

**NAVARRO COLLEGE BOARD OF TRUSTEES
DECEMBER 14, 2017 MEETING
MINUTES**

The Navarro College Board of Trustees gathered on Thursday, December 14, 2017 at 12 noon in the President's Dining Room located in Walker Dining Hall on the Corsicana Campus for lunch. Immediately following, the governing body relocated to the Lone Star Room to conduct their regular monthly meeting. All trustees were in attendance including: Mr. Lloyd Huffman, Chairman; Mr. Phil Judson, Vice Chairman; Mr. Richard Aldama, Secretary-Treasurer; Mr. Todd McGraw, Member; Mr. A. L. Atkeisson, Member; Ms. Faith Holt, Member; and Mr. Loran Seely, Member.

Others in attendance included:

Dr. Richard Sanchez	District President
Dr. Kenneth Martin	President, Ellis County Campuses
Ms. Teresa Thomas	Vice President, Finance and Administration
Ms. Sina Ruiz	Vice President, Enrollment Mgmt. and Instl. Effectiveness
Dr. Carol Hanes	Vice President, Academic Affairs
Ms. Marcy Ballew	Vice President, Human Resources
Ms. Maryann Hailey	Vice President, Student Services
Dr. Harold Housley	Vice President of Operations and Institutional Advancement
Ms. Leslie Smith	Executive Assistant to the District President
Mr. Dan Nesmith	Professor of History
Mr. Tom Vance	Professor of Biology
Dr. Paul Philips	Professor of Government
Mr. Dennis Hawk	Professor of Physics
Mr. Karl Humphries	Executive Director of Facilities
Mr. Lupe Garcia	CPA, Whitley Penn LLP
Mr. Tommy Stewart	Architect, VLK Architects

Other faculty, staff and guests were also present.

Call to Order

Mr. Huffman called the meeting to order at 1:04 p. m. and asked Mr. Seely to begin the meeting with a prayer.

Mr. Huffman announced a Closed Session would be held following the President's Report to discuss Real Estate and Personnel matters according to Government Codes 551.072 and 551.074.

Announcements

No other announcements were made.

Open Forum

There were no requests to speak to the Board.

Consent Calendar

- a. Minutes – November 15, 2017 Meeting

Dr. Sanchez requested approval of the Consent Calendar containing minutes from the November 15, 2017 meeting. Mr. Atkeisson moved to approve the Consent Calendar and Mr. McGraw seconded the motion.

The Consent Calendar was approved by a unanimous vote.

Presidential Search Update

Ms. Ballew was asked to give a brief update on the Presidential Search. She stated the Presidential Search Committee met Friday, December 8, 2017, reviewed applications and selected semi-finalists.

She concluded her update by stating the committee is “moving forward” and will be conducting interviews in January.

Recognition of Long-Term Service Employees

The following Navarro College employees were recognized by the Board of Trustees for their extended years of service:

- Dennis Hawk – 25 Years of Service
- Dr. Paul Philips – 25 Years of Service
- Karl Humphries – 30 Years of Service
- Dan Nesmith – 40 Years of Service
- Tom Vance – 40 Years of Service

Mr. Judson, assisted by Mr. Huffman, thanked each staff member for their service and presented them with a Navarro College service pin or an award previously selected by the recipient.

Mr. Judson announced David Lewis, who could not attend the meeting because of a death in his family, will be recognized for 30 years of service during the January Board meeting.

Consider Action on Annual Financial Audit for Fiscal Year Ended August 31, 2017

Ms. Thomas introduced Mr. Lupe Garcia from the auditing firm Whitley Penn LLP and asked him to present the results of his firm’s financial audit for the fiscal year ended August 31, 2017.

Mr. Garcia shared an overview of the auditing process and phases. He noted this year’s audit included implementation of GASB’s No. 77, regarding tax abatement disclosures. Next year will require inclusion of retiree healthcare benefits in the general ledger as an additional liability.

Mr. Garcia stated it was Whitley Penn’s duty to obtain reasonable assurance the College’s financial statements are free from material misstatement. He stated Whitley Penn LLC is issuing an “unmodified opinion,” the highest level of assurance, on the financial statements and compliance with major federal and state programs. In addition, there were no significant internal control deficiencies or material weaknesses to report.

Mr. Garcia continued with a review of Navarro College’s financial position as of August 31, 2017:

- Total assets increased by \$35 thousand when compared to FY 2016, deferred outflows of resources decreased by \$509 thousand. Cash and cash equivalents remained consistent at \$23 million.
- Total liabilities decreased by \$2.7 million when compared to FY 2016, deferred inflows of resources decreased by \$515 thousand. Bonds and loans payable decreased by \$2.7 million due to the payment of principal.
- Total net position at August 31, 2017 increased (revenues exceeded expenses) by \$2.7 million

to \$47.7 million. Mr. Garcia stated \$39.7 million of the total net position is net investment in capital assets.

