

**NAVARRO COLLEGE BOARD OF TRUSTEES
DECEMBER 14, 2006 MEETING
MINUTES**

Following a dinner at 6:00 p.m. in the President's Dining Room with the Support Staff Committee, the Board of Trustees gathered in the Gooch Arrowhead Room for their regular monthly meeting on December 14, 2006. All trustees were in attendance: Mr. Homer Wasson, Chairman; Dr. James Price, Vice-Chairman; Mr. Lloyd Huffman, Secretary/Treasurer; Mr. James Borkchum, Member; Mr. Liston Herod, Member; Mr. Todd McGraw, Member; and Mr. Zane Stites, Member.

Also in attendance were:

Dr. Richard Sanchez	President
Dr. Kenneth Martin	Interim Vice President for Academic Affairs
Mr. Darrell Raines	Vice President for Finance and Administration
Dr. Tommy Stringer	Vice President for Institutional Advancement
Ms. Maryann Hailey	Interim Vice President for Student Services
Mr. Paul Smith	Interim Director of Marketing and Public Relations
Mr. Dewayne Gragg	Dean of Enrollment Management
Dr. Larry Weaver	Dean of Arts, Science and Humanities
Dr. Cubie Ward	Dean of Midlothian Campus
Ms. Linda Davis	Director of Developmental Studies/PASS Program
Ms. Brenda Duncan	Business Manager
Ms. Rhina Sandoval	Controller
Ms. Jan Phillips	Accountant
Ms. Leslie Smith	Executive Administrative Assistant
Ms. Janet Daugherty	Executive Administrative Assistant
Mr. Mike Ables	Jaynes, Reitmeier, Boyd & Therrell, P.C.
Ms. Diana Ward	Jaynes, Reitmeier, Boyd & Therrell, P.C.
Mr. A.J. Narasimhan	<u>Corsicana Daily Sun</u>

100. Introduction

101. Call to Order

Mr. Wasson called the meeting to order at 7:02 p.m. and asked Dr. Sanchez to lead the assembly in prayer. Following the prayer, Mr. Wasson announced that a closed session would be held following Item 501, President's Report, and stated no decisions were anticipated.

102. Changes to Agenda

There were no changes to the agenda.

103. Take Action on the November 16, 2006 Board Meeting Minutes

Mr. Stites made the motion to approve the minutes for the November 15, 2006 Board meeting and Mr. Borkchum seconded the motion. The decision was unanimous.

104. Board Comments

Dr. Sanchez commented that he had received several emails from staff members earlier in the day thanking the Board for the Christmas bonuses. Mr. Wasson stated the bonuses were deserved and the Board appreciates everyone's work and efforts.

105. Open Forum Time

There were no requests to speak to the Board.

200. Finance and Administration

201. Approval of Annual Financial Audit for the Fiscal Year Ending August 31, 2006

Dr. Sanchez called on Mr. Raines to present the Annual Financial Audit for the Fiscal Year Ending August 31, 2006 and introduce the auditors.

Before introducing representatives from the auditing firm, Mr. Raines stated for the fifth 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 ending August 31, 2005. He noted that only eleven (11) out of fifty (50) community colleges in the State of Texas have received this award. He recognized the College's accounting staff: Brenda Duncan, Business Manager; Rhina Sandoval, Controller; and Jan Phillips, Accountant, and presented them with a plaque from the Governor's Finance Officers Association.

Mr. Raines continued by stating that earlier in the year the Board had approved hiring Jaynes, Reitmeier, Boyd & Therrell, P.C. in Waco, to perform the annual audit on the College's financial records. He introduced Mr. Mike Ables as Shareholder from Jaynes, Reitmeier, Boyd & Therrell, P.C. and asked him to present their findings from their audit on the College's financial statements as of August 31, 2006.

Mr. Ables began by introducing Ms. Diana Ward as one of the firm's most experienced senior audit managers and acknowledged her work on the audit. He stated it is the auditor's responsibility to plan and perform an audit to provide reasonable assurance that financial statements presented by management are free of material misstatement and are fairly presented. Based on their assessment, Mr. Ables stated they are issuing an "unmodified" or "clean" opinion on the financial statements. In addition, he stated their firm has examined the College's

compliance with state and federal programs and is issuing another “unmodified” or “clean” opinion.

