

**NAVARRO COLLEGE BOARD OF TRUSTEES
DECEMBER 15, 2005 MEETING
MINUTES**

The NAVARRO COLLEGE BOARD OF TRUSTEES met at 7:00 p.m. on December 15, 2005 for their regular monthly session in the Board Room of the Waller Classroom Building. The following trustees were in attendance: Mr. Homer Wasson, Chair; Dr. James Price, Vice-Chair; Mr. James Borkchum, Member, Mr. Liston Herod, Jr., Member; Mr. Todd McGraw, Member and Mr. Zane Stites, Member. Absent: Mr. Lloyd Huffman, Secretary-Treasurer.

Also attending were:	Dr. Richard Sanchez	President
	Dr. Lary Reed	Executive Vice President
	Mr. Darrell Raines	Vice President for Finance and Administration
	Dr. Kenneth Martin	Vice President for Student Services
	Mr. Dewayne Gragg	Dean of Enrollment Management & Institutional Studies
	Ms. Susan Johnson	Director of Market Relations and Public Information
	Ms. Nelida Aguilar	Director of Human Resources
	Mr. Tim Samuels	Dean of Career and Technical Education
	Ms. Leslie Smith	Executive Administrative Assistant
	Ms. Janet Daugherty	Executive Administrative Assistant
	Ms. Donell Williams	<u>Corsicana Daily Sun</u>
	Mr. Bob Belcher	KAND Radio

100. Introduction

101. Call to Order

Mr. Wasson called the meeting to order at 7:03 p.m. Mr. James Borkchum was asked to lead the assembly in prayer.

102. Changes to Agenda

Dr. Sanchez stated that Item 203 was added to the agenda to consider approval of requirements associated with the process for issuance of revenue bonds for the purchase of property in Waxahachie. In addition, December 5, 2005 Special Board meeting minutes were also included for consideration and approval.

103. Take Action on the November 17, 2005 Board Meeting and December 5, 2005 Special Board Meeting Minutes

Mr. Borkchum made a motion that the minutes of the November 17, 2005 meeting of the Board of Trustees be accepted and Mr. Herod seconded the motion. Acceptance was unanimous.

Dr. Price made a motion that the minutes of the December 5, 2005 Special Board Meeting be accepted and Mr. McGraw seconded the motion. Acceptance was unanimous.

104. Board Comments

There were no comments from the Board members.

107. Open Forum Time

There were no requests to address the Board.

200. Finance and Administration

201. Approval of Annual Financial Audit for the Fiscal Year Ending August 31, 2005.

Dr. Sanchez stated that Hudson Anderson and Associates, independent auditors, had performed the annual audit on the College's financial records and called on Mr. Raines to present this item.

Mr. Raines stated that for the fourth year in a row, Navarro College has earned the Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year ended August 31, 2004. He recognized the College's accounting staff: Brenda Duncan, Business Manager; Rhina Sandoval, Controller; and Jan Phillips, Accountant. A plaque from the Governor's Finance Officers Association was also presented.

Mr. Wasson thanked the staff and expressed appreciation for their work on behalf of the Board of Trustees.

Mr. Raines then introduced Mr. Frank Marx of Hudson Anderson and Associates and asked him to present their findings from their audit of the College's financial statements as of August 31, 2005. Mr. Marx stated the audit was conducted in accordance with generally accepted auditing standards and in their opinion, the financial statements fairly represent the financial position of the College and the results of its operations for the year ended August 31, 2005. He stated the College was also found to be in compliance with the provisions of the 2003 Revenue Bond indenture.

Mr. Marx reported the audit found Navarro College in compliance in all respects with the Public Funds Investment Act and stated there were no instances of non-compliance to be reported. Navarro College has also complied with all requirements for major financial assistance programs.

Mr. Marx stated the College continues to be in excellent financial condition and has handled its growth well. Primary operating revenues increased from the previous year by \$5,011,672. Non-operating expenditures decreased by \$5,118,240; however, when the previous year's (2004) large, one-time donation from the Foundation is taken into account, the two years are comparable. There was a corresponding increase in the total operating expenses. Operating revenues were up 20% while corresponding expenses increased 17%.

Current assets dropped from the previous year due to cash from bond proceeds being converted into capital improvements and new construction. Capital assets, however, increased as a result of the construction of new buildings and the purchase of land in Waxahachie. Liabilities were comparable to past

years.

Mr. Stites asked if there were any recommendations. Mr. Marx responded that recommendations were made in the audit communications letter for some "efficiencies" that could be put in place. He stated one item noted was that the increased expense of part-time positions in the Emergency Medical Technician (EMT) program would be better served by employing full-time staff.

Mr. Marx concluded by stating as both a member of the community and a former student he was very proud of what the College is doing.

Mr. Wasson thanked Mr. Marx for his report.

Mr. Borkchum made the motion to approve the annual financial audit for the fiscal year ending August 31, 2005 and Mr. Stites seconded the motion. The decision was unanimous.

