the new building on the Midlothian campus.

Mr. Atkeisson moved to approve the Quarterly Investment Report for the period ending August 31, 2011. Mr. Aldama seconded the motion, and the vote was unanimous.

Debt Service Report

Ms. Moreno stated during their September 15, 2011 board meeting, trustees had requested information on the college's current debt service and possible options for short-term financing. She provided each Trustee with a detailed information sheet itemizing the amount of each bond issue, payments and current balances and continued with a brief overview of the information provided.

Ms. Moreno stated if additional revenue bonds are not issued, the college will be debt-free by the year 2029. She added that, with the possible exception of the revenue bonds issued by the City of Midlothian, each of the bond issues include a "call" option which allows the college the option to pay those debts off early, if that is ever desired.

Ms. Moreno continued by stating she has inquired into possible short-term financing vehicles as requested by the Board. Local community banks were contacted concerning short-term loans in the amounts of \$1, \$3 and \$5 million. She noted that, as with issuing revenue bonds, the interest income on these types of loans would be tax-free for the banks. Several options were investigated for paying off new debt over a short term of one to five years by making one lump-sum payment at the end of each year or making quarterly payments throughout the year.

Quarterly payments over a short term would greatly reduce the amount of interest that would have to be paid. Ms. Moreno stated this type of financing was definitely worth considering. She compared the cost of issuing 20-year revenue bonds to financing the same amount over a five-year period making quarterly payments. The amount of

interest the college would pay on a \$5 million bond issue at the end of the 20 years would be over \$3 million. If a \$5 million loan was financed at 3.253% with quarterly payments over a five year period, the amount of interest would be \$437,709, a dramatic decrease.

Discussion followed. Mr. Huffman stated this was an option that should be seriously considered and Dr. Sanchez agreed. Ms. Moreno stated property collateral would be required for the loans but that should not be an issue. Dr. Price suggested the buildings being constructed could serve as collateral.

Ms. Moreno concluded her report.

Update on Adult Education Program

Ms. Hailey introduced Ms. Leslie Hayes, Director of Adult Education, and asked her to present an update on the Adult Education program.

Ms. Hayes began by stating the Adult Education Program offers literacy, GED (General Education Development) and ESL (English as a Second Language) classes free of charge at 18 locations with 32 classes offered in four counties including Navarro, Ellis, Limestone and Freestone. Class capacity varies by location and additional sites are being sought. During the 2010-11, the program served 407 GED and 177 ESL students ranging in age from 16 to 81 years old. Ms. Hayes stated classes began in August and many are already at capacity and the program has a waiting list. Distance learning classes are also offered and they help to offset these waiting lists.

Ms. Hayes stated the program is 100% funded by federal, state and TANF (Temporary Assistance for Needy Families) grant funds. She stated the program has been awarded \$325,210 in grant funds for 2011-2012 and \$155,928 in performance funding. Performance measures are set by the Department of Education and to remain eligible for funding, 50% of these measures must be met. Over the past two years, Navarro College's program has met 11 out of 11 of its performance measures.

Ms. Hayes stated that networking with area service agencies, staff training, efficient data management, the involvement of advisory committee members, and instructional staff accountability have all contributed to the program's success.

Ms. Hayes continued stating a language software, Rosetta Stone, is currently being used to help increase ESL students' oral language skills by allowing for full immersion in the English language. Ms. Hayes stated the ESL program has repeatedly been the lowest performing area but has seen increased performance since the introduction of this software. Students are excited about learning computer skills while learning the English language and great improvement has been made in their oral competency skills.

In March, the state approved a petition submitted by Ms. Hayes to approve Rosetta Stone as part of the curriculum for ESL distance learning. Contact hours being generated via distance learning are eligible for funding. In addition, Rosetta Stone has contacted her about conducting a case study of Navarro College's Adult Education Program on the usage and success of their software. Ms. Hayes stated Navarro College will be their first higher education case study.

Ms. Hayes stated GED students graduating the program are encouraged to continue their education by enrolling in Navarro College. Several scholarships are offered to graduates. Navarro College Foundation awarded four \$1,000 scholarships, four \$500 Financial Aid scholarships and one \$250 memorial scholarship was awarded last year.

