

REGULAR BOARD MEETING

THE STATE OF TEXAS

VERNON COLLEGE

COUNTY OF WILBARGER

On this the 26th day of August, 2009, the following members were present for the Regular Meeting of the Vernon College Board of Trustees held at 11:30 a.m. in the Board Room of the *Osborne Administration Building*, Vernon, Texas:

Mr. Bob Ferguson, Chairman	Mr. Brad Bolton
Mr. Gene Heatly, Vice Chairman	Mr. Curtis A. Graf
Mr. Norman Brints, Secretary	Mr. James Streit *
	Mrs. Sylvia G. Mahoney

Others attending: Dr. Dusty R. Johnston, President; Mr. Bob Bolton, Interim Dean of Administrative Services; Mr. John Hardin, III, Dean of Student Services/Athletic Director; Dr. Gary Don Harkey, Dean of Instructional Services; Mr. Joe Hite, Dean of Admissions/Financial Aid/Registrar; Mrs. Shana Munson, Associate Dean of Career & Technical Education*; Ms. Michelle A. Alexander, Director of Institutional Advancement; Mrs. Betsy Harkey, Director of Institutional Effectiveness; Mrs. Lois Jablonski, General Ledger Accountant; Ms. Angie Moore, Secretary, Human Resources/Physical Plant; Mrs. Stacy Lallman, President, Administrative Staff Association; Mrs. Michelle Wood, Director of Continuing Education; Mrs. Mary King, Secretary to the President; Mrs. Missie Matthews, Administrative Assistant to the President; and Ms. Kathy McClellan, of *The Vernon Daily Record*. * (*Names omitted previously)

1. **Call the Meeting to Order.** – Chairman Ferguson called the meeting to order at the appropriate time and asked that the Minutes reflect that all members of the Board were present. He also expressed the Board’s appreciation to those attending.
2. **Consider Approval of the Minutes of the July 22, 2009 Special Meeting/Board Retreat, the July 22, 2009 Regular Meeting, and the August 12, 2009 Special Meeting.***
Corrections: Dr. Johnston noted two changes: a) in the July 22, 2009 Special Board Meeting/Board Retreat, 1st paragraph, 2nd page, end of the sentence, it should read ‘less subjective.’ Also, in the July 22, 2009 Regular Meeting, Ms. McClellan’s first name is misspelled.
***Note:** Dr. Johnston noted that the Minutes for August 12, 2009 were not included in the packet. (Mrs. Matthews left the meeting to make copies for the Board, and distributed them. They were acted upon after the Board had the opportunity to review them.)
Action: Mr. Heatly made the motion, seconded by Mrs. Mahoney, to approve the Minutes of both the July 22, 2009 Special Meeting/Board Retreat Minutes and the July 22, 2009 Regular Meeting, as corrected by Dr. Johnston. The motion carried unanimously.
Action: Following receipt of the Minutes from the August 12, 2009 Special Meeting, Mr. Bolton made the motion, seconded by Mrs. Mahoney, to approve the Minutes as presented. The motion carried unanimously.
3. **Action Items to be Considered:**
 - A. **Consideration of the *Financial and Investment Reports* as of July 31, 2009.**
Mr. Bolton reviewed these Reports with the Board. Some of the items discussed

included: 1) reviewed the tax collections, revenue and expenditures as of the end of July; 2) indicated that the College had budgeted enough revenue to cover expenses, even with the loss of the \$146,000 due to an error by the Wilbarger County Appraisal District; 3) interest rate on new C.D.'s will not be as high as the last time but Mr. Bolton is working with the Herring Bank to obtain the best rate possible; 4) several salaries were not charged against the correct line but he noted that these have been corrected; 5) while tuition and fees which have already been collected for the Fall 2009 will go into the 2009-10 revenue, the revenue from the Bookstores go into the 2008-09 budget; 6) the possibility of reviewing TexPool interest rates on a quarterly basis to monitor interest rates; 7) the College received reimbursement from the Coordinating Board for the health care benefits that it has paid and will be placed in the fund balance; and 8) the College completed several major projects which came out of the 'Major Repairs and Remodeling' line.

Action: Mr. Brints made the motion, seconded by Mr. Graf, to approve the Financial and Investment Reports as presented and reviewed. The motion carried unanimously.

