

**NAVARRO COLLEGE BOARD OF TRUSTEES
OCTOBER 27, 2016 MEETING
MINUTES**

Navarro College Board of Trustees gathered on Thursday, October 27, 2016 to conduct their regular monthly meeting. Trustees in attendance included: Mr. Lloyd Huffman, Mr. Phil Judson, Mr. Richard Aldama, Ms. Faith Holt, Mr. A. L. Atkeisson, and Mr. Loran Seely. Mr. Todd McGraw was absent

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. Carol Hanes	Interim Vice President, Academic Affairs
Ms. Maryann Hailey	Vice President, Student Services
Ms. Marcy Ballew	Vice President, Human Resources
Ms. Sina Ruiz	Interim Vice President, Enrollment Management
Mr. Roark Montgomery	Athletic Director
Mr. Karl Humphries	Executive Director, Facilities
Ms. Connie Standridge	Corsicana City Manager
Mr. Scott Jones	Corsicana/Navarro County Economic Development Director
Mr. Eric Macha	First Southwest Company
Ms. Leslie Smith	Executive Assistant to the District President

Other faculty, staff and guests were also in attendance.

Closed Session/Call to Order

Members of the Paraprofessional-Support Staff Committee joined the Board for dinner in the President's Dining Room at 6 p.m. Following dinner, the Board called the meeting to order and convened into Closed Session to discuss legal matters with attorney, Terry Jacobson, according to Government Code 551.071. A motion to convene into Closed Session at 7:02 p.m. was made by Mr. Atkeisson and seconded by Ms. Holt. The decision was unanimous.

At 7:30 p.m., a motion was made by Mr. Judson to reconvene into Open Session in the Lone Star Room. Mr. Seely seconded the motion and the decision was unanimous. At approximately 7:40 p.m., Mr. Huffman called the meeting back to order in the Lone Star Room in Open Session and asked Mr. Judson to begin with a prayer.

Board Announcements

There were no announcements.

Open Forum Time

There were no requests to address the Board.

Consent Calendar

- a. Minutes –September 29, 2016 Meeting
- b. Minutes –October 11, 2016 Public Hearing/Special Meeting

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

Consider Action on Resolution Establishing Interlocal Tax Trust Agreement with Limited Power of Attorney and Housing Infill Program Priorities, Policies and Procedures

Ms. Connie Standridge, Corsicana City Manager, and Mr. Scott Jones, Corsicana Economic Development Director, were introduced by Ms. Thomas and invited to present the proposed resolution establishing an Interlocal Tax Trust Agreement with Limited Power of Attorney and Housing Infill Program Priorities, Policies and Procedures and answer questions.

Mr. Scott stated there is a severe housing shortage in Corsicana. To see positive growth, more affordable housing is needed. To facilitate the sale of properties located inside the city limits of the City of Corsicana, Navarro County, Texas that have been removed from the tax rolls, it would be convenient to have the City negotiate the terms of the sale of these properties on behalf of all taxing entities involved. Mr. Scott stated the proposed resolution establishes an Interlocal Tax Trust Agreement with Limited Power of Attorney and Housing Infill Program Priorities, Policies and Procedures granting the City power as attorney-in-fact for all taxing entities with respect to each parcel of property.

Currently, approximately 230 empty lots require upkeep. The City will encourage developers to build affordable housing on the empty lots and get them back on the tax rolls. He stated developers will be required to build within an established timeline.

Mr. Judson expressed appreciation for what the City is doing and moved to adopt the resolution establishing an Interlocal Tax Trust Agreement with Limited Power of Attorney and Housing Infill Program Priorities, Policies and Procedures. Mr. Atkeisson seconded the motion and the vote was unanimous.

Mr. Huffman thank Mr. Jones and Ms. Standridge for their work.

Discuss Report on the Albritton Administration Building and Consider Action, As Necessary, for Bids for Repairs

Dr. Sanchez updated the Board on current repairs being made to the Albritton Administration Building. Repairs to two classrooms upstairs have been completed and work will continue on weekends until all repairs are made. A bricklayer has inspected the capstone coping at the main entrance and is not sure he has the resources to complete the project. If he's unable to complete the work, another contractor will have to be sought.

