

**NAVARRO COLLEGE BOARD OF TRUSTEES
AUGUST 27, 2020 MEETING
MINUTES**

The Navarro College Board of Trustees met in the Cook Education Center on Thursday, August 27, 2020 to conduct their regular monthly meeting. Trustees in attendance included: Chairman Phil Judson, Vice-Chairman Billy Todd McGraw, Secretary-Treasurer Richard Aldama, Trustee A. L. "Buster" Atkeisson, Trustee Faith Holt, Trustee Loran Seely and Trustee Kim C. Wyatt.

Others in attendance included:

Dr. Kevin G. Fegan	District President
Ms. Teresa Thomas	Vice President, Finance and Administration
Ms. Marcy Ballew	Vice President, Human Resources
Dr. Carol Hanes	Vice President of Academic Affairs
Ms. Maryann Hailey	Vice President, Student Services
Ms. Stacie Sipes	Director of Marketing and Public Information
Ms. Susan Womack	Senior Research Analyst
Ms. Leslie Smith	Executive Assistant to the District President
Mr. Guy Featherston	Dean, Waxahachie Campus and Health Professions
Ms. Jeanette Underwood	Dean, Midlothian Campus and Dual Credit
Ms. Janet Daugherty	Director of Budget and Procurement

Other staff and guests were also present.

Chairman Judson called the meeting to order at 7:00 p.m. and welcomed everyone present. Trustee Atkeisson began the meeting with a prayer.

Board Announcements

Chairman Judson announced a Closed Session would be held following the District President's Report to discuss Legal, Real Property, and Personnel Matters according to Government Codes 551.071, 551.072 and 551.074 and that no action was anticipated.

Open Forum Time

There were no requests to address the Board.

Consent Calendar –

- a. Minutes – July 30, 2020 Meeting
- b. 2020 Campus Carry Report to Texas State Legislature

Trustee Aldama made a motion to approve the Consent Calendar and the motion was seconded by Trustee Seely. The Consent Calendar was approved by a unanimous vote.

Chairman Judson stated Agenda Items 201 – Consider Action on Adoption of 2020-2021 Fiscal Year Budget and 202 – Discuss Intent to Set Ad Valorem Tax Rate for 2020 (Fiscal Year 2020-21) and Set Date for Public Hearing (if applicable) would be placed on hold until after Items 203 – 206 and 301 - Update on Enrollment were presented.

203 - Consider Action on July 2020 Financial Statement

Vice President Thomas presented the July 2020 Financial Statement. Budget changes totaling \$1,036,959 included: \$47,092 additional Adult Education Federal (AEFLA) grant funds, \$5,000 additional Texas Higher Education Foundation grant funds, \$500,000 from the sale of the Fairfield property, \$500,000 cash from a matured Certificate of Deposit for the purchase of buses and vehicles, \$85,092 reallocated to Esports, and a \$100,225 to fund the construction of the Sim Labs and Esports facilities. The revised budget for the month ending July 31, 2020 totaled \$91,851,240.

Vice President Thomas stated expenses were \$761,874 higher than July of last year, however, the increase was in federal grant expenditure for the CARES ACT dollars, including \$665,000 for housing refunds, \$100,109 for a firewall, \$200,000 for equipment, and \$1,085,713 for cleaning supplies and PPE equipment. \$410,124 CARES ACT dollars were dispersed to qualifying students. Most other categories were down in expenditures as a result of budget adjustments being made and careful monitoring of expenditures. Appropriations were up by \$920,596 due to the increases in the appropriations to athletics for scholarships and to the plant fund for projects such as Esports and the Sim Labs compared to the same time last year. The appropriation for TPEG also increased by \$202,889.53 due to tuition increases approved last year. A review the comparative summary of sources and disbursements showed revenues exceeded expenses for a net income of \$511,263. The Auxiliary Fund increase of \$988,918 reflects the reimbursement received from CARES ACT for the refund of room and board. Room and board rate increases for 2019-20 were also reflected in the total.

Total combined Education and General and Auxiliary Funds showed \$1,732,335 over this time last July. Several capital items were purchased that will be reflected in the August financials in addition to some audit adjustments such as depreciation expense.

Trustee Seely made motion to approve July 2020 Financial Statement and the move was seconded by Trustee Atkeisson. The July 2020 Financial Statement was approved by a unanimous vote.

204 - Review Preliminary August 2020 Financial Statement

Vice President Thomas stated there were no budget amendments for the preliminary August 2020 financial statement to report at this time.

205 - Consider Reaffirmation of Investment Policy and Strategy (Board Policy CAG)

Vice President Thomas stated the Public Funds Investment Act requires the Board to “review its investment policy and investment strategies not less than annually.” The current Investment

Policy and Strategy was last reviewed by the Board on August 29, 2019. Vice President Thomas stated there no changes proposed and asked the Board to reaffirm.