B. Consideration of the 2009-2010 College Operating Budget.

Dr. Johnston explained that the budget being reviewed was basically the exact one that the Board has been reviewing during the past couple of meetings. He continued that: 1) the budget is a good one; 2) the total budget is \$17,665,957 compared to \$16,719,739 in 2008-09 – an increase of \$946,118; 3) it is based on the 'effective tax rate' since the Board had not given the administration any definitive direction; 4) in the correspondence he has had with the Board he had mentioned five new positions though there are actually seven, including the Interpreter for the Deaf and reconfiguring funds to employ a full-time custodial position rather than using part-time; 5) the increase in funding results from an increase in state funding, increase in net tuition and fees, and an increase in auxiliary enterprise revenue; 6) increase in expenses is from salary/fringe benefit costs, health insurance, new technology, and personnel (adding the new positions mentioned above); and 7) if the Board decided to go above the effective tax rate, the additional funds would be placed in the contingency fund but would be used to pay for at least a 1.5% step increase for faculty and staff during the 2010-11 year.

Action: Mr. Heatly made the motion, seconded by Mr. Streit, to approve the 2009-2010 College Operating Budget as proposed.

Amendment to motion: Mr. Heatly amended his motion, and the motion was again seconded by Mr. Streit, to approve the 2009-2010 Operating Budget subject to setting the tax rate (which could revise the revenue and the budget). The motion carried unanimously.

C. Consideration of Bob Bolton as the Vernon College Public Funds Investment Officer.

Action: Mrs. Mahoney made the motion, seconded, seconded by Mr. Brad Bolton, to approve the designation of Mr. Bob Bolton as the College's Public Funds Investment Officer, noting the completion of the mandated training, until the new Dean is hired and properly trained. (This training is required by the Public Funds Investment Act.) The motion carried unanimously.

D. Consideration of Investment Policies, Procedures, & Strategies as Required by the Public Funds Investment Act. (No changes since last year).

Action: Mr. Graf made the motion, seconded by Mrs. Mahoney, to approve the College's Investment Policies, Procedures & Strategies as stated, noting that no changes have been implemented from last year's proposal. The motion carried unanimously.

- E. Consideration of I.S.D. Contract Agreements as follows: 1) Burkburnett I.S.D. – Health Occupations Tuition, 2) Olney I.S.D. – Health Occupations Tuition, 3) City View I.S.D. – Health Occupations Tuition, and 4) Wichita Falls I.S.D. – Health Occupations Tuition.**
- Action:** Mr. Brints made the motion seconded by Mr. Heatly, to approve the I.S.D. contracts as stated. The motion carried unanimously.
- Note:** It was noted that the College is offering these courses in Olney for the first time.
- F. Consideration of 2009-2010 Extraordinary Fee Waivers for Hazelwood Eligible Students.**
- Discussion:** There was general discussion clarifying the fee exemptions for Hazelwood eligible students (veterans who have exhausted all other military educational benefits). It was pointed out that the exemption does not include the following fees incurred from direct costs: 1) course fees, 2) course lab fees, 3) testing fees, 4) program insurance fees, 5) excessive developmental education fee, 6) repeated course fees, and 7) tuition for the continuing education dental assisting program. Other discussion included: 1) how much revenue would be lost if these courses were ‘not’ exempt; 2) if the courses were not ‘exempted,’ the possibility of setting a limit on how much each student might be allowed; 3) if a limit was set, what amount would be recommended by the administration.
- Action:** Mrs. Mahoney made the motion, seconded by Mr. Brints, to table action on this item until additional information is provided. The motion carried unanimously.
- G. Consideration to Declare as a ‘Special Population’ and to offer “Zero” Tuition Continuing Education Classes/Pre-Service/In-service During 2009-2010 School Year to the Following Groups:**
1. Wichita Falls Police Department - Continuing Education Classes
 2. Texas Department of Criminal Justice - Pre-Service and In-Service Classes
 3. Wichita Falls County Sheriff’s Office - In-Service Classes
 4. *Air Evac* Continuing Education Participants - PALS, ACLS, PHTLS Classes
 5. Wichita Falls Fire Department - In-Service Classes
 6. “Leadership Vernon” Participants - Continuing Education Classes
- Action:** Mr. Brad Bolton made the motion, seconded by Mr. Streit, to approve declaring the students in the classes above as ‘special populations’ and to approve offering these classes for ‘zero tuition.’ The motion carried unanimously.
- H. Consideration of the Following Workforce Program Student Handbooks:**
- 1) Cosmetology, 2) Health Information Technology, 3) Pharmacy Technician, 4) Fire/EMS Training, 5) Vocational Nursing, 6) Police Academy, and 7) Surgical Technology. – Exhibit (C.D.)
- Action:** Mrs. Mahoney made the motion, seconded by Mr. Graf, to approve the updated 2009-2010 Workforce Program Student Handbooks for the programs listed above. The motion carried unanimously.
- I. Consideration of the Wilbarger County Appraisal District’s 2010 Budget and the 2009 CAD Collections.**
- Action:** Mr. Graf made the motion, seconded by Mr. Streit, to approve the 2010 Operating Budget and the 2009 CAD Collections as proposed. The motion carried unanimously.

