

**NAVARRO COLLEGE BOARD OF TRUSTEES
AUGUST 24, 2006 MEETING
MINUTES**

The NAVARRO COLLEGE BOARD OF TRUSTEES met for their regular session on August 24, 2006, in the Waller Classroom Building. The following trustees were in attendance: Mr. Homer Wasson, Chair; Dr. James Price, Vice-Chair; Mr. Lloyd Huffman, Secretary-Treasurer; Mr. James Borkchum, Member; Mr. Liston Herod, Jr., Member; and Mr. Zane Stites, Member. Mr. Todd McGraw, Member, was absent.

Also attending were:

Dr. Richard Sanchez	President
Dr. Lary Reed	Executive Vice President
Dr. Gregory Dlabach	Vice President for Academic Affairs
Mr. Darrell Raines	Vice President for Finance and Administration
Dr. Kenneth Martin	Vice President for Student Services
Dr. Tommy Stringer	Vice President for Institutional Advancement
Mr. Dewayne Gragg	Dean of Enrollment Management and Institutional Studies
Ms. Nelida Aguilar	Director of Human Resources
Ms. Susan Johnson	Director of Market Relations and Public Information
Mr. Roark Montgomery	Athletic Director

Others attending were:

Dr. Larry Weaver	Dean of Arts, Science and Humanities
Mr. Tim Samuels	Dean of Career and Technical Education
Mr. Guy Featherston	Dean of Navarro College South Campus
Mr. Matt Miller	Director of Media Integration Services Center.
Mr. Chris Grams	Director of Continuing Education
Ms. Brenda Duncan	Business Manager
Ms. Rhina Sandoval	Controller
Ms. Leslie Smith	Executive Administrative Assistant
Ms. Darla Littrel	Executive Administrative Assistant
Mr. Dick Aldama	KAND
Mr. A.J. Narasimhan	<u>Corsicana Daily Sun.</u>

101. Call to Order

Mr. Wasson called the meeting to order at 7:01 p.m. Dr. Reed was asked to lead the assembly in prayer.

102. Changes to Agenda

Dr. Sanchez noted the agenda should be changed to state the Board's intent to set the tax rate at \$.1405 per \$100 instead of \$.145 per \$100.

103. Take Action on the July 20, 2006 Board Meeting Minutes

Mr. Huffman made the motion to accept the minutes for the July 20, 2006 Board of Trustees meeting. Mr. Herod seconded the motion. Acceptance was unanimous.

104. Board Comments

Mr. Huffman requested that the Chairman appoint a committee to review the condition and security of the College's arrowhead collection. He stated Mr. Bill Young, a recognized authority in archeological matters, had recently been asked to review the collection which is a valuable, historic asset dating back approximately 9,000 years.

Mr. Wasson appointed Mr. Lloyd Huffman, Dr. James Price, Mr. Zane Stites, Mr. Tom White, Mr. Oliver Albritton, Dr. Tommy Stringer and Ms. Julie Holcomb as committee members. He designated Mr. Huffman as chairman of the committee.

Dr. Sanchez advised that his Administrative Assistant, Ms. Leslie Smith, would assist Mr. Huffman in calling a meeting together.

105. Open Forum Time

There were no requests to address the Board.

200. Finance and Administration

201. Adopt Resolution Authorizing Tax Abatement for Guardian Industries Corp.

Dr. Sanchez introduced Mr. Lee McCleary, Navarro County Economic Development Coordinator, and asked him to present this item.

Mr. McCleary stated that Guardian Industries Corporation has submitted a request for tax abatement for a term of ten (10) years at a fifty percent (50%) level of abatement in consideration of a \$19,216,724 expansion project for machines and building equipment. He stated that Guardian Industries began its float glass operation in 1980 and will retain its 209 full-time employees with this expansion. He recommended the Board give favorable consideration to their request.

Dr. Price made the motion to adopt the resolution authorizing a tax abatement for a term of ten (10) years at a fifty percent (50%) level of abatement in consideration of Guardian Industries \$19,216,724 expansion project. Mr. Borkchum seconded the motion. The vote was unanimous.

