

REGULAR BOARD MEETING

THE STATE OF TEXAS

VERNON COLLEGE

COUNTY OF WILBARGER

On this Wednesday, December 17, 2008 at 11:30 a.m., the following members were present for the Regular Meeting of the Vernon College Board of Trustees held in the Board Room of the Osborne Administration Building, Vernon, Texas:

Mr. Bob Ferguson, Chairman

Mr. Gene Heatly, Vice Chairman

Mr. Norman Brints, Secretary

Mr. Curtis A. Graf

Mrs. Sylvia G. Mahoney

Mr. James Streit

Absent: Mr. Brad Bolton

Others attending: Mr. John Hardin, III, Interim President; Mr. Gene Gooch, Dean of Administrative Services; Dr. Gary Don Harkey, Interim Dean of Instructional Services; Mr. Joe Hite, Dean of Admissions/Financial Aid & Registrar; Ms. Michelle A. Alexander, Director of Institutional Advancement; Mr. Donnie Purvis, Director of Information Technology; Mrs. Jeanne Ballard, Assistant Director of Financial Aid; Mrs. Sharon Winn, Assistant to the Dean of Instructional Services; Mrs. Christie Lehman, Marketing Specialist; Mrs. Rosa Alaniz, President, Employees Forum; Mrs. Stacy Lallman, President, the Administrative Staff Association; Mr. J. Mark Fleming, partner and CPA with the firm of *Edgin, Parkman, Fleming & Fleming, P.C.* of Wichita Falls; Mrs. Mary King, Secretary to the President; Mrs. Missie Matthews, Administrative Assistant to the President; and Mr. Mike Chacanaca of *The Vernon Daily Record*.

Prior to the meeting, Chairman Ferguson read a letter from Dr. Bud Joyner, thanking the Board for giving him the opportunity to assist with the Presidential Search and thanking everyone for their hard work and dedication to the process.

Chairman Ferguson also gave a brief update on the health status of Board Member Brad Bolton.

1. **Call the meeting to order.** – Chairman Ferguson called the meeting to order at approximately 11:30 a.m.
2. **Consider approval of the Minutes of the Regular Meeting of November 25 and the Special Meetings held December 1, 2, 3, 4, and 5, 2008.**
ACTION: There being no corrections noted, Chairman Ferguson announced that the Minutes stood approved as presented.
3. **Final Report on the Title III Grant received by Vernon College.**
Mrs. Winn presented a summary of the final report on the Title III Grant. Included in this were the following accomplishments: a) the College received a total of \$1,811,023 over a five-year period; b) salaries (including benefits) for six Title III staff, supplies, and an outside evaluator totaled \$1,164,863; c) there were twenty-four ‘annual objectives’ during the five years that were successfully completed; d)) twenty-eight projects were funded to assist with technology including the purchase of approximately 230 computers, ‘Smart Rooms’ were established, ITV upgrades, software, FIC’s, QEP and Wimba, maintenance of these projects, and Web page design; e) funds were utilized to assist in revising the developmental education curriculum resulting in a higher completion rate of 93% vs 67.5% in the baseline year; f) with the faculty technology assistance, which was implemented through the Grant, now 100% of faculty surveyed incorporate some form of technology in their curriculum compared to 63% previously; and g) student retention rate was increased from 39.5% to 44% and as high as 51% in a ‘pilot group’ participating in the Faculty Access System.

Now that the Grant is complete: a) some of the efforts accomplished will now be incorporated into the QEP; b) the College has added one additional IT person to assist with the maintenance of the programs which are now in place; c) the College will hire a curriculum design expert in the Spring to continue to assist faculty; and c) the College must wait for two years before reapplying for the Title

III Grant. It was noted that a lot of credit for the success of getting this Grant was due to the perseverance of retired Dean Mary Elliott who applied for it several years prior to the College's receiving it.

President Hardin expressed his appreciation to Mrs. Winn for 'taking the lead' on the Grant after the other staff had left the College. He continued to say that the College is indebted to her for adding this to her other responsibilities and seeing it through to a successful completion.

4. **Personnel. – Exhibits**

A. Resignation. – Mr. Chad Brownlow, LVN Instructor, effective December 31, 2008.

ACTION: Mrs. Mahoney made the motion, seconded by Mr. Graf, to approve the resignation of Mr. Brownlow as stated. The motion carried unanimously.

B. Employment. – Mr. Elton McCoy, Custodial Technician/CCC effective December 1, 2008 with an annual salary of \$18,612 (at-will employee).

ACTION: Mr. Brints made the motion, seconded by Mr. Streit, to approve the employment of Mr. McCoy as stated. The motion carried unanimously.

5. **President's Report.**

A. Update on SACS Annual Meeting. - President Hardin referred to the schedule of meetings which was included in the packet. He reported that he, Dr. Harkey, Dean Gooch, and Dean Hite all attended the meeting December 6-9, 2008, in San Antonio. While the College has completed the main part of its SACS reaccreditation Visit, a 'response' to the Committee's Site Visit must be sent to SACS by March. In addition, SACS is now requiring another Report after five-years, but it will not be as detailed as the ten-year Visit/Report. Other topics discussed relative to the SACS meeting included: (1) possibility of more emphasis on accountability; (2) question concerning the continuation of 'peer review' or the possibility of moving in a different direction; (3) more informed and understanding of the Higher Education Act; and (4) anticipating 'increased growth guarantee' having more impact on accreditation.