4. Discussion of Process to Determine Tax Rate for 2010.

Dr. Johnston explained to the Board: a) he did not have a specific recommendation for them to consider; b) he felt that the Board had a good discussion at the last Special Meeting about the tax rate and the effect that several scenarios would have on the College; c) he assured the Board that he and the administrative team would work to achieve whatever is necessary regardless of the rate; d) with the loss of approximately \$146,000 of revenue last year due to the Wilbarger County Appraisal District error, he would hate to lose additional money this year by not going beyond the effective tax rate; e) if you consider losing \$146,000 (the approximate amount discussed earlier by the Board if the tax rate was increased) over a ten-year period, you have lost over \$1.4 million; f) the College has not received any information from the State since the end of the legislative session – no guidelines, information or anything other than the next biennium will be worse than this year's; and g) the only possible way to increase State funding during the next biennium will be, considering all things remain 'equal', through increase in enrollment, but it will be very competitive because most community colleges are experiencing 'growth' because of the economy; and h) Dr. Johnston stated he wanted to publicly brag on both John Mahoney and Gary Hart and their staff for all of the hard work they did during the remodeling because he (Dr. Johnston) would ask them to do something and they got it done; he also thanked Bob Bolton and his office and the maintenance & custodial staff as well.

Comments from the Board included: a) the College has a good budget, the contingency fund has increased, and there is a healthy fund balance; b) the taxpayers are going to be hit from all directions by various entities increasing taxes; c) we are in a dire economic time; d) the burden of taxes has shifted from oil and gas to real estate and, therefore, most people's taxes will increase this year due to higher appraisals; e) with appraisals up, revenue should be up; f) the College's tax rate has varied over the years but has remained relatively steady; g) would be a great perception to taxpayers if the College kept the effective tax rate; h) media headlines have been about the drastic increase in taxes; i) the \$250,000 in contingency would be available for other areas; j) the College might have a problem in the 2010-2011 budget if State funding was decreased; and k) if there was not an urgent need this year to increase it, it might reflect to the public that we are genuinely interested in the citizens and are being prudent stewards of their taxes and the College's budget; l) there is a serious need for new/repaved parking lots both at Century City Center as well as the campus, but the amount the College would receive in increasing the tax rate would not be enough for one parking lot; and m) the College is working 'behind the scenes' to obtain private resources to assist with some of the projects.

Note: Dr. Johnston stated that he would like the Board's approval for two things if it was decided to keep the effective tax rate: a) the freedom to 'wear out' the newspapers, television stations, and all other medias to apprise them of all of the great things that Vernon College is doing and providing for the citizens in this area; and b) he wanted the Board and all the citizens of this area to know that this is an 'honest' budget, that this is how he operates, he could have brought the Board a real inflated budget because the College does have needs beyond the current proposed budget, but the proposed budget is one which the College can function on for the next year.

Consensus: Following considerable discussion, it was the consensus of the Board to instruct the administration to proceed with the effective tax rate as considered and reviewed in the proposed budget. The tax rate will be approved at the next meeting.

5. **Public Comment.** – No one was present so the meeting continued according to the agenda.
6. **President's Report**
- A. **Review the 2009-2010 College Standing Committees.** – A copy of the new committee structure was distributed to members and Dr. Johnston said that the committees will be revised continuously throughout the year and if there is a committee that does not meet, then it will be deleted.
- B. **Status of Renovation Projects** – Dr. Johnston also distributed the 'Facility/Technology Needs Accomplished this Budget Year 08-09' to the Board, stating that though some of this was discussed earlier, he wanted the Board to know that the College completed a variety of projects which exceeded most expectations. Dr. Johnston reiterated again that the College got these projects done because he asked that they be completed. He again thanked Mr. Gary Hart, Mr. Mahoney and their crews again as well as Mr. Bolton's office and staff.
- C. **Professional Development/In-Service Update.** – Dr. Johnston stated that it was a successful day. He continued that he was very impressed with the tradition of presenting the service awards and the comradely that exists among the staff. He also reported that he distributed 'party favors' which were new nametags for all faculty and staff at the College and that he felt this presents a better image of the College. Dr. Johnston thanked Mrs. Mahoney for her attendance.
Presentation: Dr. Johnston took this time of the meeting to present service awards to Mr. Graf – fifteen years, and Mr. Bolton – five years. Both were congratulated by Dr. Johnston and the staff in attendance.
- D. **Summer II Enrollment Report and Fall 2009 'Preliminary' Report.** – Dean Hite distributed a comparison of Summer 11 week 2008 to Summer II 2009, reflecting an increase of approximately 170 students, or an increase of 14.98%, and an increase in contact hours of approximately 16,752, or 11.53%. Fall, 2009 enrollment is approximately 3,100 – a new record for the College – compared to 2,960 in Fall 2008. This represents an increase of 15% in enrollment and reflects an increase of 11 ½ % in contact hours. The Board commended the administration for the enrollment increases.
- E. **Fall Board Meeting Dates** - The Board set the following dates for the Fall Board Meetings:
1) Special Meetings for Tax Rate Process – September Board Meeting
2) Regular Board Meeting - Wednesday, September 23
3) Regular Board Meeting – Wednesday, October 28
4) Regular Board Meeting – Wednesday, November 18
- F. **Philanthropic Report.** – Dr. Johnston and Ms. Alexander reported that gifts are also down which reflect the economic status of our area.
7. **Personnel –**
- A. **Resignations.**
1) Donnie Purvis, Director of Information Technology, effective August 21, 2009;
2) Debbie McCoy, Secretary, Admissions, effective August 31, 2009.
Action: Mr. Streit made the motion, seconded by Mr. Brints, to accept the resignations as stated above. The motion carried unanimously.

