

**AMARILLO COLLEGE BOARD OF REGENTS
MINUTES OF REGULAR BOARD MEETING
November 23, 2010**

REGENTS PRESENT: Mr. Prenis O. Williams, Chair; Mr. John D. Hicks, Vice Chair; Mr. Don L. Nicholson, Secretary; Ms. Lilia B. Escajeda; Mr. Carroll M. Forrester; Ms. Michele Fortunato; Dr. Gene Norman; and Dr. David C. Woodburn

REGENT ABSENT: Mr. H. Bryan Poff

OTHERS PRESENT: Mr. Robert Austin, Dean of Enrollment Management; Mr. Terry Berg, Dean of Finance & Administrative Services; Mr. Lee M. Colaw, Chief Information Officer and Dean of Information Technology; Mrs. Ellen Robertson Green, Dean of College Communications and Marketing; and Dr. Paul Matney, President

Mrs. Rebecca Archer – representing Classified Employees Council
Mr. Bruce Cotgreave – Director, Physical Plant
Dr. Shawn Fouts – Dean of Career and Technical Education
Ms. Susana Guevara – Community Guest
Ms. Lani Hall – representing Conner, McMillon, Mitchell & Shennum, PLLC
Mr. Brian Jennings – representing Amarillo Economic Development Corporation
Mr. Jerry McMillon – representing Conner, McMillon, Mitchell & Shennum, PLLC
Mrs. Lori Merriman – Executive Secretary, President’s Office
Ms. C. C. Mongrain – President, Student Government Association
Mr. Michael Morales – WTAMU Government Student
Mr. Jason Norman – representing Administrators Association
Mr. Braden Phillips – WTAMU Government Student
Mr. Adolfo Reyes – WTAMU Government Student
Mrs. Brenda Sadler – Exec. Asst., Pres’s Off. and Asst. Secy. to the Board of Regents
Mr. Robert Sanders – Legal Counsel
Mrs. Vickie Shelton – Director, Purchasing
Mr. Lynn Thornton – Director, Administrative Services/Human Resources
Mr. Joseph Wyatt – Communications Coordinator, College Relations
Mrs. Sylvia Wyatt – Mother of Joe Wyatt visiting from Pittsburg
Mr. David Ziegler – Assistant Director, Physical Plant

The meeting was called to order by Mr. Williams, Chairman. He welcomed all present and asked if there were any public comments. Mr. Nicholson gave the invocation.

MINUTES APPROVED:

Ms. Escajeda moved, seconded by Mr. Forrester to approve minutes of the regular meeting of October 26, 2010. The motion carried unanimously.

STUDENT GOVERNMENT ASSOCIATION REPORT:

C.C. Mongrain, SGA president, distributed a list of upcoming events. There will be a Coffee Memorial blood drive on Washington Street Campus on November 29 and 30. SGA will sponsor campus Christmas parties for employees and students. SGA will co-host, with First Year Experience students, a study camp on December 2. Members of SGA plan to go to Austin on

STUDENT GOVERNMENT ASSOCIATION REPORT Continued:

February 2 for Community College Day to visit with State representatives. Bill Nye will be the speaker for the Distinguished Lecture Series on March 8.

TAX ABATEMENT AGREEMENT WITH ZARGES ALUMINUM SYSTEMS, LLC APPROVED:

This item was placed on the agenda to allow the Board to consider joining in the preceding Tax Abatement Agreement between Zarges Aluminum Systems, LLC and the City of Amarillo, including signing a Resolution and Participation Agreement authorizing such Abatement, all such documents being attached at pages 60 through 77 to this agenda.

Brian Jennings, representing the Amarillo Economic Development Corporation, introduced the request for tax abatement on the real and business personal property for Zarges Aluminum Systems, LLC within Tax Reinvestment Zone No. 7, Amarillo CenterPort Business Park, as designated by City of Amarillo Ordinance No. 7206 and authorized by Texas Code Chapter 312, subchapters A & B. Chapter 312 of the Texas Tax Code allows for a maximum abatement of 100% per year for up to 10 years. The Tax Reinvestment Zone No. 7 covers a 276.12 acre area within Amarillo Center Port Business Park currently occupied by Ben E. Keith Company and Pacific Cheese Company. Within said area is a 13.06 acre tract where Zarges will manufacture wind tower internal systems in a new 80,000 square foot facility. The company anticipates up to 100 new jobs within two to three years and a capital investment of approximately \$10 million.