- Operating revenues increased by \$820,000 and non-operating revenues decreased by \$2.2 million compared to FY 2016.
- Operating expenses decreased by \$3.7 million compared to FY 2016. Of this amount, scholarships and fellowships decreased by \$1.6 million, auxiliary enterprises decreased by \$929,000, and instruction decreased by \$603,000.

Dr. Sanchez asked for an explanation for the decrease in scholarships and fellowships by \$1.6 million. Mr. Garcia responded there was less demand for financial assistance due to decreased enrollment.

Mr. Seely moved to accept the Annual Financial Audit for Fiscal Year Ended August 31, 2017. Ms. Holt and Mr. Judson simultaneously seconded the motion and the decision was unanimous.

Interlocal Agreement with Agencies

Ms. Hailey stated the Education Code requires measures in place for coordinating services with local entities in the event of emergencies. She stated a generic inter-local agreement being proposed will allow Navarro College to coordinate services with the health department, fire, police, and other local entities in the event of emergencies.

Mr. Judson moved approve the interlocal agreements and Mr. Atkiesson seconded the motion. The decision was unanimous.

Presentation on Albritton Administration Building

Dr. Housley stated the firm, VLK Architects, has been assessing the Albritton Administration Building over the last seven to eight months. He invited Mr. Tommy Stewart, project manager, to give an overview and cost analysis of work to be performed.

Mr. Stewart stated last spring and summer, his firm conducted a study to identify problems with the Albritton Building. From that point, they moved on to the construction document phase. He stated the building is 65 years old and is already 15-20 years beyond its life expectancy. The work being proposed will give the building "another 10 years of life."

Mr. Stewart stated no changes are proposed for the building's exterior, but the interior will change dramatically. Based on their proposal, classrooms will be added to the second floor and faculty offices consolidated. On the first floor, administration offices will be more efficiently spaced, adding two additional conference rooms and creating common copy spaces. Dawson Auditorium updates will include a new fireproof, handicap-accessible stage, new curtains, new lighting, new sound system, new HVAC system, and new seating.

Mr. Stewart stated the cost estimate of \$10.1 to \$10.2 million is less than their original estimate of \$11.8 million. Some duplications and unnecessary work were found and eliminated. He stated other items including a sprinkling system and fire alarm system will have to be added during the design phase to meet current codes and are included in the cost estimate.

Following a brief review of the proposed work, Mr. Stewart stated "ready-to-bid" documents will be ready by mid to late February. Construction documents have been provided along with structural drawings. He stated other than the decision to move forward, a decision on how to spend the money is needed, i.e. will it be a "construction manager at risk" or a "design build" project.

Mr. Stewart concluded and responded to questions. Mr. Huffman asked about the cost to relocate offices and staff during the construction phase. Dr. Sanchez responded it will cost approximately \$1 million. Mr. Judson inquired how the cost per square foot for renovations would compare to the cost of new construction. Mr. Stewart stated a replacement building to house administration only would cost approximately \$6 million. That estimate is for a one level administration building only – it does not include a second floor for classrooms or an auditorium.

Mr. Huffman thanked Mr. Stewart.

Increase in Continuing Education Fees

Dr. Hanes introduced the new Director of Continuing Education, Dr. Micaela Herndon. Dr. Hanes stated one of Dr. Herndon's first projects was to review and propose a restructuring of continuing education fees. She invited Dr. Herndon to share her findings.

After giving a brief history on her background, Dr. Herndon shared the results of a comparative analysis study she conducted on continuing education tuition and fees with neighboring colleges (including McLennan, Hill, Trinity Valley and Dallas County Community Colleges). She noted Navarro College's fees have been "uncompetitive in nature" for almost ten years.

Dr. Herndon stated the new fee schedule being proposed includes certification tests with tuition and fees for Allied Health programs. This will allow students to use TPEG financial aid and grant opportunities to help pay for their certification tests and will be unique to Navarro College. She continued by stating Navarro College's current fees make it appear that the college doesn't offer "quality" programs compared to other colleges. In some cases, the fees are so low the College is barely breaking even. Dr. Herndon stated she wants to place Navarro College in a position to offer not only "quality" programs but "better" programs than its competitors.

Dr. Herndon concluded and offered to answer any questions. Dr. Sanchez noted the increase in fees will generate approximately \$51,000 annually.

