

NAVARRO COLLEGE BOARD OF TRUSTEES
JULY 19, 2007 MEETING
MINUTES

The governing body of NAVARRO COLLEGE met on Thursday, July 19, 2007, in the Arrowhead Room of the Gaston Gooch Student One-Stop Center for their regular monthly meeting. All trustees were in attendance: Mr. Homer Wasson, Chairman; Mr. Lloyd Huffman, Vice Chairman; Dr. James Price, 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	District President
Dr. Harold Nolte	President, Ellis County Campuses
Dr. Kenneth Martin	Vice President, Academic Affairs
Mr. Darrell Raines	Vice President, Finance and Administration
Ms. Maryann Hailey	Interim Vice President, Student Services
Mr. Dewayne Gragg	Dean, Enrollment Management
Ms. Nelida Aguilar	Director, Human Resources
Mr. Roark Montgomery	Athletic Director
Ms. Donna Parish	Director, Marketing and Public Relations
Dr. Larry Weaver	Dean of Arts, Sciences and Humanities
Dr. Cubie Ward	Dean of Midlothian Campus
Mr. Guy Featherston	Dean of Navarro College South
Ms. Brenda Duncan	Business Manager
Ms. Leslie Smith	Executive Administrative Assistant
Ms. Darla Littrel	Executive Administrative Assistant
Mr. Matt Miller	Director, Media Integration Services Center
Mr. Lee McCleary	Director of Navarro County Economic Dev. Corp
Mr. Dick Aldama	KAND Radio
Mr. Bob Belcher	<u>Corsicana Daily Sun</u>
Ms. Julianne Dodge	<u>Navarro County Times</u>

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

101. *Call to Order*

Mr. Wasson, Board Chairman, called the meeting to order at 2:48 p.m. Dr. Price was asked to lead the assembly in prayer. Following the prayer, Mr. Wasson announced a ten minute break to relocate to the Walker Dining Hall for a Budget and Planning Workshop and dinner.

102. *Break and Reconvene at 3:00 p.m. in Walker Dining Hall for Budget and Planning Workshop and Dinner*

At 3:00 p.m. Mr. Wasson reconvened the board in the Lone Star Room of the Walker Dining Hall. During the first half of the Budget and Planning Workshop, a review of "Focus on the Future, Part XIII" was presented by Dr. Sanchez, Dr. Nolte, Dr. Martin, Dewayne Gragg, and Donna Parish. Following the planning session, Mr. Darrell Raines presented the proposed budget for 2007-2008. The Board moved to the President's Dining Room for dinner at the conclusion of the workshop.

103. *Break and Reconvene at 7:00 p.m. for Regular Session in the Arrowhead Room*

At 6:55 p.m. Mr. Wasson announced the Board would break for approximately 10 minutes to relocate in the Arrowhead Room where they would reconvene into regular session.

At 7:05 p.m., Mr. Wasson reconvened the Board into regular session.

104. *Take Action on June 21, 2007 Board Meeting Minutes*

Mr. Herod made the motion to approve the minutes for the June 21, 2007 Board of Trustees. Mr. Huffman seconded the motion, and the vote was unanimous.

105. *Board Comments*

There were no comments from the Board.

106. *Open Forum Time*

There were no requests to address the Board.

201. *Adopt Resolution Authorizing Tax Abatement for Equity Industrial Partners Corporation and Amend Previously Approved Abatements for Jeld-Wen and Guardian Industries*

Mr. Lee McCleary, Navarro County/Corsicana Economic Development Director, was asked to present the request for tax abatement from Equity Industrial Partners Corporation in addition to the request for amendments to previously approved abatements for Jeld-Wen and Guardian Industries.

Mr. McCleary stated Equity Industrial Partners Corporation filed a letter of environmental compliance and application for tax abatement in consideration of the company's expansion project for the operation of the Home Depot warehouse, located at the old K-mart warehouse facility. The request is for 75% abatement on the real property improvements (\$4,071,124) and 30% abatement for 10 years on the taxes on the personal property (inventory) estimated at \$47,000,000.

Mr. McCleary stated Equity Industrial Partners Corporation projects a total capital investment of \$51,071,124 for equipment and building improvements related to the installation of the equipment. In addition, the company will retain two hundred fifty (250) full-time positions as a result of this planned expansion project. Mr. McCleary stated the Corsicana City Council approved the abatement at their regular meeting on December 19, 2007 and the Navarro County Commissioners Court approved the abatement at their regular meeting on June 25, 2007.

Mr. Huffman inquired about the amount of space currently being used in the Home Depot warehouse and the terms of the company's lease agreement. Mr. McCleary responded the warehouse was being used to capacity, and the company's lease offers them the option to renew. He stated he does not anticipate the company wanting to leave especially since their Houston location is a logistical challenge. He stated that if they were to leave, however, the abatement would cease.