No new accounting policies were adopted during the year with one minor exception, library books were depreciated in 2006 in order to conform to Generally Accepted Accounting Standards. No significant audit adjustments were made to the monthly operating statements, and no difficulties were encountered with management operations during the audit.

An overview of the statement of financial position showed net assets increased during the fiscal year ending August 31, 2006 by \$704,000. A review of internal control and compliance revealed no material weaknesses that need to be addressed. Mr. Ables stated a recommendation was being made that balance sheet accounts be reconciled in a more timely basis which will also allow adjustments to be made in a more timely manner. He stated a management letter was issued which included comments and a few suggestions on ways that could possibly help improve operations.

Mr. Ables continued by stating that because the College District receives federal and state awards, auditors are also required to report any “thresholds” on compliance. He stated two minor findings were reported that did not affect their “unmodified” or “clean” opinion. In a few instances, student status changes were not reported in a timely manner as required by the Family Education Loan Program and Title IV refunds due from student status changes were not submitted in the required timeframe.

Mr. Ables concluded his presentation by stating the audit went smoothly, especially for a first year audit. Dr. Price and Mr. Huffman inquired about the suggestion in the management letter to establish an audit committee made up of no less than three (3) board members. Mr. Ables responded the suggestion was not “strongly” recommended but was just an “observation” to be considered because of the benefit of better communication flow with a small group.

Mr. Huffman made the motion to approve the Annual Financial Audit for the Fiscal Year Ending August 31, 2006 and Dr. Price seconded the motion. The decision was unanimous.

202. Take Action on the October 2006 Financial Statement

Mr. Raines presented the October 2006 Financial Statement. A review of the Statement of Budget Changes for the month ending October 31, 2006 indicated an increase of \$2,243 in the budget for a total of \$65,645,054. Mr. Raines stated the increase reflected reimbursement received from an insurance claim for stolen equipment.

A review of the Source of Funds indicated \$15,384,398 or 23.44% of the current budget had been earned as compared to 29.70% during the same period last year. Mr. Raines noted Student Income is lagging slightly in the Educational and General Fund and will need to be monitored. He also noted the difference of 10.66% earned in the Student Financial Aid Fund as compared to 25.94% in 2005. He stated the difference is due to elimination of the thirty-day waiting period for first-time students receiving loans. Therefore, many received their loan disbursements for the Fall 2006 semester in August, the end of the previous fiscal year.

A review of the Disbursement of Funds indicated 38.55% of the budget had been expended and obligated as of October 31, 2006 as compared to 47.87% at October 31, 2006. Mr. Raines stated overall expenditure patterns were lower than the previous year. He concluded his report by stating he felt comfortable with the College's present financial position.

Dr. Price made the motion to approve the October Financial Statements and Mr. Sites seconded the motion. The vote was unanimous.

203. First Reading of Proposed Revision of Section VIII.11.01 - Employee's Education Fringe Benefit in the Navarro College Administrative Policies and Procedures Manual

Dr. Sanchez briefly explained the purpose of revising the Employee's Education Fringe Benefit as stated in Section VIII.11.01 of the Navarro College Administrative Policies and Procedures Manual is to allow employees to be reimbursed for tuition for up to four (4) courses per year. He stated the policy was cut from four (4) to three (3) courses a few years ago when the State had demanded a refund and the funds were needed. He stated this benefit is extremely valuable as the College reaps the benefit with more valuable employees who earn their associates, bachelors, masters and doctoral degrees. Several employees are currently in the process of earning doctorates. He stated the funds are now available and the request to reinstate reimbursement for a maximum of four (4) courses is a reasonable one.

Mr. Stites made the motion to approve the revised policy without a second reading and Mr. Borkchum seconded the motion. The decision was unanimous.

