

**NAVARRO COLLEGE BOARD OF TRUSTEES
JANUARY 17, 2008 MEETING
MINUTES**

The governing body of NAVARRO COLLEGE met in the Arrowhead Room located in the Gooch One Stop Student Center on Thursday, January 17, 2008 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 for Academic Affairs
Mr. Darrell R. Raines	Vice President, Finance and Administration
Dr. Erik Zoellner	Vice President, Student Services
Dr. Tommy Stringer	Vice President for Institutional Advancement
Mr. Dewayne Gragg	Dean of Enrollment Management and Institutional Research
Ms. Nelida Aguilar	Director, Human Resources
Ms. Donna Parish	Director of Market Relations
Ms. Glenda Terry	Assistant Dean, Health Professions
Dr. Cubie Ward	Dean of Midlothian Campus
Mr. John Blewster	Media Integration Services Center
Ms. Leslie Smith	Executive Administrative Assistant
Ms. Darla Littrel	Executive Administrative Assistant
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.

Call to Order

Mr. Wasson called the meeting to order at 7:02 p.m. Dr. Price was asked to lead the assembly in prayer.

Take Action on December 20, 2007 Board Meeting Minutes

Mr. Herod made the motion to approve the minutes for the December 20, 2007 meeting, and Mr. Borkchum seconded the motion. The vote was unanimous.

Board Announcements

Dr. Price commented that the hours the (Pearce Civil War and Art Collection) museum is open on weekends and during the week is not very well known. He questioned if more marketing of the museum is needed and suggested considering a billboard. Dr. Sanchez stated he would have Ms. Parish look into options for marketing the museum. Ms. Parish stated a few meetings had been held recently about marketing the museum and billboards were discussed. She stated more will be done to look into it.

Mr. Wasson expressed his appreciation and thanks on behalf of the Board for the gift baskets received at Christmas.

Open Forum Time

There were no requests to speak to the Board.

Take Action on November 2007 Financial Statement

Mr. Raines presented the November 2007 financial statement. A review of the Statement of Budget Changes showed proposed amendments totaling \$7,004. Mr. Raines stated additional income earned by the cosmetology program and museum receipts increased the Educational and General Fund by \$6,754, and receipts from the Angelina basketball tournament increased the Auxiliary Fund by \$250.00. The revised budget at November 30, 2007 totaled \$66,447,573.

A review of the Source of Funds showed \$22,095,545 or 33.25% of the current budget had been earned at November 30, 2007 as compared to 29.75% earned the previous year. Mr. Raines stated revenues were coming in at a more "rapid clip" than last year. A total of 22.83% of the Student Financial Aid's budget had already been earned as compared to 14.03% last year. Mr. Raines stated the difference between 101.51% earned in the Plant Fund at November 31, 2007 when compared to 73.82% the previous year, was due to the Waxahachie campus construction projects "winding to an end." He stated that the increase in enrollment being experienced this year and primarily the spring semester has increased the receipt of Student Income with 56.82% of the budgeted income earned at November 30, 2007, as compared to 49.14% last year.

A review of the Disbursement of Funds showed expenditures running slightly ahead of the previous year. As of November 30, 2007, \$16,851,416 had been expended and \$19,559,854 obligated, 54.80% of the budget, as compared to 45.81% at the same point in time last year. Mr. Raines stated Student Financial Aid funds were moving in and out at a more rapid pace and most of the Plant Funds have been obligated for the fiscal year due to the Waxahachie construction programs coming to an end. He stated disbursements in the Educational and General Fund were running slightly ahead of the last year, but he was not concerned.

Mr. Raines concluded his report with a review of the Balance Sheet for the quarter ending November 30, 2007. He stated the College District had a 6.5% increase over the previous quarter with \$67,313,141 in assets and liabilities and fund balance. He stated the increase was mainly due to construction in progress and an increase in bonds payable from the issuance of the 2007 revenue bonds.