Ms. Hayes concluded her presentation and responded to questions. Mr. Judson expressed appreciation for Ms. Hayes work and commented on the need for the program in the community. Mr. Aldama inquired if the program has volunteers

that help and also about the days of the week when classes are offered. Ms. Hayes responded that volunteers come from partnering agencies and depending on the facility, most sites offer day and/or evening classes on Mondays/ Wednesdays or Tuesdays/Thursdays. Classes are offered both days and evenings on the Navarro College campus four days a week.

Mr. Huffman thanked Ms. Hayes. He stated this is a wonderful program and that his mother, who taught GED after she retired, felt it was one of the most rewarding experiences she ever had because of the impact it had on people's lives.

Update on Personnel

Ms. Ballew was asked to present an update on personnel activities. She reported the following appointments were made during the month of August 2011:

- Kristal Nicholson – Director of Student Financial Aid – Corsicana Campus
- Heather Stottman – Professor of Sciences – Corsicana Campus
- David Padron-Perez – Professor of Sciences – Ellis County Campuses
- Janis Pace – Professor of Sciences – Waxahachie Campus
- Alaine Long – Associate Degree Nursing Professor – Corsicana Campus
- Rosemary Bell – Associate Degree Nursing Professor – Waxahachie Campus
- Kaye Martin – Administrative Assistant II-Athletics – Corsicana Campus

Ms. Ballew stated Dr. John Howe has been appointed Assistant Dean of Student Services and Operations for the Waxahachie Campus and introduced him in the audience. Dr. Howe was welcomed by applause.

Ms. Ballew continued stating the following resignations were accepted during the month of August 2011:

- Kenneth Harris – E.M.S. Coordinator – Waxahachie Campus
- Judyth Ochoa – Administrative Assistant II – Waxahachie Campus
- Karen Wilcox – Accounting Clerk II-College Bookstores – Waxahachie Campus

There were no reassignments, reclassifications, transfers, terminations or retirements during this period.

Ms. Ballew continued stating nine positions were currently being advertised. The position of Campus Police Officer for Ellis County Campuses was being advertised to fill an 18-month vacancy. The officer currently holding this position is being deployed overseas for active military duty. Ms. Ballew stated when the officer returns from active duty and re-assumes his position, plans are to retain the new officer thus increasing the Ellis County campus police force to a total of three officers. This will allow for better security for both the Waxahachie and Midlothian campuses.

Ms. Ballew concluded her report.

President's Report on Items of Information

Mr. Gragg was asked to present the Board calendar in the absence of Ms. Parish. Mr. Gragg reviewed highlights of upcoming events including football, volleyball and soccer games. Students from the Midlothian Campus will conduct several performances of the play, "Rabbit Hole" September 30 and October 1. Homecoming activities, including a box car parade, are planned October 14-15. Dr. Sanchez drew attention to the Barracks Bunch luncheon scheduled on Saturday, October 15, as part of the homecoming activities and encouraged everyone to attend.

Dr. Sanchez asked Mr. Gragg to continue with an update on enrollment. Mr. Gragg stated when finalized, he expects to report enrollment of 10,443 students for fall 2011. This will be an increase of slightly more than 4% in contact hours over last year and will fall short of the goal of 5%. Because of the economic state at the time the budget was set and the amount of state appropriation the college would receive was not known, the decision was made to be more cost efficient and not strive for greater enrollment increases. Steps normally taken to increase contact hours were not implemented. Caps on class sizes were increased instead of adding new classes and sections when classes filled. Mr. Gragg stated the increase that has been generated is very cost effective and will yield a good return on investment. Dr. Sanchez stated the goals for spring 2012 have been modified to aim for an 8-10% increase.

Dr. Sanchez asked Ms. Moreno to present an update on the occupancy rate in residence life housing. Ms. Moreno stated that the residence life occupancy rate has dropped slightly but is still at full capacity with 837 students. The occupancy rate is 821 and several students are still "tripled up" in rooms. Ms. Moreno stated as students leave for various reasons, students who are tripled up in rooms are moved to rooms vacated by students leaving the college before the approximately 95 females and 115 males on the waiting list are given the opportunity to move into vacated rooms. Ms. Moreno stated many of the students on the waiting list have already made arrangements to live elsewhere.