202. Take Action on the June 2006 Financial Statement

Mr. Raines presented the June 2006 financial statement. He stated proposed amendments for the period ending June 30, 2006 reduced the revised 2005-06 budget by \$45,236. He stated Student Income was reduced by \$180,000 as budgeted revenues were not earned as anticipated. Other adjustments for

nursing software fees; Cosmetology, Gift Shop, and Summer Camp sales; ad valorem taxes; and recognizing FY 2006 portion of land sale helped offset the reduction in Student Income resulting in a decrease of only \$45,236 in the total budget. The Disbursement of Funds reflected the same amounts being distributed. The revised budget totaled \$64,932.14 at June 30, 2006.

A review of the Source of Funds for the period ending June 30, 2006 reflected \$54,292,980 or 84.39% of the budget had been earned. This is comparable to 84.32% earned at the same period last year. The Disbursement of Funds shows \$51,195,874 spent and \$4,190,336 obligated or 85.30% at June 30, 2006. Expenditures are down when compared to 88.83% last year.

The Schedule of Cash Balances and Investments indicated \$2,302,169.79 in cash and \$10,218,145.19 in investments for the period ending June 30, 2006.

Mr. Stites made a motion to approve the June 2006 Financial Statement and Mr. Borkchum seconded the motion. The vote was unanimous.

203. Take Action on the July 2006 Financial Statement

Mr. Raines continued and presented the July 2006 Financial Statement. He stated budget amendments in the amount of \$152,058 recognize receipt of \$79,738 from North Central Texas Workforce for the First Generation College Student Initiative Grant; summer camp, nurse camp, and gift shop sales and additional Dining Services revenues.

The Source of Funds at July 31, 2006 indicated \$56,577,820 or 86.93% of the budget had been earned as compared to 87.19% earned at July 31, 2005. The Disbursement of Funds indicated 87.13% of the budget has been expended and obligated at July 31, 2006 as compared to 91.13 % at the same period last year.

Dr. Price inquired about the Community Services Fund and Mr. Raines responded that continuing education courses such as cake decorating, square dancing, and Kids College were considered community service. Dr. Price also inquired about the timing of receiving Student Financial Aid funds and Mr. Raines stated they were received electronically. Mr. Raines also noted that the current year's budget was larger than last year's and anticipates receiving almost \$11 million next year in student loans.

Dr. Price made the motion to approve the July 2006 Financial Statement. Mr. Herod seconded the motion. The vote was unanimous.

204. Take Action on Adoption of the Budget for the 2006-2007 Fiscal Year

Dr. Sanchez stated that upon looking again, a correction should be made on tax rate shown on agenda. He stated the agenda should state the intent to set the tax rate at \$0.1405 per \$100 instead of \$0.145 per \$100. He then asked Mr. Raines to present the Budget for the 2006-2007 Fiscal Year.

Mr. Raines stated the salary contingency was moved into the right elements and constituted the only changes in the budget from the Board's workshop held on July 20, 2006. As a reference point, Mr. Raines noted that last year's adopted budget was \$56,868,312 and amendments increased budget to \$64,825,661. He stated the 2006-2007 Budget the Board was being asked to adopt totaled \$65,330,566.

Mr. Raines stated the 2006-07 Budget has several initiatives and that funds are also budgeted to service the debt requirements for the 2003 Revenue Bonds and the 2006 Revenue Bonds. The Plant Fund includes construction activity for a Classroom Building and Fire Academy building in Waxahachie. Mr. Raines stated the main item driving the budget was Student Financial Aid in the amount of \$21,636,155.

Mr. Raines noted that proposed tuition and fees are lower than last year's state average according to the Texas Association of Community Colleges. A student residing in Navarro County taking 12 semester credit hours (SCH) will pay \$46/SCH as compared to \$43/SCH last year and lower than the \$51/SCH state average reported by the Texas Association of Community Colleges for 2005-06. A Texas resident residing outside of Navarro County will pay \$70/SCH. This compares to last year's state average of \$75/SCH. International students or out-of-state students will pay \$104/SCH as compared to last year's state average of \$115/SCH. Mr. Raines stated the state average is expected to be higher for 2006-07.

Mr. Raines stated that students are paying the full load for all debt service which is being funded out of the Student Use Fee. Mr. Huffman inquired about the percentage of the budget covered by local taxes. Mr. Raines responded there were two different ways to look at it; either as a percentage of the Educational and General Fund (8.6%) or as a percentage of the total budget (3.9%). The total amount earned in ad valorem taxes is \$2,562,000.