Mr. Stites made the motion to approve the November 30, 2007 financial statement, and Mr. Herod seconded the motion. The vote was unanimous.

Reaffirm the Navarro College Investment Policy and Strategy

Mr. Raines continued with a review of the Navarro College Investment Policy and Strategy. He stated the Public Funds Investment Act requires the policy be reviewed and reaffirmed or changed by the Board of Trustees annually. The law also requires that any changes enacted by the legislature, even if they are not relevant to the entity, be reviewed.

Mr. Raines reviewed the following bills related to the Public Funds Investment Act that were passed by the Texas 80th Legislature in 2007 and their impact on Navarro College:

- S.B. 495 allows municipal electric utilities to enter into hedging contracts for coal and nuclear fuel and is not relevant to Navarro College.

- H.B. 860 enacts the Uniform Prudent Management of Institutional Funds Act. This bill also allows any government investment pool to function as a money market mutual fund. Mr. Raines stated this is already in effect with the current policy.
- H.B. 892 requires a county treasurer to make deposits on or before the seventh business day after receipt. Mr. Raines stated funds received by the College are deposited on the same day they are received.
- H.B. 2641 revises the selection process for selection of county depositories including selection dates, notices and receipt of application. This does not apply to Navarro College.
- H.B. 2411 provides school districts the option of utilizing a request for proposal method for selecting a bank depository. Mr. Raines stated this option has been liberalized since the last legislature with the option of requesting proposals for bank depositories. He stated he does not recommend making a change to the College's current policy on this item.

Mr. Raines stated he did not see any reason to revise the College's current investment policy. He stated the "best part of the investment policy" is the primary philosophy that the conservation of investment principal is the number one objective, and the return on yield is secondary. The current policy also covers the types of investments allowed, training requirements for the Board and the investment officers, and collateral requirements for cash and certificates of deposit.

Mr. Raines concluded his report by recommending the Board not make any changes to the policy and reaffirm it "as is".

Mr. Stites made the motion to reaffirm the Navarro College Investment Policy and Strategy without any changes. Mr. Huffman seconded the motion, and the decision was unanimous.

Review Statement of Operations for Auxiliary Enterprises for the Year Ended August 31, 2007

Dr. Sanchez stated the College's auxiliary enterprises are very profitable endeavors "even after athletic expenses" are deducted. He stated that a majority of institutions lease out their services to companies such as Marriott, Barnes & Nobles, and Follett due to the profit margin. However, he believes the College should operate its own because it is much more profitable. He asked Mr. Raines to present the auditor's statement of operations for the College's auxiliary enterprises for the year ended August 31, 2007.

Mr. Raines stated the independent auditors were asked to provide a separate audited statement on Auxiliary Enterprises in order to assess the performance of each cost center for the year. It is important to monitor these activities to insure that they are efficiently managed and are responsive to the needs of the students and staff.

Each of the three major cost centers: housing department, dining and deli services department, and the bookstore generated a reasonable profit for the fiscal year ending August 31, 2007. The housing department generated a net profit of \$193,823. Mr. Raines stated he was especially proud of \$177,093 in profit earned by dining and deli services. He stated the food industry was the most difficult to manage with the rising prices, increase in minimum wages, and escalating food costs experienced the past year. The College bookstore generated almost \$4 million in revenues and returned a profit of \$649,865. Overall, a total of \$232,200 was added to the Auxiliary Fund's fund balance after providing revenue support to other programs including intercollegiate athletics.

Mr. Huffman inquired about the outlay of \$82,604 in payments for housing. Mr. Raines responded the payments were for funds borrowed years ago from a bank for construction of several residence housing units. This option was used instead of issuing revenue bonds. He also explained the capital outlays over \$5,000 as shown on the audited statement were for the purchase of furniture and other fixtures for student housing. He stated \$30,000 was used to purchase used furniture from TCU recently. The furniture was in excellent condition and would have cost much more if purchased new.