Dr. Price inquired why the request was for 75% abatement on the real property improvements and 30% abatement for ten (10) years on the personal property taxes. Mr. McCleary acknowledged the terms of this abatement are different from previous abatements. He stated the agreement was made before he came and at

a time when Corsicana had been competing with another city. He added that the company has met the investment criteria and provided a letter certifying they have over two hundred fifty (250) employees. He stated they will be required to meet and maintain this criteria for the entire period of the tax abatement.

Mr. Huffman made the motion to adopt the resolution granting a tax abatement for Equity Industrial Partners Corporation and Mr. Stites seconded the motion. The decision was unanimous.

Next, Mr. McCleary presented revisions to two tax abatements previously approved by the Board for Jeld Wen on March 23, 2006 and Guardian Industries on August 24, 2006. He stated the attorney for the tax appraiser reviewed the abatements and determined the documents were too vague. Verbage, clarifying the requirements for maintaining the minimum amount of investment by each company and the number of employees hired throughout the period of the abatement, has now been added. No changes were made to any of the terms pertaining to the abatement stating the amount of capital investment or number of employees originally agreed upon.

Mr. Stites made the motion to adopt the amended tax abatement resolutions for Jeld-Wen and Guardian Industries. Mr. Borkchum seconded the motion. The vote was unanimous.

201. Take Action on May 2007 Financial Statement

Mr. Raines was asked to present the May 2007 financial statement.

A review of the Statement of Budget Changes revealed several amendments increasing the budget \$41,635 for a revised total of \$68,463,193 for the period ending May 31, 2007. The increase was attributed to an additional \$14,977 received from a Federal Grant for Tech Prep Funding, receipt of \$20,306 from Pearson Education Company for student software that will interact with textbooks, and additional revenues earned in the Cook Center Gift Shop.

A review of the Source of Funds indicated 78.77% of the budget had been earned at May 31, 2007 as compared to 84.58% during the same period in 2006. Mr. Raines stated the difference in student financial aid disbursement was the “main culprit” for the lower earnings.

A review of the Disbursement of Funds showed expenditure patterns were in line with the previous year with 81.77% spent or obligated at May 31, 2007 as compared to 84.58% at May 31, 2006.

Mr. Raines completed his report with a review of the Balance Sheet showing a total of \$65,645,998. This is an increase of 7.82% from the 2006 total of \$60,886,681.

Mr. Stites made the motion to approve the May 2007 Financial Statement and Mr. Borkchum seconded the motion. The vote was unanimous.

Mr. Wasson thanked Mr. Raines for his report.

202. Take Action on Quarterly Investment Report for the Quarter Ending May 31, 2007

Mr. Raines continued with the Quarterly Investment Report for the quarter ending May 31, 2007. He stated the College's position in Public Funds Interest Bearing Checking/Savings Accounts increased during the last

quarter by \$209,974. He stated these type of investments at Chase Bank were presently paying the highest rate of interest, and unlike investment pools, such as TexPool, the funds are covered by FDIC insurance.

Mr. Raines stated the main reason for investing the bond proceeds in short term investments is because of their accessibility. He stated funds need to be accessible to pay for the construction at the Waxahachie campus.

There was no change in the book value in Certificates of Deposit totaling \$950,000 at May 31, 2007. Investments in U.S. Government Securities decreased by \$280,000 for a total of \$1,853,000. U.S. Government Agency Securities increased \$309,000 for a total of \$2,224,000.

Overall, the beginning book value of \$13,332,183 at February 28, 2007 increased \$238,974 for a total value of \$13,571,157 for the quarter ending May 31, 2007.

Mr. Raines completed his report with a review of the benchmark rates, maturity schedule and pledged collaterals. He stated deposits in the amount of \$13,571,157 were adequately secured by pledged collaterals totaling \$22,030,682,80.

Mr. Stites made the motion to approve the Quarterly Investment Report for the period ending May 31, 2007 and Mr. Herod seconded the motion. The vote was unanimous.

203. Update on Construction/Renovation Projects at the Corsicana and Waxahachie Campuses

Dr. Nolte updated the Board on the progress pertaining to the construction of the new classroom building and Continuing Education/Fire Academy building at the Waxahachie campus:

- Meetings with architects and contractors continue every Wednesday at 3:00 p.m.
- Construction has been delayed 35 days due to weather
- Window installation at both buildings has been completed.
- Steel stud framing has been completed on both buildings.
- Brick/cast stone at arcade of classroom will be completed this week.
- Roofing of arcade is scheduled to begin at the end of the week.
- Brick on the Continuing Education building is complete.
- Metal siding on Continuing Education building is complete.
- Paving for parking is near completion.

Following a slide presentation of construction images, Dr. Nolte concluded his report by thanking the Board for having kept the bays for housing the fire truck and ambulance vehicles in the plans.

Mr. Wasson thanked Dr. Nolte. He inquired about the status of the new student apartment building, and Mr. Raines responded that the building and parking lot were complete. The detention pond is the only thing left and will be poured when the weather dries out.

401. Appointments/Transfers/Reassignment

402. Resignations/Terminations/Retirements

Dr. Sanchez asked Ms. Aguilar to present the personnel report and added that Ms. Aguilar had a new format for

presenting her report through a powerpoint presentation.