B. Employments. - Exhibits

- 1) Ellen Binion, Financial Aid Processor/Third Party Awarding Clerk – CCC, effective August 12, 2009, with an annual salary of \$20,070;
- 2) Rosane Chacanaca, Associate Degree Nursing Instructor, effective August 17, 2009, with an annual salary of \$37,476;
- 3) Kathy Peterson, Interpreter for the Deaf, effective August 12, 2009, with an annual salary of \$27,207;
- 4) Ruth Rascon, Health Information Technology Instructor, effective August 17, 2009 with an annual salary of \$31,753;
- 5) Martha Samson, CNA Director/Instructor – City View High School, effective August 12, 2009, with an annual salary of \$44,935;
- 6) Toney Sharp, Police Officer/CCC, effective August 17, 2009, with an annual salary of \$25,315 (at-will position);
- 7) Steven Underhill, Microcomputer Applications Instructor, effective August 10, 2009, with an annual salary of \$41,382;
- 8) Bonnie Waterhouse, Health Careers Instructor – Burkburnett High School effective August 17, 2009, with an annual salary of \$37,849.
- 9) Mr. Garry David as Dean of Administrative Services, effective September 14, 2009, with an annual salary of \$92,500

Action: Mr. Bolton made the motion, seconded by Mr Streit, to approve the nine employments as stated above with the salaries as stated. The motion carried unanimously. Chairman Ferguson stated that he felt the College was very fortunate to have Mr. David in this position since he had conducted the College's audit in previous years and that he is familiar with the community college system.

Question: The Board questioned the administrative organizational structure because the Director of Human Resources reports directly to the Dean of Administrative Services. Since these two individuals are married, there might be a concern of principles.

Information: Dr. Johnston explained that effective September 1, 2009, the Director of Human Resources would be reporting directly to the President. He continued that this is the structure he had worked with in two previous community colleges and that he and the Director of Human Resources have already been working together.

C. Division Chair Appointment. - Dr. Karen Gragg as Chair, Division for Math and Science with an annual stipend of \$3500.

Dr. Johnston explained that at an earlier meeting it was noted that a Division Chair for the one Dr. Harkey had held would not be filled but the responsibilities would be shared by the other three Division Chairs. However, it appears that this scenario will not work to the benefit of the faculty. Therefore, Dr. Gragg was persuaded to take this position for this academic year.

Action: Mr. Brints made the motion seconded by Mr. Heatly, to approve the appointment of Dr. Gragg as the Division Chair for Math and Sciences. The motion carried unanimously.

D. President' Contract Extend the contract of Dr. Dusty R. Johnston as President of Vernon College for a three year term September 1, 2009 through August 31, 2012.

The compensation package for 2009 is currently an annual salary of \$138,730, a vehicle stipend of \$6,000 per year, and a housing stipend of \$1,000 per month, to be reconsidered by the Board.

Chairman Ferguson announced that the Board would go into closed session in accordance with Chapter 551, Subchapter 551.074 – Personnel (or other relevant Sub-Chapters) of the Texas Open Meetings Act, Texas Government Code.

Action: At 1:00 p.m., Mr. Bolton made the motion, seconded by Mrs. Mahoney to go into closed session to discuss the details of the President’s contract. The motion carried unanimously.

Action: At 1:15 p.m., Mr. Heatly made the motion, seconded by Mrs. Mahoney, to reconvene in open session. The motion carried unanimously.

Action: Mr. Heatly made the motion, seconded by Mr. Graf, to pay Dr. Johnston, President of Vernon College, a \$2,400 housing stipend per month, revising his contract from the original \$1,000 stipend. The motion carried unanimously.

Action: There being no further business to come before the Board, the meeting adjourned at approximately 1:15 p.m.

Respectfully submitted,

Mr. Bob Ferguson, Chairman

Mr. Norman Brints, Secretary