* It was the consensus of the Board and administration that an update of the SACS Reaffirmation Report modifications be reviewed at the January Meeting with the final report to be presented at the February meeting.

* There was discussion about the possible modification to the TASB Policy Manual concerning 'conflict of interest' policy. A version applicable to Vernon College will be sent to TASB for their legal review. The Board will then have to approve the revision since it is a 'LOCAL' policy.

* Since it was reported that this policy had been used in the past, Mrs. Mahoney asked that some historical data be provided.

B. Philanthropic Report. – President Hardin referred to this report, stating members could review this at their own convenience.

6. **Accept the 2007-2008 Annual Audit.**

Dean Gooch introduced Mr. Mark Fleming, partner of *Edgin, Parkman, Fleming & Fleming, PC*, who was in charge of the Vernon College and Vernon College Foundation audits this year. Mr. Fleming continued with the following:

- Reviewed the opinion letter on page 2 and 3 of the bound audit report – noted that the audit was a "clean" audit and they expressed the best opinion on the audit report allowed by the AICPA
- Pages 4-12 include the Management Discussion and Analysis – these comments are written by Dean Gooch and report in layman's terms the activities of various exhibits and schedules within the audit report for the year – suggested the Board read and refer back to them for future reference as they include good data and information
- Exhibit 1 on page 13 is the balance sheet for the year – both cash and short term investments are up for the year – accounts payable is up due to the purchase of supplies and materials needed for the beginning of classes that began before the year ended on August 31 – net assets have grown from \$12,955,898 to \$13,454,175 due to the increase of revenue over expenditures for the year
- Exhibit 1A is the balance sheet for the Vernon College Foundation, Inc – it is reported within the report because the foundation is an affiliated organization and thereby required to be reported in the same

bound report – net assets went down due to a reduction in investments held at years’ end – this is due to the decline in the market for the year

- Exhibit 2 on page 15 is the operating statement for the College for the year – total change in net assets for the year of \$498,277
- Schedule A on page 32 is the schedule of operating revenues – tuition was \$3,855,149 for the year – lab and special fees were \$1,713,568
- Schedule B shows detail on operating expenditures, page 33 – detail from the major divisions are reported in categories of salaries, benefits and other expenses – total operating expenditures for 2008 was \$17,650,737 compared to \$17,145,561 in 2007 – the largest divisional increase was in instructional expenditures
- Schedule C on page 34 reports the detail of non-operating revenue and expenditures – major areas are state appropriations of \$7,077,351 for 2008 – property taxes also reported of \$2,043,714 for 2008
- Page 35 is a detail of net assets – unrestricted for any legal purpose is \$2,781,222 – auxiliary enterprises is \$208,939 and the endowment fund for scholarships is \$2,495,579 – debt service was \$648,200
- Schedule E on page 36 and 37 reports the federal contracts for the year – total of \$3,675,077 – Largest is the Department of Education that includes Pell grants of \$2,369,397 – loans processed under the Federal Family Education Loan program were \$2,763,361 for the year
- Statistical section include pages 39-56 – good comparative data listing 5-10 years in many cases – student enrollment data, expenditure comparisons, and debt service data are included for review
- Independent auditor’s report over internal control – page 57 and 58 – no material weaknesses reported
- Pages 59 and 60 are the independent auditor’s report over compliance with major programs and internal control in accordance with OMB Circular A-133 – stated college complied with all requirements and a clean opinion was given
- Reported no questioned costs for the year
- The Board thanked Mr. Fleming for the thorough report and for his firm’s work on the Annual Audit.

ACTION: The motion was made and seconded to accept the Annual Audit as presented by Mr. Fleming. The motion carried unanimously.

NOTE: In accordance with Chapter 551 of the Texas Open Meetings Act, Texas Government Code, Subchapter 551.074 – Personnel, the Board went into closed Session.

DECISION: Mr. Heatly made the motion, seconded by Mrs. Mahoney, to go into Closed Session at 12:40 p.m. to discuss the terms of the contract for President-elect Dr. Dusty R. Johnston. The motion carried unanimously.

DECISION: At 1:00 p.m., Mr. Streit made the motion, seconded by Mr. Heatly, to reconvene in Open Session. The motion carried unanimously.

CONSENSUS: It was the consensus of the Board (all being in agreement) that the proposed contract as discussed for the Sixth College President, Dr. Dusty R. Johnston, be sent to Dr. Johnston for his review/signature.

7. **Adjourn.**

ACTION: At approximately 1:05 p.m., Mr. Brints made the motion, seconded by Mr. Heatly, to adjourn. The motion carried unanimously. The meeting adjourned immediately.

Respectfully submitted,

Mr. Bob Ferguson, Chairman

Mr. Norman Brints, Secretary