Dr. Price made the motion to adopt the proposed Budget for 2006-2007. Mr. Stites seconded the motion. The vote was unanimous.

205. Discussion on Calendar Year 2006 (Fiscal Year 2006-2007) Tax Rate. Take Record Vote of Intent to Set Rate at \$0.1405 per \$100 and Schedule Public Hearings as Proposed Tax Rate Exceeds the Rollback and Effective Tax Rate

Dr. Sanchez stated he wanted to clarify that the board was not being asked to vote on the tax rate but to declare their intentions with a record vote and to schedule two public hearings. The vote on the tax rate will take place at the regular Board meeting on September 21, 2006. He then asked Mr. Raines to continue with his presentation on this item.

Mr. Raines stated the Navarro County Tax Assessor has calculated the effective tax rate at \$0.1252. He explained that the effective tax rate is the rate that would provide the taxing unit (College) with the same amount of revenue received from the previous year. Setting the tax rate at the rollback rate of \$0.1352/\$100 would result in an 8% increase in revenue, and setting the tax rate at the current rate of

\$0.1405/\$100 would result in a 12% increase. Mr. Raines stated the 2006-07 budget would be underfunded by \$207,759 at the effective tax rate and by \$19,720 at the rollback rate. Maintaining the current tax rate would result in an overage of \$79,940.

The valuation of Navarro County is \$1,958,733,600, an increase of \$218 million. Mr. Raines stated that only \$50 million of the increase is from new properties, and most of the increase is due to the increased value of mineral rights. He stated that if the Board maintains the current tax rate of \$0.1405, most Navarro County taxpayers whose properties have not been reappraised or revalued would not see an increase in their tax bill. He noted the College's historical record for the past twenty years has only increased the tax rate by four tenths of a cent since 1986.

Discussion followed about the impact of maintaining the current tax rate. Mr. Wasson inquired if the value of every home in Navarro County has been raised, and Dr. Price responded if notice was not received in May or June giving the right to protest, the homeowner's tax bill will be identical to last year. Mr. Huffman noted that 12% of the aggregate property went up and Mr. Raines stated that most of the increase was in mineral rights.

Dr. Sanchez pointed out the need to remind taxpayers that maintenance and operations were the most significant increase in the budget. He stated that the local district's covenant with the state includes responsibility for maintaining and operating the College to include the infrastructure. Mr. Raines stated all utilities have increased with \$1.6 million budgeted for 2006-07, including \$1.3 million for electricity alone. Dr. Sanchez stated Navarro County taxpayers have not been asked to pay for the construction of new buildings. Mr. Herod inquired if more money will be needed at the end of the year for utilities. Mr. Raines responded by stating no, since a contract had been signed with TXU for 2006-07.

Mr. Huffman asked Mr. Raines if he felt there would be any problem with taking the rate back up to \$0.1405 the next year if it were set at \$0.135 for 2006. Mr. Raines responded he was not sure without knowing about reappraisals or new construction. Mr. Huffman stated he believes people are disappointed because they expected a tax relief and in many cases the appraisal on their property increased. He expressed concern that taxpayers "will take it out on us" remembering the last bond election. Mr. Stites commented that the amount of increase being considered was nominal and the board has survived flak before. He also stated the board would have to think about it.

Mr. Raines stated a record vote was needed to state the Board's intent. If the Board intends to maintain the current tax rate, two public hearings will be required before the next board meeting when the vote to set the rate will take place. Notices would also be required to be posted and published in the paper and on the internet stating the board's intent and include the date and times of the public hearings and the next board meeting.

Mr. Stites made the motion to move forward with the intent to maintain the tax rate at \$0.1405/\$100. Dr.

Price seconded the motion. Mr. Wasson, Mr. Herod, Mr. Stites, Dr. Price and Mr. Borkchum voted in favor and Mr. Huffman voted against. Mr. McGraw was absent.

Public hearings were set for Thursday, September 7, 2006 and Wednesday, September 13, 2006 at 12:00 noon in the Walker Dining Hall Lone Star Room. The Board will vote on the tax rate at their next regular meeting on September 21, 2006 at 7:00 p. m. in the Arrowhead Room located in the Gooch One Stop Center.