Mr. Nicholson moved, seconded by Mr. Forrester to approve the tax abatement agreement with Zarges Aluminum Systems, LLC. The motion carried unanimously.

INDEPENDENT AUDIT REPORT FOR 2009-2010 APPROVED:

Representatives from Connor, McMillon, Mitchell & Shennum, PLLC were present at the Board meeting to present the regular audit report for the fiscal year ending August 31, 2010. Copies of the audit were provided to the Board of Regents.

Mr. McMillon stated that in the auditors' opinion, the Amarillo College financial statements, in all material respects, the financial position of the College as of August 31, 2010 and 2009, and its changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. This is the ninth year that the College has prepared these financial statements in the GASB 34/35 format; following are the comparative financial statements for fiscal years 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Total Assets – Capital Net	\$ 104,345,324	\$ 93,565,712
Total Assets – Noncapital	<u>73,602,130</u>	<u>74,016,385</u>
Total Assets	\$ 177,947,454	\$ 167,582,097

The operating loss for 2010 was \$54.9 million; the net non-operating revenues were \$55.2 million.

INDEPENDENT AUDIT REPORT FOR 2009-2010 APPROVED Continued:

One financial statement finding included the bank reconciliation for one bank account was not reconciled on a timely basis, and on another bank account the bank reconciliation was not signed off indicating the account had been reviewed; recommendation is that bank reconciliations should be reconciled promptly to ensure that all transactions as recorded are accurate and allow for prompt investigation on any questionable transactions. A federal and state award finding included one student that had graduated during the fiscal year and had not been reported to the National Student Clearinghouse as graduating. Another student that graduated was reported withdrawing instead of graduating; the College does not have a system in place to check for late graduates. Another finding was an "Advance Request Report" did not have signed approval prior to submission of the report; recommendation was to implement a system to ensure that all reports receive a signed authorization before advance requests are submitted.

Ms. Escajeda moved, seconded by Mr. Nicholson to approve the 2009-2010 audit report. The motion carried unanimously.

EDUCATION REPORT – EAST CAMPUS UPDATE:

Dr. Shawn Fouts spoke of the retired buses donated from the city of Amarillo; East Campus modified them and they are now used as mobile classrooms. Included in the Career and Technical Education (CTE) departments are business administration, computer information systems, management, office administration, paralegal, and real estate. In the paralegal department there were 60-68 students last year; this year there are 168 majors. AC is focusing on certain CTE programs and deactivating others. Another area under CTE and on the East Campus is Industrial and Transportation Technology which includes the following programs aerospace manufacturing; automotive technology; auto collision tech; aviation maintenance; diesel mechanic; fire protection; fire academy; HVAC; industrial maintenance; manufacturing technologies; nondestructive testing and safety and environmental; truck driving academy; and welding. Other programs and services at East Campus are some ACcess programs; advising; assistance center; a fitness center; criminal justice – TDCJ; electronic systems; GEAR UP; High Plains Food Bank; Kids Café, and the AC Housing office. The CTE area is working on a strategic plan; bond construction; wind towers; Carter Fitness Center, Too; student sticky spaces (Badger Den, Too); and new mobile classrooms.

REQUEST FOR USE OF EARNINGS FROM THE HARRINGTON LIBRARY CONSORTIUM ENDOWMENT FOR PURCHASES TO BENEFIT THE CONSORTIUM APPROVED:

Attached at page 78 is a letter from Donna Littlejohn, Chair, Harrington Library Consortium Council, which gives details regarding this request of \$45,105.00 from HLC Endowment earnings.

Mr. Nicholson moved, seconded by Dr. Woodburn to approve the request for use of earnings from the Harrington Library Consortium Endowment. The motion carried unanimously.

DONATION OF SURPLUS EQUIPMENT APPROVED:

This item was placed on the agenda so that the Board of Regents could consider whether certain dental equipment described in Exhibit A is surplus and unnecessary for the operation of Amarillo Junior College District and if so, whether to donate it to Randall County, Texas for use in connection with its detention facilities. Resolution, Transfer of Personal Property Without Warranty, and Exhibit A are attached at pages 79 through 83.