202. Take action on the October 2005 Financial Statement

Mr. Raines presented the October 2005 financial statement. There was no increase in the budget for the month ending October 31, 2005 which remained at \$58,543,535. Mr. Raines stated contingency funds were transferred within the Educational and General Fund and allocated to various instructional areas for the purchase of equipment but this did not increase the budget.

The Source of Funds indicates \$17,508,448 or 29.70% of the current budget had been earned at October 31, 2005 as compared to 32.67% the same time last year. The Disbursement of Funds indicates \$11,080,808 expended and \$17,196,437 obligated at October 31, 2005 or 47.97% of the current budget as compared to 55.82% in 2004.

Mr. Stites made the motion to approve the October 2005 financial statement and Mr. Herod seconded the motion. The decision was unanimous.

203. Approve administration, bond counsel and financial advisor to proceed with the process of issuance of revenue bonds.

Mr. Wasson stated that at the special meeting held on Monday, December 5, 2005, approval was granted to submit a proposal to the Chevron Phillips Company for the purchase of property in Waxahachie. He stated the bid submitted by the College has been accepted and this agenda item relates to the sale of revenue bonds to complete the transaction.

Dr. Sanchez stated the contract submitted to purchase an additional thirty-four (34) acres from Chevron Phillips Chemical Company has been accepted at a bid price of \$2.8 million. This land purchase will provide the opportunity for expansion at the existing campus on John Arden Drive. He stated no tax revenues would be used for the purchase of the property and that revenue bonds will be sold to provide financing for this purchase. He reiterated projections which indicate that Ellis County is growing dramati-

cally and indicate that the Waxahachie campus will become the largest campus within the district, possibly growing to 12,000 -15,000 students by the year 2025.

Mr. Raines stated authorization to proceed with the sale of revenue bonds was being requested. This is a comprehensive revenue bond issue with several sources of revenues pledged to retire the debt. Mr. Raines affirmed that tuition and out-of-district fees will be increased to cover the debt service obligation of the revenue bonds. Mr. Raines also noted that although there will be an increase in tuition and out-of-district fees, student fees will continue to be lower than the state average.

Representatives from First Southwest Company have reviewed the College's financial condition and have determined the College has revenues to cover the debt five and one-half (5.5) times the amount while the bond only requires three (3) times the amount. Mr. Raines stated that if the Trustees approve this item, a formal resolution will be brought before the Board in January for approval.

Mr. Wasson stressed that no Navarro County tax dollars will be used for the purchase. An increase in tuition and fees will be used to pay the debt service obligation over the term of the covenant.

Dr. Price made the motion to approve the administration, bond counsel, and financial advisor to proceed with the process for issuance of the revenue bonds. Mr. Borkchum seconded the motion. Mr. Wasson, Dr. Price, Mr. McGraw, Mr. Herod, and Mr. Borkchum voted in favor. Mr. Stites voted against. Mr. Stites stated he was opposed for the same reasons given at the special meeting held December 5, 2005.

204. Update on Construction/Renovation Projects

Dr. Reed presented an update on the new Midlothian campus. He stated he is pleased with the beauty, warmth and friendliness of the facility. He stated the facility is 95% complete. He noted the exterior of the building was not finished and cannot be completed until a new supply of rock is received. A meeting was held on Wednesday to develop a "punch list" of other areas that need attention before the building is complete. He stated that the City of Midlothian has given authorization to move furniture into the facility but the building has not yet been approved for occupancy.

Dr. Reed also stated the project to enclose the breezeway at the Navarro College South Campus in Mexia is currently on hold because of the difficulty in getting bids for such a low amount. The project must stay below \$50,000 or the services of an architect will be legally required. Based on quotes that have been received by David Long, the estimated cost is now at \$60,000. Dr. Reed stated the project may have to be split up into two phases.

Dr. Sanchez reminded the Board that \$40,000 had been set aside for this project from the \$180,000 allocated for the purchase of five acres from the Chevron Phillips Chemical Company in Waxahachie recently. He recommended that the Board allow the project to continue in spite of the \$60,000 estimate with the hope that bids for the project do not exceed \$50,000.

David Long next provided an update on continued construction of the new library. Mr. Long stated the building was progressing and plans are for the facility to be fully operational by January 17, 2006 for the first day of spring classes. Work on the exterior building on the street side facing the Bains Center continues. Concrete has been poured; however, the supply of brick has run out and additional brick will not arrive until mid-January delaying completion of the exterior until the end of January or early February. Cast stone caps will be installed on top of columns over the four corners of the building. Also stone will be placed on the archway entrances to the building and will be set piece by piece next week using a crane. The first floor "store front" on the side of the Bains Center has been installed and the second floor "store front" facing the Gooch Building will be kept open. Plans are to use a crane to lift the books on pallets and move them from the old library to the new library through the second-level store front before it is enclosed. He stated the interior of the building is nearing completion. Floor coverings and ceilings have been installed. Carpet and light fixtures will be installed within the coming week. Crews will also be coming in to strip and wax the floors. Furniture is expected to begin arriving by next week.

Mr. Wasson thanked Dr. Reed and Mr. Long for their reports.