206. *Second Reading and Approval of Revised Section IV.11.00 -- On-Line Instruction Guidelines and Procedures of the Navarro College Administrative Policies and Procedures Manual*

Dr. Sanchez stated Dr. Reed had chaired a committee that reviewed the present on-line instruction guidelines and procedures. He asked Dr. Reed to present this item as a Second Reading.

Dr. Reed stated that the committee had reviewed and analyzed the policies and guidelines for on-line instruction and made recommendations resulting in the written policy presented to the board for approval. He stated that electronic delivery of courses is no longer new and more contact hours are being generated through online instruction. He stated the policy insures quality instruction and fair compensation for faculty.

Sanchez commented that online courses are increasing in popularity and the guest speaker at the Fall Convocation mentioned that 17 million students are enrolled in higher education in public or private institutions and 100 million are enrolled in other venues including online instruction.

Mr. Huffman made the motion to approve Section IV.11.00 - On-Line Instruction Guidelines and Procedures of the Navarro College Administrative Policies and Procedures Manual as revised and Mr. Herod seconded the motion. The vote was unanimous.

207. *Take Action on the Adoption of Tuition and Fee Waivers for Students Enrolled in Tech Prep Articulated Courses Who Will Instead Receive College Credit Upon Course Completion*

Dr. Sanchez stated that Dr. Dlabach and other staff members determined that students enrolled in high school Tech Prep courses articulated with the College can have these courses converted to Dual Credit. Unlike regular Dual Credit courses, the College does not have to pay the cost of instruction on Tech Prep due to the fact that high schools pay their instructors to teach these courses. As a result, a request is being made that tuition and fees be waived for these students.

Dr. Dlabach stated that Tech Prep Articulation Agreements offer credit to junior high and high school students taking career and technical education courses such as multimedia, welding, etc., formerly known as “vo-tech” courses. The idea behind the Tech Prep model is to streamline a student’s transition into a

college Applied Science Program. Currently, the College “escrows” the credit until the student completes twelve (12) semester credit hours at Navarro College. Dr. Dlabach stated this practice has become a disincentive to students and has created barriers related to admission in College.

Dr. Dlabach stated that articulated credit is free to students. The College does have some administrative liability but the independent school districts shoulder the cost of instruction and facility use fees. He stated qualifications to teach career and technology courses are more lenient than the requirements for academic courses and most high school instructors naturally meet them. By allowing students to receive immediate credit upon completion of their application to the College, many new contact hours can be generated. Allowing the student to earn credit immediately also avoids mis-advisement and reduces the time to earn a degree. In addition, this will provide service to the community by improving the skills of the workforce and adding to the economic development of the area.

Dr. Dlabach stated it will appear as though the student is receiving a scholarship for each course they take. He stated the proposal is a “no cost” concept because it is already free. He stated the time to implement the plan is now with 5,000 junior and senior tech prep students enrolled in Ellis and Navarro counties alone which could net over 500,000 contact hours.

Mr. Borkchum made the motion to waive tuition and fees for students enrolled in Tech Prep articulated courses who will instead receive college credit upon course completion. Mr. Stites seconded the motion. The vote was unanimous.

208. Review of Section II.11.00 - Board of Trustees’ Values/Beliefs of the Navarro College Administrative Policies and Procedures Manual

Dr. Sanchez stated the Board of Trustees’ Values/Beliefs are brought before the board each year for review. He stated the values and beliefs adopted last year remained the same with the only one suggestion to change the wording from singular to plural to include all campuses in the next to last item.

Mr. Herod moved to approve the Board of Trustees’ Values/Beliefs as revised and Mr. Borkchum seconded the motion. The vote was unanimous.

300. Instruction / Student Services / Athletics

301. Approval of New A.A.S. Program in Forensic Science

Dr. Sanchez stated that with the arrival of Dr. Dlabach, he and Tim Samuels have been determining how new programs can be brought into the Career and Technical Education program inventory. Cosmetology and Physical Therapy have already been incorporated this semester. There is interest in adding a Forensic Science Program in the spring semester 2007 but specific procedures must be followed to receive approval by the Texas Higher Education Coordinating Board.

Dr. Dlabach stated that the deadline for submitting new curriculum for the spring semester for the Coordinating Board’s approval is September 1. He introduced Tim Samuels by acknowledging his work and stating his area has been a “new program mill”.