Trustee Wyatt made a motion to reaffirm the Investment Policy and Strategy (Board Policy CAG) and Trustee Aldama seconded the motion. The decision to reaffirm was unanimous.

206 - Consider Reaffirmation of Interlocal Agreements with Current Purchasing Cooperative
Vice President Thomas continued with the request to reaffirm current interlocal agreements with purchasing cooperatives. She stated the cooperatives follow the same bid process that governmental entities are required to follow in the State of Texas and are able to obtain better economies of scale because they represent more than one entity. Currently, the College has agreements with approximately 12 purchasing cooperatives including:

- State of Texas Purchasing Cooperative
- Educational and Institutional Cooperative Purchasing.
- Texas Association of School Boards BuyBoard
- TIPS/TAPS (sponsored by Region 8, ESC)
- Harris County Department of Education (CHOICE Partners)
- PACE (ESC, Regions 13 and 20)
- Allied States Cooperative (Region 19, ESC)
- Purchasing Cooperative of America (Region 3, ESC)
- Connect2One
- National Association of College Stores Partnership
- Texas Association of Community College Business Officers
- National Intergovernmental Purchasing Alliance Company dba OMNIA Partners Public Sector

The College continues to provide opportunities for local vendors to submit bids or proposals. Chairman Judson inquired if these agreements work out well for the purchasing department and Vice President Thomas confirmed utilizing these purchasing cooperatives saves the College time and money by reducing both personnel and advertising costs associated with the extensive bid process.

Trustee Holt made a motion to reaffirm the interlocal agreements with the current purchasing cooperatives and Trustee McGraw seconded the motion. The decision was unanimous.

301 - Update on Enrollment

Vice President Ruiz reported Summer 2020 certified enrollment declined -13.58% in semester credit hours compared to last year. A major part of the decline was due to the Mexia State Supported Living Center (MSSLC) partnership offering limited pre-service trainings for MSSLC employees due to COVID-19 as well as the shift from credit programs to Continuing Education.

Vice President Ruiz stated because of the MSSLC partnership agreement, revenues will not be impacted; in addition, the shift from credit to Continuing Education will not cause a financial impact as contact hour funding will still be received through Continuing Education. Most of the financial impact will come from the credit side which was down -9.78%. Early College Global High School declined by 85 enrollments which will not impact revenue but will impact contact hour funding. Overall, the decline in enrollment will impact revenue -9% or \$300,000.

Vice President Ruiz continued with an update on Fall 2020 enrollment. Based on a goal of flat enrollment compared to last year, enrollment is currently down -7% with validated enrollment down -16%.

Dr. Fegan stated a number of internet and dual credit students are campus-based students as well. Because the majority of fall classes offered are online or hybrid, it is difficult to break out the enrollments by campus. Dual credit enrollment is down but is anticipated to go up. There is also a potential for dual credit to be up in the spring to make up for the lack of summer and fall enrollments.

When asked, Vice President Ruiz gave an explanation of the enrollment figures reported in her charts. She stated the figures were not based on “how many” but what our “how many” are doing. Dr. Fegan added because headcount isn’t an indication of how many semester credit hours each student is taking or the type of student they are (i.e. dual credit), tracking enrollment is very important to give the most accurate financial measurement and help with cost analysis.

Vice President Ruiz continued with an update on Residence Life. Over 700 deposits were received for the fall semester and as of August 26, 2020, 608 students had been checked in; 53% of the annual goal of 1,140 students. Although the design of Navarro College’s residence life housing is favorable with CDC guidelines, 861 beds have been reduced to 730 to allow for social distancing and to set aside space for quarantining/isolating students with symptoms of COVID-19. A greater number of students assigned to the older facilities had to be reduced because of their design to allow for social distancing. Dr. Fegan also confirmed the IOOF cottages are still being used and are currently housing John Deere students.

Vice President Ruiz stated a list of unpaid students is being reviewed and students are being contacted to determine what their needs are to get them validated. The list of 548 unpaid students as of August 24th was reduced to 338 students as of August 26th and more work is being done to validate the remaining list of students prior to the census date. She introduced Margaret Alfaro, Director of Enrollment, who has been working with students.

Ms. Alfaro shared what she and her team have learned about the students who have not been validated. She stated most fall into one of three categories:

- students who have simply changed their mind and want to withdraw;
- traditional students who didn’t realize classes were starting; and/or

- students who have personal opportunities, i.e. their spouse lost their job, need for child care, inability to pay until they receive their next pay check, etc.