Dr. Sanchez stated Navarro College's food services department is "hands down" better than other institutions such as Kilgore and Blinn College. He stated larger portions and better selections are offered to Navarro College students as compared to other institutions who outsource their services. This is a feature that attracts students to the campus and its residence halls. Dr. Sanchez stated he is very pleased with the services being offered the college's students and concluded by stating "the key is to have the right person" managing the operation.

First Reading of Revision to *Section VIII.11.01-Employees Educational Fringe Benefits* and Proposed *Section VIII.11.02 –Degree Recognition* of the Navarro College Administrative Policies and Procedures Manual

Dr. Sanchez thanked the Board for their generosity in providing educational benefits for employees. He stated many faculty and staff take advantage of this benefit. He stated the current policy, *Section VIII.11.01 – Employees Educational Fringe Benefits*, does not clearly define "satisfactory performance". The proposed revisions to the policy require a minimum 2.0 grade point average be earned for courses taken at the associate and baccalaureate level and 3.0 for courses taken the graduate level.

Dr. Sanchez stated that employees who earn a degree receive a one-time recognition bonus of \$500 for earning a baccalaureate degree, \$750 for a master degree, and \$1,000 for a doctorate. He added that this information has never been formally included in the policy manual and this is the reason for the proposed addition to *Section VII.11.02 – Degree Recognition*.

Mr. Huffman made the motion to accept the changes to *Section VIII.11.01-Employees Educational Fringe Benefits* and the addition of *Section VIII.11.02 –Degree Recognition* to the Navarro College Administrative Policies and Procedures Manual without a second reading. Mr. McGraw seconded the motion. The vote was unanimous.

Update on Health Professions Division

Dr. Martin introduced Ms. Glenda Terry, Assistant Dean of Health Professions, stating the college was fortunate to have her and that she has made a difference since coming to Navarro College.

Ms. Terry presented an update on the four programs within the Health Professions Division including: Associate Degree Nursing (ADN), Vocational Nursing (VN), Occupational Therapy Assistant (OTA), and Medical Laboratory Technology (MLT).

Fifty (50) freshman students were accepted into the ADN Program fall 2007 as compared to thirty-five (35) students in fall 2005 and 2006. Forty-three (43) students currently remain in the program, a retention rate of 86%. Ms. Terry stated it is anticipated fifty-one (51) students will be accepted in fall 2008. She continued by stating that thirty-four (34) students graduated in 2007, a pass rate of 96% and an increase over the 78.57% pass rate in 2006 when thirty (30) students graduated. Ms. Terry stated that if plans come to fruition, it is anticipated the program will graduate sixty (60) students in 2010.

Ms. Terry stated a proposal was submitted to the Corsicana Health Support Foundation, formerly the Twilight Nursing Home, and \$12,000 was received. The college was delighted to receive these funds which will be used to purchase equipment for all the health professions programs.

She went on to report that one MSN (Masters Degree Nurse) instructor/faculty and two part-time teaching assistants were hired this year for the ADN Program. Ms. Terry stated "word is out" that salaries have been increased for nurses at the college, and several MSN's are now wanting to interview for the instructor's position that is still vacant.

She next stated that the college received \$27,249 from the State of Texas Nurse Shortage Reduction Fund as a result of increasing the number of graduates by three in 2007. As stated in the law, the funds will be used for salaries and will fund teaching assistants to help increase enrollment. Ms. Terry conveyed that by using teaching assistants under the direction of a MSN, enrollment can be increased by an additional five to seven students in each class.

Fifteen preceptors (registered nurses in hospitals who train nursing students) within the community are currently being used within the program. The use of preceptors makes it possible to enroll more nursing students in the college's nursing program. Other potential preceptors are being actively sought by the nursing program and every attempt is being made to encourage hospitals to sponsor students.