204. First Reading of Proposed Revision of Section VIII.09.03 - Bereavement in the Navarro College Administrative Policies and Procedures Manual

Dr. Sanchez stated the revision to *Section VIII.09.03 – Bereavement* in the Navarro College Administrative Policies and Procedures Manual was a minor addition of "sister and brother-in-law"

which had not been included previously.

Mr. Herod made the motion to approve the revision to Section VIII.09.03 of the Navarro College Policies and Procedures Manual without a second reading and Mr. Huffman seconded the motion. The vote was unanimous.

205. Approval to Construct a Sixty-Four (64) Bed Residence Hall

Dr. Sanchez stated that with the exception of last year, a residence hall has been built each year and every year student housing has continued to be over-subscribed because of demand. He stated approval was being requested to construct a new sixty-four (64) bed residence hall and asked Mr. Raines to present this item.

Mr. Raines stated there is a need to issue additional revenue bonds to build two new residence halls on the Corsicana campus as well as a new classroom buildings in Waxahachie. He stated plans are to build one 64-bed residence hall this year (2007) and one next year at an estimated cost of \$1 million. Because plans and specifications to construct the residence hall will be identical to the current 64-bed facility, the College plans to act as its own Construction Manager and bid each aspect of the construction project. Mr. Richard Tater, architect, will assist Karl Humphries, Director of Physical Plant, and his staff.

Dr. Price inquired if the cost of building one 64-bed facility was less than building two 32-bed facilities. He also inquired about building both proposed 64-Bed facilities at the same time. Mr. Raines responded the cost to build the larger size residence hall was slightly less. He stated the preference is to build only one facility at this time to ensure demand for full occupancy first. He also responded to Mr. Huffman's inquiry about investing revenue bonds, stating the funds could be invested for up to 2-3 years before being used.

Mr. Wasson inquired about the location of the 64-Bed facility and Mr. Raines responded it would be built at the site of the old tennis courts according to the Master Plan. Dr. Sanchez stated the first facility would face the lake and the second facility would be placed opposite and facing the first 64-bed residence hall.

Mr. Stites inquired how many students were currently being housed. Mr. Raines responded the number is getting close to 1,000 with 804 students currently residing on campus. He stated the new hall, which will include a supervisor's apartment, will accommodate 60 additional students. He noted Navarro College operates the second largest community college residence hall program in the state of Texas. Blinn College operates the largest.

Mr. Raines concluded his report by responding to Mr. Huffman's inquiry about funding. He stated the project could be started with cash proceeds available from the sale of the Chevron Phillips property to Magna Blend and from a portion of the 2006 Revenue Bonds; he cautioned that no funds have been earmarked for this project and an issue of new revenue bonds will be needed.

Mr. Huffman made the motion to approve the construction of a 64-bed residence hall and Mr. Stites seconded the motion. The decision was unanimous.

206. Update on Construction of Classroom and Continuing Education/Fire Academy Buildings on Waxahachie Campus

Dr. Sanchez stated information had been received earlier in the day regarding the bids received for the construction of the Fire Academy/Continuing Education Building and the new classroom building on the Waxahachie campus. He stated the cost estimate is six million dollars, two million dollars higher than had been budgeted. He stated Mr. Raines will be meeting with the Construction Manager at Risk and the architects to find ways to reduce the cost because these buildings are greatly needed for the fall semester. He stated options may need to be considered including increasing the issue of the proposed Revenue Bonds from \$4 million to \$5 million and taking funds set aside for the construction of the Gibson Hall addition and the second 64-bed residence hall on the assumption that an allocation will be received by Navarro College during the next legislative session. He stated there may be a need to call a special meeting in January to discuss the options.

Mr. Wasson expressed concern over the differences between the architect's original estimate and the bid prices. Mr. Raines stated when the Contractor-at-Risk (Hill & Wilkenson) was hired they had expressed immediate concern about the estimates because of the increased cost of materials such as steel, concrete, electrical wiring and aluminum. He stated the architects were too conservative in their estimates. He stated some cost could be cut by substituting a vinyl floor for the terrazzo (-\$60,000), removing landscaping that can be done by the College (-\$130,000), eliminating the garage to house the fire truck and ambulance from the Fire Academy/Continuing Education Building (-\$35,000) and changing the type of HVAC system from chillers to rooftop units.

