

**AMARILLO COLLEGE BOARD OF REGENTS
MINUTES OF REGULAR BOARD MEETING
November 24, 2009**

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

REGENTS ABSENT: Ms. Lilia B. Escajeda; Dr. Gene Norman; and 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; and Dr. Paul Matney, President

Mrs. Rebecca Archer, representing Classified Employees Council
Mr. Bruce Cotgreave, Director, Physical Plant
Mrs. Sharon Doggett, Director of Accounting-Finance, Administrative Services
Ms. Tammy Esparza, Administrative Clerk I, Hereford Campus
Mr. Daniel Esquivel, Executive Director, Hereford Campus
Ms. Lani Hall, representing Conner, McMillon, Mitchell & Shennum, PLLC
Mr. and Mrs. Bob Josserand, Mayor of Hereford and wife
Mr. Jerry McMillon, representing Conner, McMillon, Mitchell & Shennum, PLLC
Mrs. Lori Merriman, Executive Secretary, President's Office
Mrs. Brenda Sadler, Exec. Asst., Pres's Off. and Asst. Secy. to the Board of Regents
Mrs. Vickie Shelton, Director, Purchasing
Mr. Jerry Smith, Hereford Advisory Committee member
Mr. Lynn Thornton, Director of Administrative Services/Human Resources
Mr. Joseph Wyatt, Communications Coordinator, College Relations
Mr. David Ziegler, representing Administrators' Association

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

Mayor Josserand said that as a citizen of both Hereford and Deaf Smith County, Amarillo College means so much to them. AC has provided an opportunity for Hereford to improve so many lives; Hereford is a blue-collar community and its quality of life has improved immensely. Mayor Josserand expressed his appreciation to the Board. He indicated that the Hereford Campus had outgrown the current facility.

MINUTES APPROVED:

Mr. Nicholson moved, seconded by Mr. Hicks to approve minutes of the regular meeting of October 27, 2009. The motion carried unanimously.

INDEPENDENT AUDIT REPORT FOR 2008-2009 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, 2009. Copies of the audit were provided to the Board of Regents.

INDEPENDENT AUDIT REPORT FOR 2008-2009 APPROVED Continued:

Jerry McMillon discussed various portions of the Annual Financial Report and referred the regents to the statements of net assets pages. He pointed out that these pages reflect a different format for reporting financials. Mr. McMillon said the financial statements ended in conformity with accounting principles generally accepted in the United States. The condensed comparative financial information includes:

	<u>2009</u>	<u>2008</u>
Total Assets – Capital Net	\$ 93,565,712	\$ 84,985,948
Total Assets – Noncapital	<u>74,016,385</u>	<u>64,357,404</u>
Total Assets	\$ 167,582,097	\$ 149,343,352

The operating loss for 2009 was \$46.8 million; the non-operating revenues equaled \$50.8 million.

A total fee of operating revenues was \$5.6 million in 2009 and \$4.9 million in 2008. It is the opinion of Mr. McMillon that AC had a clean audit. There were no material weaknesses identified.

One federal and state award finding and questioned cost includes the Federal Family Education Loans; a student's amount that had to be repaid to the Department of Education was calculated incorrectly; too much money was returned. It was discovered that the computer software, Datatel, did not calculate the amount correctly.

Mr. Hicks moved, seconded by Mr. Forrester to approve the 2008-2009 audit report. The motion carried unanimously.

EDUCATION REPORT – HEREFORD CAMPUS UPDATE:

Daniel Esquivel, Executive Director, Hereford Campus, presented a PowerPoint. Some campus updates included an enrollment increase of 11% for fall 2009; on November 16, 82 students were enrolled compared to 26 in fall 2008. Mr. Esquivel named new employees at the Hereford Campus. Hereford Campus students have partnered or plan to in future events. On November 2, they held a flu shot clinic; had a Festival of Trees for Hereford Senior Citizens; they plan to host a Christmas celebration with a parade on December 7; in March 2010 they plan a Job Fair; and a Taste of the Southwest in April.

Current enrollment trends are as follows 2005 – 226; 2006 – 269; 2007 – 315; 2008 – 347; and 2009 – 321.

A campus retreat was held on November 5, 2009; involved in the retreat were members of the Hereford Advisory Committee, Daniel Esquivel, LuLu Cowan, and Marcy McKay, facilitator. The retreat was held at Starlight Canyon, south of Amarillo. Discussed were future campus plans, finances, and goals. The group identified potential properties to look at for campus expansion.

Expanded Continuing Education classes scheduled include ESL, workplace English; computer classes; occupation Spanish; Pilates/yoga and aerobics/kick-boxing; guitar; photography; upholstery; and GED classes. In the future, they would be interested in offering alternative energies classes.