Plans for growth in the ADN program include creating non-traditional clinical simulation labs using real life mannequins in lieu of clinical sites, which are becoming more difficult to find. With the simulation labs, twenty-four (24) additional students can be accepted into the program. Other plans for growth include: increased marketing to maintain a large applicant pool, plans for establishing a part-time curriculum, and implementing a revised bridge curriculum for students moving from the LVN program to the RN program.

Ms. Terry continued with an update on the Vocational Nursing Program. In 2006, the Vocational Nursing Program's pass rate for the Board of Nursing exam was 100% for the Corsicana campus, 100% Midlothian and 93% Mexia. In 2007, the pass rate was 100% for all three campuses. Fall 2007 enrollment in the VN program was ninety (90) students. Seventy-five (75) remain in the program spring 2008 and are expected to pass. Sixty-eight (68) students graduated in 2007.

Ms. Terry stated there is a lack of qualified applicants for the VN program and increased marketing is needed to advertise the program. Application information is now available online and mandatory attendance for information sessions is no longer a requirement. Dr. Kinzie in Ennis recently awarded Kinzie Scholarship funds in the amount of \$7,000 for students in the VN program and \$3,000 for ADN students.

Ms. Terry also stated that the VN classes in Midlothian classes will be relocated to the Waxahachie campus this summer, and sophomore programs for the ADN program are being taught in Waxahachie this semester.

Ms. Terry continued with an update on the Occupational Therapy Assistant Program. She stated the OTA Program is a wonderful opportunity for students not wanting to be nurses to earn good salaries by helping people rehabilitate after an illness or injury. In 2007, enrollment in the OTA Program increased by two students. Ms. Terry pointed out that the OTA program at Navarro College is one of only three programs north of Austin, including Amarillo College and Panola Community College, creating a wide recruiting area covering all of west Texas. The pass rate for OTA students in 2006 was 100%. In 2007, one student failed which dropped the pass rate to 88.9%, still above the national pass rate of 88.7%. New OTA related

courses were scheduled this year to attract more students. Two Certified Occupational Therapy Assistants (COTA's) were hired this year to assist the one full-time instructor in OTA.

The Medical Laboratory Technology Program began in 1972 and has one full-time instructor, Ms. Evelyn Glass. The program has experienced a 36.2% increase in contact hours since 2002. The program accepted 38 students fall 2007 and has retained 100% for the spring semester. The MLT board pass rates are always well above the national pass rate. Ms. Terry stated a full-time lab assistant and additional clinical sites are needed for program to grow.

Mr. Huffman inquired about equipment needs for the MLT program. Ms. Terry responded Carl Perkins funds were used to purchase new microscopes and analyzers and additional equipment purchases are planned with funds from the Corsicana Health Support Foundation.

Ms. Terry concluded her presentation and Mr. Wasson thanked her.

New Hires/Reassignments-Transfers/Reclassifications/Resignations/Terminations/Retirements

Ms. Aguilar presented an update on personnel activities for the month of December 2007.

The following appointments were made during December 2007:

Dr. Don Capone (Oil & Gas Technology Instructor/Program Coordinator for the Corsicana Campus)

Cynthia Folkers (Police Academy Coordinator for Navarro College)

Carrie Hart (Administrative Assistant III for the Mexia Campus)

Robin Lasher (Director of Small Business Development Center for Navarro College)

Mellie Sibley (Office Manager for the Waxahachie Campus)

There were no reassignments for the month of December. Caleb Willis was reclassified from Administrative Assistant II to Financial Aid Counselor for the Waxahachie and Midlothian Campuses.

There were no employee resignations, retirements, or terminations during the month of December.