The following appointments were made during June 2007:

- David Edwards – Registrar, Corsicana
- Sara Hill – Account Clerk II/Cashier - Business Services, Corsicana
- Elizabeth Shabazz – Lab Coordinator, Mexia State School
- Walker Smith – Graphic Designer, Corsicana
- Candy Wiley – Lab Coordinator, Mexia State School
- Caleb Willis – Administrative Assistant II-Financial Aid, Waxahachie

The following employee reassessments were made during June 2007:

- Dr. Harold Nolte – President of Ellis County Campuses from Provost
- Heath Oakley – Sergeant from Campus Police Officer
- Keely Tucker – Associate Director of Student Relations from Admissions Specialist/Recruiter

There were no employee reclassifications during June 2007.

In conclusion, Ms. Aguilar stated the search process related to the vacancy, Vice President for Student Services, was nearing completion.

Mr. Wasson thanked Ms. Aguilar and stated he liked the new format.

501. President's Report on Items of Information

Dr. Sanchez called on Ms. Parish to present the Board's Calendar. Ms. Parish pointed out highlights for the months of July and August including: freshman orientation dates, a Staff Appreciation Day scheduled for support staff on July 26, an Administrative Summer Retreat to be held at the Ennis Country Club on August 9-10, the LVN Graduation and Pinning Ceremony on August 10, and Faculty Convocation on August 14.

Dr. Sanchez next called on Mr. Gragg to present an enrollment update for Summer I, Summer II and Fall 2007. Mr. Gragg stated enrollment for Summer I has been certified with a 7% increase in contact hours which represents approximately 2,200 students; Summer II has been certified with a 5% increase or 4300 contact hours which represents approximately 1,200 students. He stated enrollment for the Fall 2007 semester is fluctuating up and down. At the present time, enrollment is up approximately 5.8% with 2,200 students enrolled. He stressed there are many more student to be registered to reach a count of 8,000 prior to the beginning of classes on August 27, 2007.

Dr. Sanchez asked Dr. Nolte to report on the TACC Summer Conference held in The Woodlands on July 11-13. He stated Dr. Nolte represented him at the annual meeting held for community college presidents. Dr. Nolte stated discussion at the conference mainly focused on the Governor's veto and funding. The college presidents' have agreed to stand together and withhold any requests for special appropriations. He stated a letter written for editorial publication by Governor Perry was faxed to the presidents during the last day of the conference. Dr. Rey Garcia, TACC president, will draft a memo in response to the letter and the presidents have agreed to continue to write letters and visit with their legislatures in an attempt to get the funding restored. A copy of the letter written by Governor Perry was distributed to each Trustee by Dr. Sanchez.

Dr. Sanchez inquired if any Trustees planned to attend the LVN graduation and pinning ceremony on Friday, August 10, 2007. Mr. Borkchum stated he would be in attendance.

Dr. Sanchez continued his report stating he had previously mailed copies of the seven (7) part series of news articles for publication to each Trustee for review. He stated Mr. Wasson has suggested including enrollment in continuing education courses which includes over 10,000 students. Dr. Sanchez inquired if there were any other suggestions before they are sent to service area newspapers for publication. Mr. Stites stated they looked good. Ms. Parish was asked about the publication schedule and stated the first article would appear on August 5, 2007. The other articles will follow every two (2) weeks until all are published.

Dr. Sanchez reminded the Board that a training session on the Open Records Act will be held next month followed by a question and answer period with the College's attorney, Mr. Tom Carr. He stated the Board's August meeting has been rescheduled for August 23, 2007 because information on the tax rate will not be available until then.

Dr. Sanchez stated Mr. Wasson had a letter he received from Mrs. Eula Norwood. A newspaper clipping that Mrs. Norwood sent Mr. Wasson tells the story about the important part Mr. W.H. Norwood played in 1946 in bringing Navarro College to fruition. It is Mrs. Norwood's desire to have something done to recognize W.H. Norwood. Dr. Sanchez stated that copies of the letter and news article will be mailed to the Board as information. He added that the Board may want to consider naming the new student apartment building in Mr. Norwood's honor. Mr. Stites and other board members agreed it would be a good idea.

Dr. Sanchez stated the ACCT meeting will be held in San Diego on September 26-29. He asked the board members to please contact his office by the following Monday if they plan to attend.

Dr. Sanchez stated administrators will participate in a two-day planning workshop at the Ennis Country Club August 9-10, 2007. Faculty have been given an extra day off on Monday, August 20. New faculty orientation will be held on August 20, 2007, and faculty convocation will be held on Tuesday, August 21.

Dr. Sanchez concluded his report stating he will be taking a week of vacation July 30-August 3, 2007.

601. Next Meeting Announcement

Mr. Wasson announced the next meeting of the Board of Trustees would be held on August 23, 2007.

604. Adjournment

Mr. Stites made the motion to adjourn at 7:52 p.m. and Mr. Herod seconded the motion. The decision was unanimous.

James G. Price, Secretary/Treasurer