Ms. Alfaro shared how the students are being reached and a rapport built through text messages, emails and phone calls. Every effort is being made to determine if students are eligible for financial aid. CARES Act funds or other scholarship opportunities through the Foundation. Ms. Alfaro stated they are learning more about students and are tracking this information to better accommodate them moving forward.

Vice President Ruiz then concluded her report with an update on the CARES Act. She stated 508 students have applied for CARES Act funds for the fall semester. Of the \$1.6 million CARES Act funds remaining, \$600,000 will be dispersed for fall and the remaining \$1 million is targeted for spring enrollment.

Dr. Fegan commended staff under the leadership of Vice President Ruiz and Ms. Alfaro for being very proactive in reaching out to students including any that called and were placed on hold or were unable to get through to someone. He also commended Susan Womack and Dr. Rebecca Tuerk for their great work.

201 - Consider Action on Adoption of FY 2020-21 Budget

The proposed budget for FY 2020-2021 was presented for adoption. Vice President Thomas stated the budget was based on projections of flat enrollment. She stated resource allocations have been identified that can be adjusted based on actual enrollment including contingencies, part-time salaries, faculty overload, etc. In addition, approximately \$700,000-\$900,000 of remaining institutional CARES Act funds may be used to offset some of the resource allocations such as technology, contracted services, and possibly some payroll amounts. Remaining CARES Act dollars will be added into the 2020-2021 budget once the fiscal 2019-2020 is completed and the amount to rollover is determined. A comparison of the proposed 2020-2021 budget to the previous year was presented. The proposed budget for FY 2020-21 including all funds totaled \$87,267,715.

Trustee Seely made a motion to adopt the proposed 2020-2021 fiscal year budget. Trustee Atkeisson seconded the motion and the decision to adopt was unanimous.

202 - Discuss Intent to set Ad Valorem Tax Rate for 2020 (FY2020-2021)

Changes in terminology and rules established by Texas Senate Bill 2 regarding the adoption of ad valorem tax rates for 2020 were explained by Vice President Thomas. Some of these changes included:

- the calculated rate previously referred to as the “effective” tax rate is now called the “no new revenue” rate.
- The calculated rate previously referred to as the “rollback” rate is now the “voter – approved” rate.

- If the taxing entity chooses to adopt anything over the vote-approved rate (formerly called the rollback rate), it will automatically trigger a rollback election on the next general election day in November.
- Under SB2, junior college districts are considered “special taxing units”.
- Instead of holding two public hearings as in the past, only one will be required if the taxing entity intends to adopt a rate higher than the no-new revenue rate but lower than the voter-approved rate.
- The tax rate can be adopted after the public hearing but must be adopted within 7 days.
- Counties with a population above 200,000 must have a database that shows the calculated tax rates for each property .

Vice President Thomas continued stating Navarro County’s certified values went up last year which impacted how rates were calculated. The calculated rates determined for the Navarro College District are:

No-new Revenue Tax Rate (NNRR)-old effective tax rate	\$0.1089 /\$100
Voter-Approval Tax Rate (VAR)-old rollback tax rate	\$0.1189 /\$100
Current Tax Rate	\$0.1164 /\$100

The current tax rate of \$0.1164/\$100 valuation will generate approximately \$4, 614 358 million, which is the amount the 2020-21 Budget was based upon. The no-new tax rate would generate \$300,000 less in tax revenue and the voter-approved rate would generate more. Should the Board indicate their intent is to keep current ad valorem tax rate of \$0.1164/\$100, a public hearing will be required.

Discussion followed. Trustee McGraw stated the no-new tax rate should not actually be considered a loss because it will generate the same amount of revenue as the previous year. Trustee Wyatt stated the value of property is going up resulting in an increase in the tax amount charged – not the tax rate. After inquiring about the difference in the tax rates and what they would generate, Trustee Aldama made a motion to declare intent to set the ad valorem tax rate at the current tax rate of \$0.1164 per \$100 valuation. The motion was seconded by Trustee Holt. A record vote on the motion was taken:

AYE: Atkeisson, Holt, Aldama, Judson, Seely and Wyatt
 NAY: McGraw
 ABSENT/NOT VOTING: N.A.

Following the record vote, Chairman Judson stated “Navarro College is a gem in Navarro County. It provides economic and cultural avenues for people to live and to work and to be educated in Navarro County. It is supported by Navarro County taxpayers.” He expressed appreciation for the support of the taxpayers and the taxes they pay. He stated he is a Navarro County property owner as are other Board members and those in the audience. He concluded by stating the funds will be “utilized in the very best way they can.”

A public hearing was set for September 10, 2020 at 12 noon in the Cook Education Center.