300. Instruction / Student Services / Athletics

301. Presentation on Career and Technical Education Program

Dr. Reed asked Mr. Tim Samuels to present this item. He stated that Mr. Samuels had assumed the position of Dean of Career and Technical Education approximately six months ago and is responsible for developing new ideas for programs to help the division increase in student enrollment.

Mr. Samuels gave a brief review of courses currently offered by Navarro College and introduced a list of possible new courses he believes could successfully be offered, some of which could also include Tech Prep articulation. In response to Dr. Price's question, Mr. Samuels explained the gaming certificate on the list of new programs might better be called "digital gaming" as it relates more to multimedia gaming. He also stated that with the health care industry growing, there is need for more programs such as radiology and respiratory care.

The Career and Technical Education program experienced an 8.4% growth in 2004. Mr. Samuels stated he would like to see this percentage increase. A comprehensive informational brochure on all Career and Technical Education programs has been created and with the assistance of the College's Webmaster, information is also being updated and redesigned on the College website.

Mr. Samuels has analyzed the strengths, weaknesses, opportunities and threats (SWOT) facing the Career and Technical Education program. He stated he plans to work closely with business and industry, including the Chambers of Commerce, to determine their needs. He also expects to meet with all independent school districts in the service area as well to determine what "needs" exist and how they can best be met.

Mr. Stites complimented Mr. Samuels on a good report.

400. Personnel

401. New Hires / Reassignments-Transfers / Reclassifications

Dr. Sanchez asked Ms. Aguilar, Director of Human Resources, to present employee new hires, reassignments/transfers and reclassifications for the month of November 2005 as well as resignations, retirements, and terminations.

The following appointments were made during November 2005:

- Olga Altamira (Data Entry Clerk, Registrar's Office)
- Rebecca Brumley (Librarian, Midlothian/Waxahachie)
- Teresa Gonzalez (Financial Aid Counselor, Midlothian)
- Jill Heald (Assistant Bookstore Coordinator, Midlothian)
- Ada Nicholson (Student Accounts Auditor/Head Cashier, Business Services)
- Avelina Wheat (Custodian, Dining Services)
- Shannon Wilkens (Account Clerk II, Business Services)

The following employee reassignments were made during November 2005:

- Kathy Kistler (Payroll Specialist, Business Services)

402. Resignations / Terminations / Retirements

There were no resignations, terminations or retirements during the month of November, 2005

500. President's Report

Ms. Johnson presented the Board of Trustees calendar of events for December and January.

Dr. Sanchez asked Dewayne Gragg to present an update on Spring 2006 enrollment. Mr. Gragg reported spring enrollment was currently at approximately 2,600 students. He stated this enrollment growth is comparable to the same time last year which exceeded projections. He stated enrollment at the new Midlothian campus is slow but will be better than fall's enrollment with an anticipated enrollment of 300-400 students. He was pleased to note that over half of the students who recently enrolled in Midlothian are new students who have been waiting for the campus to open.

Dr. Sanchez continued with his President's Report:

Dr. Sanchez mentioned there may be a need to call a special board meeting on Tuesday, January 10, at noon in the President's Dining Room to consider adopting a resolution for the revenue bonds as well as to meet with the College's counsel.

Dr. Sanchez further stated that on January 12, the Grand Opening of the new Midlothian campus will take place. Transportation by bus will be provided. Plans are to leave at 3:30 p.m. and return by 8:30 p.m.

Spring convocation for faculty will be held on Tuesday, January 10. The new spring semester will begin on January 17. Trustees were invited to attend the faculty convocation.

Dr. Sanchez conveyed to the Board of Trustees that for the third year in a row, Navarro College has been listed in the *Community College Week*, a national publication, as one of the fifty (50) fastest growing community colleges in the nation with enrollment between 5,000 - 5,999. He stated the College ranked twenty-eighth (28th) of the fifty (50) colleges reported.

He next stated that Dr. Harold Nolte is completing his last day of internship in Cleveland, Ohio and will be returning to the Waxahachie campus the following Monday.

Dr. Sanchez reminded Trustees that the College will close for Christmas break December 22nd and reopen on January 3rd. He also advised the Board he will be leaving for California on Monday for the holidays and will return on January 4th.

Dr. Sanchez noted that staff has been incredibly helpful with packing boxes with books in the College library in preparation for the move to the new library. Plans are for the boxes to be placed on pallets and moved to the new library with a crane.

Finally, Dr. Sanchez stated staff was very appreciative of the Christmas bonus the Board provided. He thanked the Board for the support they give him on a daily basis and their dedication to the College and wished them a merry Christmas and a happy new year.

Mr. Wasson thanked Dr. Sanchez for his work and dedication as well as all the staff of Navarro College.

600. Closed Session, Announcement and Adjournment

601. Next Meeting Announcement

The next meeting of the Board of Trustees will be held January 26, 2005.

602. Adjournment

Mr. Sites made the motion to adjourn at 8:43 p.m. Mr. Herod seconded the motion. The decision was unanimous.

Dr. James Price, Vice-Chair
Navarro College Board of Trustees