President's Report on Items of Information

Dr. Sanchez called on Ms. Parish to present the Board calendar. Ms. Parish informed the Board that a television crew was on campus a few months ago filming a new reality show called "The Bussey Bunch". The show is scheduled to premiere on TLC (The Learning Channel) January 22, 2008 at 8:00 p.m. and is about a family in Arlington who own their own professional wrestling venue. One of the family members is a student at Navarro College. The mother was filmed visiting her son at the college and a meeting with his student advisor was also filmed. Ms. Parish continued with a review of the calendar of events including: Annual College Day on January 24, upcoming TACC and ACE meetings, athletic events, dedication of Norwood Student Hall in honor of W.H. Norwood at the next Board meeting on February 21, 2008 and the Foundation's annual fundraiser, Elegance, to be held on February 23, 2008.

Dr. Sanchez asked Dewayne Gragg to present an update on spring enrollment. Mr. Gragg stated he estimates the spring enrollment report, including new additions of Mexia State School and the new Oil and Gas Program, to be a 15% increase over last year. He stated he anticipates credit hour growth will be up by 15% and when continuing education is added in, the growth is expected to be approximately 20% over the previous year. Mr. Gragg stated when credit and continuing education enrollments are reported for both the fall and spring semesters, he anticipates an increase of 11.6% over last year. This will very likely place

Navarro College as one of the fastest growing colleges in the nation once again. Dr. Sanchez stated he was very pleased with the 15% growth, especially since the budget was built based on a 5% growth.

Mr. Raines was asked to report on the residence hall occupancy rate for spring 2008. The current number of students residing in residence halls is 655, as compared to 645 in spring 2007. He stated that students are still arriving and anticipates a total increase of 20 students when registration is finalized. Mr. Huffman inquired about the total capacity of student housing and Mr. Raines responded 819. He stated the fall semester is normally overbooked but in the spring it is normal to have openings. Price asked about occupancy of the three IOOF cottages. Mr. Raines responded that two of the cottages are still in use. Several buildings have been taken offline for the spring semester including one of the cottages.

Mr. Raines was then asked to report on the status of demolishing the Navarro College building located in downtown Mexia. Mr. Raines stated a contract has been awarded for asbestos abatement to occur on January 28. Once the asbestos is removed, demolition can take place. Mr. Raines stated an initial estimate of \$50,000 for demolishing the building requires the project to be bid. He expressed concern related to possible damage to an adjacent building and stated he has been in contact with the college attorney. He stated it is important the bid be carefully worded and the winning contractor be well insured.

Dr. Nolte was asked to present an update on the Waxahachie Campus. He stated an article recently appeared in a national magazine, *College Planning and Management*, highlighting the Midlothian campus. The local magazine, *Waxahachie Now*, is also planning to spotlight the fire academy located at the Waxahachie campus in next month's issue. He stated the local newspaper, *Waxahachie Daily Light*, has also been taking pictures for articles they plan to publish.

Dr. Nolte continued stating that renovations are currently taking place on the Waxahachie campus in the older building, referred to as "Building C". Pete McCullough has been contracted to renovate the interior and give it a facelift. The renovations include additional space for administrative offices, extending the deli area to accommodate more students and adding a financial aid and counseling center.

Dr. Nolte stated he has visited with the architects and Hill & Wilkerson regarding a crack in the new classroom building's terrazzo floor. He has been assured the problem will be corrected, and funds are being held until the matter is resolved.

Mr. Huffman inquired about moving the LVN program from Midlothian back to the Waxahachie campus. Dr. Nolte responded that Midlothian is growing quickly and will be able to use the classroom space. He stated the nursing programs will also benefit from a new hospital that is going to be constructed near the Waxahachie campus.

Dr. Sanchez continued the President's Report stating the plans and specification for Gibson Hall were not yet ready and he plans to present them in February.

Dr. Sanchez stated no additional information has been received regarding the funds vetoed by the Governor. He stated the funds have been identified by the legislature. Every indication is something will be known by July when the funds will be received. He stated schools have been advised to base their budgets, which have to be developed in late March, on receiving the funds. Dr. Sanchez stated one budget will be developed for Navarro College with a contingency in the event the vetoed funds are derailed.