Update on Personnel

Vice President Ballew presented an update on personnel activity through August 27, 2020. New appointments included:

- Marcia Kacho - Associate Professor of Associate Degree Nursing
- Deundria Price – Assistant Professor of Associate Degree Nursing
- John Schwartz – Associate Professor of History/Government
- Dr. Mary Ledbetter – Associate Professor of Computer Information Technology
- Catrina Washburn – Assistant Professor of Cosmetology
- Alexander Marcantel – Assistant Professor of Agricultural Technology (09/08/2020)
- Yolanda Castile – Admissions Specialist
- Lavonna Phillips – Program Coordinator-Adult Education
- Travis Smith – Business Advisor S.B.D.C.
- Emily DeLeon – Admissions Specialist
- Ana Garcia – Annual Retraining Instructor – M.S.S.L.C.

The following exits were announced during the period from July 31, 2020 to August 27, 2020:

- Thomas Vance – Professor of Biology – retiring after over 40 years of service.
- Dante Johnson – Campus Police Officer
- Monica Cobb – Custodial Services Supervisor

There were no terminations, non-renewals or transfers during the period from July 31, 2020 to August 27, 2020.

District President's Report

Upcoming Events Update

Stacie Sipes presented highlights of upcoming events including a special luncheon being planned on Navarro College Day, September 16th. September 17th, Community National Bank and Trust of Texas Board of Directors has been invited to join the Board of Trustees for a tour of the new Esports facility and Nursing Sim Lab and dinner in the Cook Education Center. Fine Arts and other student events were also shared.

Update on Grants

Dean Tammy Galloway and Robin Donovan shared an update on grants. Dean Galloway stated unprecedented growth and opportunities have been seen in the past year. Ms. Donovan shared detailed information on grant awards totaling \$376,300, grants submitted awaiting notice totaling \$202,988, grants in development totaling \$2,200,000 and partnership opportunities with local business and industry.

Chairman Judson stated this was exciting news and thanked them for their work. Dr. Fegan commended Dean Galloway and Ms. Donovan for an outstanding job and stated it is now important to work with the Marketing Department to get his information out as a function of the community college.

Facilities Update

Dr. Harold Housley shared an update on recent projects completed by the Physical Plant Department.

- A proposal submitted by Biology professor, Lisa Dillman, to the Navarro College Foundation for a Teaching Innovation Award to fund the construction of an outdoor classroom was approved this past year and approved. The outdoor classroom was constructed outside Drane Hall and was built to meet ADA requirements and to be a safe and attractive location. It will be open to all faculty to use.
- The antiquated air conditioning system in the Fine Arts Building was replaced. Physical Plant staff performed the work installing both the inside and outside components of the unit specially engineered by Trane at a cost of \$52, 500. Trane engineers were on site during the installation to ensure the warranty of the equipment. The Physical Plant staff has saved the College a tremendous amount of money .

Dr. Fegan stated it was important to have Dr. Housley share these two projects as Physical Plant does so much that goes unnoticed. It is also important to recognize long-serving faculty members in opportunities like this stating Professor Lisa Dillman is a model faculty member for Navarro College and has been for years.

Dr. Fegan concluded his report by stating when he first began his role, he emphasized the importance of the culture of “the TEAM, the TEAM, the TEAM.” This has been emphasized by the outstanding efforts of the Leadership Team and their colleagues since March. When students were first brought back on campus in May, it was not known “what would work” but by the time students were brought back for fall, it was known. Faculty are saying students are engaged and excited to be back. He stated colleagues worked tirelessly over the summertime – some in areas never worked before. Many are tired and exhausted from spending days and hours getting to where we are. Equally important is the preparation staff did to get ready and how effective they have been. He stressed what a “TEAM, a TEAM, A TEAM” they all have been.

The Board applauded his comments.

Announcement

Trustee Judson announced a public hearing on the Board’s intent to set the ad valorem tax rate will be held on September 10th at 12 noon; the next regular board meeting will take place in the Cook Education Center on September 17th

At 8:33 p.m., Trustee Aldama made a motion to convene into Closed Session and Trustee Wyatt seconded the motion. The decision was unanimous.

Convene into Closed Session

At 8:44 p.m., the Closed Session was convened at 8:44 p.m. to discuss legal, real property, and personnel matters according to Government Codes 551.071, 551.072, and 551.074.

Reconvene into Open Session, Adjournment

At 10:15 p.m., a motion to reconvene into Open Session and adjourn the meeting was made by Trustee Wyatt and seconded by Trustee Atkeisson. The decision was unanimous.

No action, decision, or vote regarding the subject matters discussed was taken during or after the Closed Session.

Respectfully submitted,



Richard L. Aldama, Secretary-Treasurer
Navarro College Board of Trustees