Mr. Aldama made a motion to approve the increase in Continuing Education Fees as presented. Mr. Judson seconded the motion and the decision was unanimous.

Mr. Huffman welcomed Dr. Herndon and thanked her for her presentation.

Update on Personnel Activity

Ms. Marcy Ballew presented an update on personnel activity. The following appointments were made during the month of November 2017:

- Dr. Micaela Herndon – Director of Continuing Education
- Freshteh "Angel" Newman – Bookstore Coordinator
- Sarah Davidson – Data Entry Clerk – Adult Education

Ms. Ballew stated there were no resignations, retirements, terminations or transfers to report and concluded her report.

Dr. Sanchez thanked Ms. Ballew and asked Ms. Ruiz to give an update on enrollment.

Enrollment Update

Ms. Ruiz reported enrollment in Winter Min-mester classes increased 5.9% in headcount or 35 students and 9.7% or 2,928 in contact hours. Spring headcount enrollment declined -8.24% or -523 students as of December 13, 2017. Contact hour enrollment also decreased -4.26%.

Ms. Ruiz stated all campuses have been holding registration rallies to encourage students to register before they leave for the holidays. Several initiatives including VIB (Very Important Bulldog) have resulted in more full-time students are being registered than last year at this time.

The creation of the Navarro Express by Terri Mitchell was developed to promote registration. All buildings were decorated and students and community members were encouraged to attend. Scholarships donated by the Navarro College Foundation were awarded.

Ms. Ruiz stated all programs, including athletics, are encouraging students to register. She stated more cookies and cocoa events will be held. Registration will continue through December 20 when the College closes for the holidays and continue when it opens on January 2nd.

Board Calendar

Ms. Sipes was asked to present the Board calendar. She began by pointing out Christmas gift baskets for each Board member and asked them to pick one up before leaving. She then continued by presenting the Board calendar and reviewing upcoming events. In addition to athletic events and holiday closures, Ms. Sipes noted the annual MLK Breakfast will be held on Tuesday, January 16, 2018. Because the event is being hosted by Centex Credit Union, there will be no fee charged for the breakfast.

President's Item of Information

Dr. Sanchez thanked Ms. Sipes and continued with the following items of information:

- The College will close for the holidays at noon on Wednesday, December 20, 2017 and reopen on Tuesday, January 2, 2018.
- Due to the lack of gas and heat on the Corsicana campus, some Residence Life students do not have hot water. Corsicana ISD has been supportive allowing the students to use showers in the stadium. Dr. Sanchez stated he plans to email CISD superintendent, Dr. Frost, a thank you letter. Dr. Sanchez stated only Jones and Eady Halls have been impacted, the other residence halls have not been not impacted due to their energy source being electricity.
- Dr. Sanchez commended Dining Services and Joseph Barnes. Despite the major crisis with the lack of gas and heat, they have continued to provide healthy meals for students.
- The Navarro Express event was a total success with participation by staff members and the public. Several wonderful comments have been shared related to the spirit this event brought to the campus. Numerous offices participated by decorating their area and the Christmas spirit and College spirit was prevalent throughout the College. Dr. Sanchez stated he was pleased to see everyone smiling and the wonderful ambiance throughout. He commended the Public Relations Committee for promoting the event and Terri Mitchell, who suggested the idea.
- On behalf of all staff, Dr. Sanchez wished the Board of Trustees and their loved ones a "Merry Christmas" and an abundance of joy and goodwill in the coming year.

Dr. Sanchez concluded his report and Mr. Huffman thanked him.

On behalf of the Board, Mr. Huffman wished everyone a very Merry Christmas and safe travels over the holidays; he stated they look forward to a great year next year.

Next Meeting Announcement

Mr. Huffman announced the next Board of Trustees meeting will take place on January 25, 2018 in the Lone Star Room. Dinner with the spouses will be held at 6 p.m. prior to the meeting. He then entertained a motion to convene into Closed Session.

Closed Session, Adjournment

At 1:55 p.m., Mr. Seely made a motion to convene into Closed Session to discuss real property and personnel matters according to Government Codes 551.072 and 551.074. Mr. Atkeisson seconded the motion and the decision was unanimous.

At 4:40 p.m., Ms. Holt made a motion to reconvene into Open Session and adjourn the meeting. Mr. Atkeisson seconded the motion and the decision was unanimous.

No action, decision, or vote was taken on the subjects discussed in Closed Session.

Respectfully submitted,



Richard L. Aldama, Secretary-Treasurer
NAVARRO COLLEGE BOARD OF TRUSTEES