Mr. Samuels stated that Forensic Science has grown in popularity from the CSI (Crime Scene Investigation) television shows. He stated that because of lawsuits and tampering problems, most task forces no longer perform their own crime scene investigations and this phenomenon has created a major market.

He stated that Forensic Science can be offered as a transfer A.S. Degree as a pathway for the baccalaureate degree or as an A.A.S. degree which will allow individuals to work on a crime scene. He stated the program will include criminal justice, biology, chemistry, and psychology interdisciplinary courses already offered at Navarro College. Special FORS (Forensic Science) courses will also be offered.

Mr. Samuels stated a CSI summit is being planned with Weatherford Community College who has been offering a Forensic Science Program for three years. Two hundred to three hundred from various professional fields are anticipated to attend the summit including medical examiners, attorneys, lawyers, medical professionals and nurses who will be able to earn Continuing Education credit. The event will be held in the Cook Education Center on November 10, 2006.

Mr. Stites inquired if a need for the course had been determined and Dr. Price asked how many other community colleges were presently offering the program and what happens if the student does not pursue the bachelor degree. Mr. Samuels responded the need has been determined through surveys conducted throughout Navarro County. He stated that Weatherford College has a waiting list of students seeking admission to the program and Navarro College is developing one already. He stated that four other community colleges are currently offering Forensic Science. He added that students are earning \$45,000 to \$50,000 a year without a bachelor's degree.

Mr. Huffman asked if any special equipment was needed and Mr. Samuels responded he was working with the Biology Department and that funds from the Carl Perkins Grants could be applied and ended his presentation.

Mr. Stites made the motion to approve the new A.A.S. Program in Forensic Science and Mr. Borkchum seconded the motion. The vote was unanimous.

Mr. Wasson thanked Dr. Dlabach and Mr. Samuels.

400. Personnel

401. *New Hires / Reassignments-Transfers / Reclassifications*

Ms. Aguilar presented the personnel reports for the month of July 2006.

The following appointments were made during July 2006:

- Dr. Gregory Dlabach (Vice President for Academic Affairs, Corsicana)
- Guy Featherston (Dean of Navarro College South, Corsicana)
- Brian Chapman (Financial Aid Counselor, Midlothian)
- Jose Hinojosa (Area Housing Supervisor III, Corsicana)
- Amanda Jennings (Area Housing Supervisor III, Corsicana)
- Lee Owens (Executive Administrative Assistant III – Student Services, Corsicana)
- Robert Spears (Emergency Medical and Fire Academy Coordinator, Waxahachie)
- Joann Thomas (Associate Director of Housing/Residence Life, Corsicana)
- Kim Vielma (Administrative Assistant IV – Benefits Coordinator, Corsicana)

Shannon Raye (Auxiliary Systems Specialist/Internal Auditor, Corsicana) was reassigned during July 2006. There were no employee reclassifications.

402. *Resignations / Terminations / Retirements*

The following employees resigned during July 2006:

- Dr. Darrell Beauchamp (Dean of Library & Special Collections, Corsicana)
- Nicholas Bobeck (Assistant Football Coach, Corsicana)
- Mary Hacker (Game Room Supervisor, Corsicana)
- Arthur “Skip” Johnson (Head Baseball Coach, Corsicana)
- Winston Kibbles (Assistant Football Coach, Corsicana)
- Stacey Robinson (Executive Administrative Assistant III, Corsicana)

Tammie Hines (Administrative Assistant I – Dining Services, Corsicana) was terminated during July 2006 and there were no employee retirements.

Ms. Aguilar completed her report with a quick overview of the summary report of personnel activities in Human Resources for the year.

500. *President’s Report*

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Dr. Sanchez began his President’s Report by asking Susan Johnson to review the Board Calendar. Following the review of the calendar, Dr. Sanchez announced that Ms. Johnson has resigned her position and plans to go into business, self-employed.

Dr. Sanchez then asked Dewayne Gragg to present an enrollment update. Mr. Gragg stated enrollment is expected to exceed 7,000 students, an increase of 8%. He stated the College could potentially realize a double-digit increase with the addition of Tech Prep credit. He added that enrollment at the Midlothian campus has been a nice surprise by exceeding their goal of 480 with over 500 students enrolled. He

stated the new Cosmetology Program was doing well and the cap had been increased from 25 to 50 students. The Mexia Cosmetology Program was doing well also with 47 students registered.