Ms. Moreno was asked to present an update on construction projects. Ms. Moreno stated the renovations to the Corsicana campus courtyard located between the administration building and Gooch One-Stop Student Center have been completed and the tables and chairs will be added when they arrive. She continued stating work on the Waxahachie deli is advancing and displayed pictures of the work in progress. Completion of the new deli is anticipated on or before October 15. The leased facility, which houses the Waxahachie Cosmetology Program, has been renovated to provide a large classroom for the Nursing Program. Ms. Moreno stated the renovations were completed in time for fall classes to begin and accommodates approximately 85 students.

Before concluding, Ms. Moreno reported a plan for redistricting has been submitted to the county. Because the college district has always followed the county districts in the past, more information will be forthcoming on the proposed changes. Ms. Moreno stated a quick review of the plan indicates no Trustees will be impacted from redistricting.

Dr. Stinger was asked to present an update on the Cook Education Center's expansion project. He stated construction is nearing an end and displayed pictures. He stated the addition has doubled the size of the atrium and approximately 500 people can now be accommodated. A portable door is being installed that will divide the large area into two rooms allowing multiple venues to take place at the same time. In addition, storage space has been added. Acoustics have been improved with the installation of sound panels and carpeting on the walls. Curtains will be installed to cover the large windows and will also help with the acoustics. A large motorized screen will be installed that can be raised and lowered during meetings. Mr. Huffman stated the screen will face the audience and plans are to have flat screen monitors placed in front of each Board of Trustees member during meetings for them to see what is being projected.

Dr. Sanchez continued with the President's Report by stating reservations have been made for all Trustees and their spouses, with the exception of Mr. McGraw, to attend the ACCT conference in Dallas. He stated the conference's opening session is scheduled to begin at approximately 5 p.m. on Wednesday, October 12, 2011. He inquired if the board would like leave by 2:30 or 3 p.m. that afternoon. He added that Navarro College's Homecoming is scheduled on Saturday, October 15 and he plans to leave the conference late Friday to attend scheduled events. He inquired if the Board would prefer to return home Friday evening with him. All trustees attending the conference indicated they would also like to return following the last scheduled meeting on Friday, October 14, 2011.

Dr. Sanchez stated there was no new information to report on the legislature. He continued by stating the next Board of Trustees meeting will be held on the South Campus located in Mexia. Trustees will meet at 5 p.m. in front of the Albritton Administration Building to be transported to dinner before going to the South Campus .

Dr. Sanchez stated the annual Texas Higher Education Leadership Conference will be held in Austin November 3-4, 2011. The conference will address leadership information for Board members including legislative mandates. Ms. Holt and Mr. Aldama indicated they would like to attend. Dr. Sanchez stated registration and hotel reservations will be made for them to attend with him.

Dr. Sanchez stated during the last board meeting, he had proposed the idea of moving towards electronic communication and the possibility of providing board members with iPads or laptop computers. He stated after receiving his iPad, he is concerned over the difficulty he has faced with being able to send attachments with emails.. He inquired if the board would prefer to consider laptop computers instead. After some discussion, board members indicated they would prefer iPads. Dr. Sanchez stated he will move forward with the purchase of iPads for each Trustee and also arrange for instruction on their use.

Dr. Sanchez reminded Trustees the Bulldogs football game against Tyler will be played at Tiger Field on the following Saturday, September 17, 2011. He stated box seats will be reserved for those planning to attend. Trustees who indicated they were not sure yet were asked to contact his office before Friday, September 16, 2011.

Dr. Sanchez concluded his report.

Announcement, Closed Session, Adjournment

Mr. Judson moved to convene into closed session at approximately 8:12 p.m. to discuss personnel matters according to Government Code 551.074. Mr. Aldama seconded the motion and the decision was unanimous.

Mr. Huffman announced the board would take a short break before convening into closed session. He stated no action was anticipated following the closed session. The next Board of Trustees meeting will be held in Mexia at the Navarro College South Campus at 7 p.m. on Thursday, October 20, 2011.

At 9:00 p.m., Mr. Judson moved to reconvene into open session and adjourn the meeting. Mr. McGraw seconded the motion and the decision was unanimous.

Respectfully submitted,



Phil Judson, Secretary/Treasurer
NAVARRO COLLEGE BOARD OF TRUSTEES