Dr. Woodburn moved, seconded by Mr. Hicks to approve donation of surplus equipment to Randall County and to authorize the Board Chairman to sign the resolution. The motion carried unanimously.

AMARILLO COLLEGE MASTER PLAN – AUGUST 2007, ADDENDUM APPROVED:

In early 2007, Amarillo College contracted with Shiver Megert & Associates to conduct a space utilization study which resulted in the Amarillo College Master Plan, August 2007. This master plan was the foundation for the successful bond election in November of 2007.

With the existing favorable construction climate and building projects coming in under budget, bond proceeds will be available to fund additional projects. Since the 2007 master plan was completed, several areas of need have been identified. Section 4.1.1.1.1 of the *Strategic Plan Through 2015* states “Physical Plant will publish a facilities master plan ...”

Since additional projects have been identified, we are recommending contracting with Shiver Megert & Associates to develop an addendum to the Amarillo College Master Plan, August 2007, which addresses the additional areas of need throughout the College.

The contract amount is \$85,000.00; funds are available from the Strategic Plan Contingency.

We need someone from outside to assist us with most efficient way to spend the money. There are some needs we did not have in 2007. Closing the area under Parcels Hall and Byrd Business Building for offices was mentioned.

Mr. Nicholson moved, seconded by Mr. Hicks to approve the Amarillo College Master Plan – August 2007 addendum. The motion carried unanimously.

CONSENT AGENDA APPROVED:**A. APPOINTMENTS:**Faculty

Manchester, Cynthia K. – Instructor, Sonography

Effective Date: October 04, 2010

Salary: \$53,465.00 per year for 11 months full-time

Qualifications: B.S., Oregon Institute of Technology, Klamath Falls, Oregon
A.A.S., Midwestern State University, Wichita Falls, Texas

Experience: 30 years related work

Note: New position approved in the 2010-2011 budget.

APPOINTMENTS Continued:

Bio: Cindy Manchester has thirty years of experience in sonography, first with Northwest Texas Hospital, supervising and managing a department of 10 sonographers, and more recently as owner/operator of JDC Ultrasound, Inc. in Amarillo. Ms. Manchester has an Associate of Radiology from Midwestern State University and a Bachelor of Science in Vascular Technology from Oregon Institute of Technology and is ARDMS and SDMS certified.

B. BIDS AND PROPOSALS:

- **Request for Proposal No. 1247 – Re-roofing Project, East Campus Housing**

RFP No. 1247, for re-roofing twenty-two residential units, located on the East Campus, was advertised in the newspaper. Three contractors picked up project documents. A tabulation of proposals received is attached at page 84.

It is recommended to award Proposal No. 1247 to Andrus Brothers Roofing, the low proposer to the specifications, for the amount of \$141,000.00.

Funds are available in the current 2010-2011 Housing Budget.

Ms. Fortunato moved, seconded by Mr. Nicholson to approve the Consent Agenda. The motion carried unanimously.

FINANCIAL REPORT ACCEPTED:

The financial statements as of October 31, 2010 are attached at pages 85 through 94.

Revenue

We have received 25% of our total revenues. We have received \$6.7 million in academic tuition and fees or 46% due higher enrollment and tuition and fees.

Expenditures

We are 16% through the year. Special items are at 35% due to technology equipment purchased.

Auxiliary Enterprises

Bookstores' net loss is \$63,594; rental property is at \$271,373.

Restricted Funds

Federal grants and contracts are up by \$333,987; state grants and contracts are down \$236,036; local grants and contracts are down \$3,032 and KACV grants and contracts are down \$306,444.

Cash and Investments

\$53.8 million total minus \$21.6 million (bond) = \$32.2 million – October 2010; \$56 million total minus \$23.1 million (bond) = \$32.9 million – October 2009; \$51.8 million total minus \$20.8 million (bond) = \$31 million – October 2008.

FINANCIAL REPORT ACCEPTED Continued:**Alterations & Improvements**

There has been \$552,649 in actual expenditures out of the \$1.5 million projected cost.