Mr. Huffman inquired if the enrollment in Waxahachie affects Midlothian. Mr. Gragg stated he believes there will be negative impact in Midlothian. He stated that the Waxahachie facilities are at maximum capacity and that the Midlothian campus is needed. Dr. Sanchez added that enrollment could quickly reach 800 at Midlothian.

Dr. Sanchez then asked Mr. Raines to report on residence halls and stated there is a tremendous demand for suite-style residence halls. Mr. Raines reported that 841 students are in residence. He stated the residence halls are overbooked and students are still showing up. Students are being tripled in rooms and others are being accommodated at the IOOF, and in Coach Lawrence's and Coach Johnson's former homes. He stated that students are coming back because they cannot afford their own apartments with the cost of utilities and gasoline. He responded to Dr. Price's inquiry stating the College was still leasing the IOOF cottages which the College renovated for students. Mr. Huffman asked how Burson Hall was working out and Mr. Raines responded very well and that plans are to build two more like it.

Dr. Sanchez continued his President's Report by asking the Board for approval to move ahead with plans for the construction in Waxahachie. He stated that there would not be enough time to complete the building by the next fall semester if the plans have to be delayed until next month. He stated the architects could have the plans by next week. If approved, bids could be received by November and construction could begin by December in order to meet the timeline for the next fall semester. He then asked Dr. Reed to update the Board on the project.

Dr. Reed stated that the project was a simple building with classrooms, faculty offices and laboratories. He stated there were two options in order to meet the timeline: to hold a special board meeting or give Dr. Sanchez authority to approve the plans. Dr. Price stated that with Dr. Reed and Dr. Sanchez's expertise and the simple construction involved, he would be in favor of granting Dr. Sanchez authority to approve the plans and having him bring them to the board in September for Board approval. Mr. Herod agreed and the suggestion was endorsed unanimously.

Dr. Sanchez stated that the next two Navarro College football games would be held at Ennis Stadium. He invited the trustees to join him the Press Box with their wives and stated that sandwiches, water, and soft drinks would be provided. He added that the first \$25,000 payment has been issued to Corsicana ISD for the College's commitment for the new Tiger Stadium. He stated the press box at the Corsicana stadium will also be available to the Board of Trustees during Navarro College games and will be stocked with food and beverages.

Dr. Sanchez stated the Gooch One Stop Center concept is working outstandingly. Students complete everything in one building. He stated that he was in the process of purchasing nice furniture for the main

floor. A kiosk will be manned by an employee to provide information and direct students and the public. Dr. Martin stated they have received a number of favorable comments about the One-Stop Center being very convenient.

Dr. Sanchez completed his report stating Father McLaughlin was very gracious and blessed the buildings on the campus earlier that day at his request. He stated he felt good about the start of the academic year which begins on Monday.

600. Closed Session, Announcement and Adjournment

In recognition of Dr. Lary Reed's retirement on August 31, 2006 and his exceptional service to Navarro College for the past forty-four years, the Board presented Dr. Reed with a plaque, a large frame with a collage of pictures from the College's archives including Dr. Reed, and a vintage blanket embroidered with his name and years of service. The Board then honored Dr. Reed with a standing ovation.

Dr. Reed expressed his appreciation to the Board stating how thankful he was for his whole career at the College and his love for the institution and staff.

601. Closed Session

Mr. Huffman made the motion to adjourn into closed session at 9:08 p.m. Mr. Herod seconded the motion. The decision was unanimous.

602. Reconvene into Open Session

At 10:04 p.m., Dr. Price made the motion to reconvene into open session and Mr. Borkchum seconded the motion. The decision was unanimous.

A motion was made by Dr. Price and seconded by Mr. Borkchum to extend Dr. Richard Sanchez's contract for one additional year to 2008-2009. The vote was unanimous.

603. Next Meeting Announcement

The next meeting of the Board of Trustees will be held on September 21, 2006.

602. Adjournment

Mr. Stites made the motion to adjourn at 10:06 p.m. and Mr. Huffman seconded the motion. The vote was unanimous.