Dr. Sanchez stated the search to fill the upcoming vacancy of Business Manager due to Brenda Duncan's retirement has not been successful. The position is being re-advertised with the hope of attracting more

applicants. He stated Mr. Raines' position has also been posted to fill the pending vacancy due to his retirement at the end of the year as well.

Dr. Sanchez stated he would be meeting with the superintendent of Ennis ISD on Friday, January 18, 2008 regarding a number of buildings Ennis ISD has available and has offered to lease to Navarro College. Dr. Sanchez stated he will advise the superintendent that current enrollment does not justify leasing a facility in Ennis at this time.

Dr. Sanchez stated he received information conveying that Michael Shipko is no longer with Ivanovo Power State University in Russia. Since Vladimir Nuzhdin retired as president, Mr. Shipko has relocated to the Russian State University of Trade and Economics. The main campus is located in Moscow with a branch campus in Ivanovo. Dr. Sanchez stated Mr. Shipko has expressed interest in developing an articulation agreement creating a partnership between Russian State University of Trade and Economics and Navarro College, similar to the one with Ivanovo Power State University. Dr. Sanchez stated he welcomes the partnership as the students from Russia are wonderful. Mr. Huffman inquired if students were still having difficulties with getting visas since 9/11. Dr. Sanchez responded by stating it appears that the U.S. Embassy is being more lenient. He asked Dr. Stringer to share information regarding two Russian students who formerly attended Navarro College and the difficulty they have had with being allowed to go home for a visit.

Dr. Sanchez stated the search for living relatives of Mr. W.H. Norwood has not been successful; therefore, the dedication of Norwood Residence Hall honoring Mr. Norwood will be held in the Arrowhead Room during the next Board meeting in February. Dr. Stringer will emcee the event.

Dr. Sanchez inquired about the Board's wishes regarding publication of articles conveying features of Navarro College. Mr. Huffman and Mr. Borkchum indicated they were willing to move forward with having the articles printed, and discussion followed. Mr. Stites and Mr. Wasson expressed concern about stirring up negative publicity. Dr. Price was also in favor of publishing the articles and Mr. McGraw indicated he would support any decision made. Mr. Herod stated not enough is being done to publicize all the things the college "does well", i.e. a downtown parade celebrating the football team's championship win. He stated there is a need to jump on these milestones as an opportunity for free publicity and for the college to "blow our own horn." Following more discussion, Ms. Parish was asked to bring suggestions to the next meeting for publishing the articles in concert with a special event at the College.

Dr. Sanchez stated a banquet for the football team was scheduled for Saturday, January 19, 2008, in the Walker Dining Hall. Championship rings will be presented to the players by various community members who helped purchase them. Corsicana National Bank will sponsor the meal.

Dr. Sanchez stated Elegance will be held on Saturday, February 23, 2008, and seats at the College's table have been reserved for the board members and their wives. Trustees were advised they would be contacted by Leslie Smith next week to verify their attendance.

Dr. Sanchez reminded trustees the college would be closed for Martin Luther King Day on Monday, January 21, 2008. He concluded his report stating he will be leaving for Flagstaff, Arizona on Saturday, January 19, 2008, and will return the following Monday. Dr. Nolte and Dr. Martin will be responsible for the campuses during his absence.

Closed Session

Dr. Price made the motion to convene into closed session at 8:32 p.m. to discuss personnel matters according to Government Code 551.074. Mr. Borkchum seconded the motion. The decision was unanimous.

Reconvene into Open Session, Announcement and Adjournment

At 9:07, Mr. Stites made the motion to reconvene into open session and to convene the meeting. Mr. Borkchum seconded the motion and the decision was unanimous.

The next meeting of the Board of Trustees will take place on February 21, 2007 in the Gooch One Stop Student Center's Arrowhead Room.

Respectfully submitted,

Dr. James G. Price, Secretary/Treasurer
NAVARRO COLLEGE BOARD OF TRUSTEES