Discussion followed regarding funding for all projects including the residence halls, the addition to Gibson Hall and two buildings on the Waxahachie campus. Mr. Huffman inquired how all the projects were going to be covered by only \$4 million in revenue bonds. Mr. Raines explained the bonds would be used to allocate \$1.2 million for construction of the Fire Academy/Continuing

Education Building, \$300,000 for increased square footage in the new classroom building in Waxahachie, and the rest for building an addition to Gibson Hall and a laundry facility on the Corsicana campus. Funds from proceeds from the 2006 Revenue Bonds and sale of the property in Waxahachie to Magna Blend were also available. Mr. Raines noted that the fixed cost for issuing revenue bonds would not increase if the Board decided to issue more than \$4.5 million.

Board members expressed confusion and Mr. Raines stated an explanatory PowerPoint could be prepared and presented at the next meeting. Dr. Sanchez stated the estimates had just been received earlier in the day, and he had felt it was important the information be shared with the Board immediately. He stated a meeting with the architects and Construction Manager-at-Risk would take place on the following Monday to review options to cut the costs. He concluded by stating a special board meeting may need to be called during the first week of January.

300. *Instruction / Student Services / Athletics*

301. *Update on Developmental Studies/PASS Program*

Dr. Martin asked Dr. Larry Weaver, Dean of Arts Science and Humanities, to introduce Ms. Linda Davis, Director of Developmental Studies/PASS. Dr. Weaver stated a decision was made to centralize the Developmental Studies Program after looking at some Best Practice Studies that were more successful. He stated Ms. Davis was hired approximately a year ago as Director of the Program and has been doing an outstanding job. He then asked Ms. Davis to provide an update on the program.

Ms. Davis began by stating the name Developmental Studies has been changed to Preparing Academically Successful Students (PASS). The program consists of an organized collection of courses and services designed to provide academically under-prepared students the opportunity to remediate deficiencies in the areas of mathematics, reading, and/or writing as well as learning strategies. Students whose scores fall below the minimum standards on approved placement tests are required to participate in developmental classes such as Developmental Math, Developmental Reading and Developmental Writing.

Ms. Davis stated many developmental students are not successful at learning through traditional lecture courses. Therefore, instructors use a variety of teaching approaches that focus on active student learning. These approaches include:

- 1) small groups with a collaborative learning emphasis;
- 2) frequent practice and feedback activities with a workshop approach;
- 3) one-on-one teaching;
- 4) visuals (transparencies, pictures, power points);

- 5) real world application exercises (class newspaper activity);
- 6) frequent evaluation; and
- 7) online practice exercises.

Ms. Davis stated programs such as the Hawkes Learning System for developmental math help instill confidence in the students to help them succeed. Students can pace themselves to finish within the first eight-weeks of a semester and enroll in the next level during the second eight weeks. She stated this is especially helpful for adult students who may need a refresher course.

Ms. Davis responded to Mr. Wasson's inquiry by affirming that the developmental courses are included in the College's total SCH (semester credit hour) enrollment. Dr. Price inquired if the students who test out early have to wait for the next semester and Ms. Davis responded the student can enroll in a mini-mester course but are encouraged to use their time for studying in other courses instead. She stated students are also tested to determine which style of teaching they respond to better, i.e. visually or audibly.

Mr. Wasson thanked Ms. Davis for her presentation.

400. Personnel

401. New Hires / Reassignments-Transfers / Reclassifications

Dr. Sanchez asked Ms. Aguilar to present an update on personnel as of November 2006.