Tax Schedule

\$62,703 has been collected out of \$18,315,475 budgeted.

Bond Expenditures

\$34.4 million has been spent out of an estimated \$52.9 million.

Ms. Fortunato moved, seconded by Mr. Nicholson to accept the financial reports. The motion carried unanimously.

PRESIDENT'S REPORT:

As reported last month, the Bill and Melinda Gates Foundation and MDC, a nonprofit organization dedicated to expanding opportunity and reducing poverty, announced that Amarillo had been selected as one of four cities to participate in the *Partners for Postsecondary Success* initiative as part of a Gates funded national effort to improve postsecondary completion rates among low-income young adults. The Amarillo Area Foundation alerted AC of this opportunity. Individuals representing Amarillo College in this initiative include: Lilia Escajeda, Dr. Russell Lowery-Hart, Danita McAnally, Bob Austin, LuLu Cowan, and Dr. Paul Matney.

Dr. Matney spoke of the Community College Survey of Student Engagement (CCSSE) results from spring 2010; this was AC's second time to administer this survey. It is a vitally important survey with results that should greatly improve our College.

There will be the Southern Association of Colleges and Schools Commission on Colleges Annual Meeting in Louisville, Kentucky in December to discuss the Compliance Certification; the theme of the meeting will include the challenges facing higher education including severe budget reductions, faculty and staff furloughs, increased class sizes, shrinking endowments, and a general climate of uncertainty; several from the College will be attending. There is also a SACS orientation meeting in Atlanta in January & February 2011 for those colleges who will soon be having accreditation site visits. Amarillo College's site visit will be in fall 2012.

Dr. Matney told of the probable additional State budget reductions.

Mr. Williams, Nicholson, and Forrester, along with Dr. Matney, attended the Higher Education Leadership Conference recently in Austin, Texas.

Amarillo College will close on November 24 at 3:00 p.m. for the Thanksgiving Holiday.

Dr. Matney extended accolades to AC *Plugged In*, the faculty and staff newsletter; copies were distributed to Regents.

The AC Threat Response Team recently underwent additional training and exercises.

PRESIDENT'S REPORT Continued:

Dr. Matney referred to the "No Excuses University" brochure which was distributed. This initiative in Amarillo began at San Jacinto Elementary; there are now nine schools involved in Amarillo.

Regents were reminded of the two Nursing pinnings and the fall Commencement on December 11 at 10:00 am.

A copy of the Community College Association of Texas Trustees (CCATT) flyer was distributed. Membership in this organization was discussed.

A dinner, underwritten by Underwood Law Firm, will be hosted for current and former regents; past AC Foundation Board Chairs; and a few honors students on January 20 at the Amarillo Country Club.

REGENTS' REPORTS, COMMITTEES, AND COMMENTS REGARDING AC AFFILIATES:

KACV-TV will have a pledge drive December 1-12, 2010.

Ms. Fortunato distributed a handout of current and upcoming events for the Amarillo Museum of Art. The exhibits of *Leo Jensen: Total Pop Art* and *Dalia Ramanauskas: Playing Reality* will both be up through January 2; Christmas Workshop will be held on Saturday, December 4; the next Third Thursday is on December 16. The Panhandle Artists' Hanging and *By the Numbers* opening night will be January 6, 2011 with the exhibition on January 7-16. No Third Thursday in January, but the next ones: February 17 and March 17. The AC/WTAMU Student/Faculty Show will open March 25 and the exhibit will run March 26 – April 10.

TIRZ agreed to sell obligation bonds for Potter County landscaping but will have to take it before the City Commission. The Courtyard by Marriott located in the historic Fisk Building in downtown Amarillo should open by the end of the year.

CLOSED SESSION:

At 7:42 p.m., Mr. Williams announced there would be a closed meeting to afford an opportunity for the Board to discuss the employment, evaluation, reassignment, and/or duties of an employee pursuant to Section 551.074, Texas Government Code.

At 8:07 p.m., Mr. Williams called the Amarillo College Board of Regents meeting back into open session. No action was taken.

ADJOURNMENT:

There being no further business, the meeting was adjourned.

Don L. Nicholson, Secretary