Dr. Sanchez continued stating an estimate and timeline for repairs to the Administration Building was requested from the architect to begin the bidding process. Portable buildings will not be used while repairs are made due to excessive cost. Instead, administration will move their offices to the Cook Education Center and classes will be moved to the College Park Mall.

Mr. Huffman explained to the audience that water leaks over the years have created problems with old plaster breaking loose from ceilings on the second floor in the Albritton Administration Building. In addition, the building's foundation needs work, the electrical system from the 70's may need to be replaced, some sections of the roof may need to be repaired, and the HVAC from 70's is basically worn out.

He stated the Board desires to preserve the Albritton Administration Building for the future. It is a beautiful building that projects the personality of the College. Mr. Aldama added plans are being made for repairs to be completed from summer to summer to cause the least inconvenience to faculty, staff and students.

Discuss the Use of Revenue Bonds as a Means of Financing Repair of the Albritton Administration Building and Temporary Relocation Requirements

Mr. Eric Macha from First Southwest Company was introduced by Ms. Thomas and asked to present different financing options to fund the cost of over \$5 million in repairs to the Administration Building,

Mr. Macha reviewed the College's current debt service on existing bonds and presented several options for issuing new revenue bonds to finance the cost of repairs. He recommended staying below the \$10 million mark and coming back in the future to sell remaining amounts if additional proceeds are needed to receive the highest demands from banks. He stated many banks will lose interest if the amount issued goes above \$10 million or exceeds 12 years repayment.

After reviewing several scenarios, Mr. Macha answered questions from Dr. Sanchez and Board members. He advised that investors like to see from 2.5 to 1.5 debt coverage. Based on FY2015 net revenues, the College's debt coverage is 2.0. Mr. Macha stated his company's focus will be on private placement when going out for bids.

Following discussion on the various scenarios (\$5 million, \$8 million, etc.) and issuance costs, Dr. Sanchez thanked Mr. Macha.

Consider Action on September 2016 Financial Statement

Ms. Thomas was asked to present the September financial statement.

Ms. Thomas reviewed activity that took place during the month of September, the first month of the 2016-17 fiscal year. She stated most activity was related to grants being carried over from previous fiscal year. She also noted the amendment recognizing additional tax revenues earned. The revised budget totaled \$90,847,046 as of September 30, 2016 compared to \$109,833,063 in 2015.

The decrease in revenues in student enrollment was reflected in the comparison of the 2016-17 budget to the 2015-16 budget. Ms. Thomas stated the increase in tuition and fees approved by the Board impacted the amount of revenue received as of September 30, 2016. She stated expenditures look distorted when compared to the previous year. Salaries encumbered for the year reflect a 1% salary increase for college staff.

Mr. Judson inquired if expenses have gone down in conjunction with the budget. Ms. Thomas confirmed they have with the exception of salaries. Ms. Thomas then concluded her report.

Mr. Aldama moved to accept the September 2016 financial statement and Ms. Holt seconded the motion. The decision was unanimous.

Consider Action on Establishing Texas Juvenile Justice Department (TJJD) Partnership Program Fee Schedule

Ms. Thomas stated Navarro College has had a partnership with the Texas Juvenile Justice Department (TJJD) since 2008 and currently provides training for its employees at a cost of \$52.50 per day per employee trained.

Ms. Thomas stated the proposed fee schedule complies with the Texas Higher Education Coordinating Board (THECB) mandate requiring a minimum of \$8 per semester credit hour be charged for course hours submitted for state reimbursement. These courses are three (3) semester credit hours, and when multiplied by \$8, produce a cost of \$32 per course. The remaining \$20.50 of the \$52.50 charged for the course will be applied to Auxiliary accounts to cover expenses.

Mr. Judson moved to adopt the proposed TJJD Partnership Program Fee Schedule and Mr. Atkeisson seconded the motion. The motion passed by a unanimous vote.