The following appointments were made during November 2006:

- Belinda Rivera (Continuing Education Instructor, Mexia State School)
- Shelley Lusk (Office Manager, Waxahachie)

The following employee reassignments were made during November 2006:

- John Baker (Interim Director of Counseling from Counselor)
- Justin Ball (Director of First Generation Program from International Student Advisor)
- Lisa Caton (Administrative Assistant II from Assistant Dean for Career & Technical Education)
- Maryann Hailey (Interim Vice President of Student Services from Director of Counseling)
- Dr. Harold Housley (Dean of Career & Technical Education from Assistant Dean of Arts & Sciences)
- Katy Long (Administrative Assistant II from Administrative Assistant IV)
- Dr. Kenneth Martin (Interim Vice President for Academic Affairs from Vice President for Student Services)

- Tim Samuels (Administrative Assistant to Vice President of Finance and Administration from Dean of Career and Technical Education)
- Dalila Vaiz (Director of Workforce Education from Director of Student Services)
- Christy Vincent (Administrative Assistant IV from Administrative Assistant II)

There were no employee reclassifications made during November 2006.

402. Resignations / Terminations / Retirements

The following employees resigned during November 2006:

- Dr. Greg Dlabach (Vice President for Academic Affairs, Corsicana)
- Rickey Boatright (Campus Police Officer, Corsicana)

There were no employee terminations or retirements during November 2006.

500. President's Report

501. President's Report

Dr. Sanchez asked Mr. Paul Smith to present the Board Calendar for the month of December. Mr. Smith reviewed upcoming events including the Annual Staff Luncheon on December 15 and noted a correction to the date of Spring Convocation for Faculty which will be held January 9, 2007.

Dr. Sanchez asked Mr. Dewayne Gragg to provide an update on enrollment. Mr. Gragg stated enrollment in the winter mini-mester was running approximately 30% behind last year's enrollment. He stated surprisingly several universities did not end their fall semester until after the mini-mester began this year. In an effort to attract students from those universities, courses were quickly being set up for a second mini-mester to increase enrollment. He stated spring enrollment is running approximately 14% behind last year also and added that the reason is not known. Marketing efforts are being expanded and a very detailed analysis of the Fall 2006 enrollment will be reviewed during an Enrollment Management meeting scheduled next Monday.

Dr. Sanchez continued with the President's Report stating that Navarro College had been presented with the President's Award in Midlothian on Thursday evening as a major contributor to Midlothian's economic development. He stated the plaque has been given to Dr. Ward to hang up in a prominent area at the Midlothian Campus. The plaque was presented to Trustees for their review.

Dr. Sanchez stated he was pleased to report for the third year in a row Navarro College has been recognized by Community College Week as being one of the top fifty (50) fastest growing community colleges in the nation with enrollments of 4,999-9,999. He stated Navarro College moved up on the list this year to number twelve (12).

Dr. Sanchez stated final interviews for Head Football Coach would take place on Friday. He stated a decision could possibly be made by next Monday and mentioned that information on the eight (8) final candidates would be disclosed during Closed Session.

Dr. Sanchez stated staff was very appreciative of the Christmas Bonus given by the Board. He stated the Staff Christmas Luncheon would be held on Friday and service pins would be presented. He stated several Board Members were entitled to service pins. Because several Trustees could not attend the annual Christmas gathering, Mr. Wasson presented a service pin to: Mr. Todd McGraw – Five Year Service Pin; Mr. James Borkchum and Dr. James Price – Ten Year Service Pins; and Mr. Zane Stites – Fifteen Year Service Pin.

Dr. Sanchez concluded his report by thanking the Board for their outstanding dedication to the College and stated he and the staff appreciate all they do. He also mentioned that the Office of Student Relations had a gift for them and he also commented on the container of homemade candy Mrs. Sanchez had given them.

600. Closed Session, Announcement and Adjournment

601. Convene into Closed Session

Dr. Price made a motion to convene into Closed Session at 8:28 p.m. and Mr. Borkchum seconded the motion. The decision was unanimous.

602. Reconvene into Open Session

At 9:13 p.m., Mr. Stites made the motion to reconvene into Open Session. The motion was seconded by Mr. Borkchum and the vote was unanimous.

603. Next Meeting Announcement

The next regular meeting of the Board of Trustees will be held on January 25, 2007 in the Gooch Arrowhead Room.

604. Adjournment

Mr. Stites made the motion to adjourn at 9:14 p.m. and Mr. Borkchum seconded the motion. The decision was unanimous.

Lloyd D. Huffman, Secretary/Treasurer
Navarro College Board of Trustees