Update on TJJD Partnership Program

Ms. Sheri Short presented an update on the TJJD Partnership Program. She stated in addition to training TJJD employees, TJJD students are being provided the opportunity to earn college credit making them employable when they are released from the facilities. Courses are offered via live video with local instructors.

Ms. Short stated Navarro College is the only institution in the nation that offers this training. The contract between Navarro College and TJJD to offer pre-training courses for TJJD employees and academic credit courses for TJJD students was recently renewed until August 2017.

Ms. Short shared additional background information on the program including a map of the facilities served and courses offered. A brief video of students currently detained in the Gainesville facility was also shown. Ms. Short stated she visits all the facilities in the service area and is not allowed access to a phone during her visits. During this time, Ms. Brenda Lowey, Administrative Assistant, is available to provide assistance and manage the office.

Ms. Short stated she and Dr. Sanchez along with Connie Simon, Director of Workforce Education at TJJD, recently met with THECB Commissioner Parades in Austin. As a result of this meeting, the College has been granted a waiver to continue offering TJJD students under the age of 18 dual credit academic credit courses free of charge.

Ms. Short concluded her presentation. Mr. Huffman thanked her and credited her for the success of the program. He commended her for "making a difference" for these students. Mr. Judson commented the program was previously in jeopardy but it was able to continue because of Ms. Short's passion. Ms. Short thanked the Trustees and stated Dr. Sanchez has been very supportive of the program.

Update on Personnel Actions

Ms. Ballew was welcomed back and asked to present an update on personnel activity for the month of September 2016.

Ms. Ballew introduced eight "new faces" including several who have returned to Navarro College, Daniel Short as the Small Business Development Center Counselor on the Waxahachie Campus, and Scott Monarch as Assistant Basketball Coach on the Corsicana campus. She reported four resignations and one non-renewal occurred during the month of September 2016 and concluded her presentation.

Report on Items of Information

Board Calendar

Ms. Ruiz presented the Board Calendar of events for November and December 2016.

District President Report

Dr. Sanchez shared several items of information:

- Drane Hall's sewer pump has collapsed which will require extensive work. Bathrooms will not be functional until repairs are completed.
- If Navarro College wins the game against New Mexico Military on Saturday, October 29, the Bulldogs may be eligible to compete in the SWJCFC playoffs.
- During the football game against New Mexico Military Institute, approximately 18-20 alumni football players from 1976 and 1977, who won two straight conference championships, will gather in VIP box at Tiger Field for a reunion.
- A special Board meeting on November 9, 2016 will be held to discuss college financials.
- Employees will be allowed to wear Halloween costumes on Monday, October 31, as long as the costumes are in "good taste."
- A call center is being established under the supervision of the Vice President of Enrollment Management to mitigate issues and hopefully, have a positive impact on enrollment.

- A new Marketing Director, Ms. Stacie Sipes, has been hired and will begin work on November 1, 2016. She will be introduced at the next Board meeting.

Dr. Sanchez called on Ms. Thomas to recognize the Business Office staff for receiving the Government Finance Officers Award (GFOA) for Excellence in Financial Reporting for the 16th consecutive year. Aaron York, Kathleen Armstrong, Jan Phillips and Janet Daugherty were among those present and commended for their hard work.

Dr. Sanchez asked Ms. Ruiz to present an update on enrollment. Ms. Ruiz reported enrollment figures for Fall 2016 have been certified with a decline of 6.2% in headcount enrollment and a decline of 4.36% in contact hours. A report from TACC indicates the majority of community colleges saw an increase in Fall 2016 enrollment. Only a few colleges, including Navarro College, reported decreases.

Dr. Sanchez concluded his report.

Announcement and Adjournment

Mr. Huffman announced a special meeting will be held on November 9, 2016 at 6 p.m.

Mr. Aldama moved to adjourn the meeting at 9:04 p.m. and Mr. Judson seconded the motion. The meeting was adjourned by a unanimous vote.

Respectfully submitted,



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