AMARILLO COLLEGE BENEFIT PROGRAM RECOMMENDATION APPROVED:

The actuary study has been completed by Rudd and Wisdom, Inc. for the three year period ending December 31, 2008. Based on the expected claims and the strong financial position of the disability and survivors' plans together, they are recommending that the College contribution rate continue to be .75% of payroll. Because of the steady decline in the survivors' fund surplus as a percent of the total of the surplus in the disability fund and in the survivors' fund, they are recommending that the college contribution rates for the plan years 2009-2011 be .75% of payroll for the survivors' fund and 0.00% for the disability fund. This recommended contribution approach is a reversal of the actual contribution approach for the plan years from 1996-2008, with all of the College contribution having gone to the disability fund. However, this change should help stabilize the relative distribution of the total surplus in the two funds in the future.

Mr. Hicks moved, seconded by Mr. Nicholson to approve the recommendation for the Amarillo College Benefit Program. The motion carried unanimously.

CONSENT AGENDA APPROVED:**A. APPOINTMENTS:**FacultyCoppock, Ginny L. – Instructor, Vocational Nursing

Effective Date: October 15, 2009

Salary: \$40,933.00 per year for 9 months full-time temporary

Qualifications: A.D.N., Amarillo College, Amarillo, Texas

Experience: 8 years related work

Replacement for: Karla Dixon

Bio: Ginny Coppock has been a Registered Nurse for 10 years, most recently with Baptist St. Anthony's Hospital in the Post Anesthesia Care Unit. Ms. Coppock earned an Associate Degree in Nursing from Amarillo College and attained her R.N. license and is currently pursuing a Masters Degree in Nursing/Education at West Texas A & M University.

B. BUDGET AMENDMENT:

A budget amendment for approval by the Board is attached at page 70.

Dr. Woodburn moved, seconded by Mr. Forrester to approve the Consent Agenda. The motion carried unanimously.

FINANCIAL REPORT ACCEPTED:

The financial statements as of October 31, 2009 are attached at pages 71 through 81.

Revenue

We are 17% into the year; 24% of revenue has been received. Academic tuition and fees is up due to higher enrollment. Community Service has increased; interest income is at 4%.

FINANCIAL REPORT ACCEPTED Continued:**Expenditures**

We have expended 16% of funds budgeted. The following are over budget: institutional support due to property insurance being paid; fringe benefits due to worker's compensation; and special items due to technology replacements.

Auxiliary Enterprises

Bookstores' profit is \$928. Rental property is at \$250,000; an increase of \$72,000 from last year.

Restricted Funds

Federal grants and contracts are up by \$485,172; state grants and contracts are up \$264,335; local and KACV grants and contracts are down.

Cash and Investments

\$56.0 million total minus \$32.9 million (bond); \$23.1 million – October 2009; \$51.8 million minus \$31.0; \$20.8 million – October 2008; \$28.9 million – October 2007.

Alterations & Improvements

\$264,499 in actual expenditures out of the \$1.8 million projected cost.

Tax Schedule

\$569,631 has been collected out of \$17,561,130 budgeted.

Bond Expenditures

\$15.7 million has been spent out of an estimated \$41.3 million. The Science Laboratory Building is scheduled to be open for spring classes.

Reserve Analysis

As of 8/31/09, the balance was \$21 million; there has been \$551,181 in activity, leaving a balance of \$20.5 million. This year we will have to abate buildings with asbestos on East Campus; an estimate will be forthcoming.

Mr. Williams moved, seconded by Dr. Woodburn to accept the financial reports. The motion carried unanimously.

INVESTMENT REPORT APPROVED:

The Board of Regents will be presented the Quarterly Investment Report for the period June 1, 2009 through August 31, 2009. The weighted average maturity of the portfolio is approximately 2.4 months. The overall portfolio yield is 0.796%, which is very competitive in this market. A copy of the report was provided to the Regents.

Mr. Hicks moved, seconded by Mr. Nicholson to approve the Quarterly Investment Report. The motion carried unanimously.

PRESIDENT'S REPORT:

Dr. Matney, Ms. McAnally, Mr. Forrester, Mr. Nicholson, and Mr. Williams will attend the 2009 Texas Higher Education Leadership Conference at the Westin Center – Dallas, 12/3-12/4/09. AC's Math Outreach Center is a finalist for the STAR Award.

Dr. Matney, Mr. Forrester, Mr. Williams and Dr. Woodburn will attend the Texas Association of Community College Trustees and Administrators Conference at the Hyatt Regency – Austin, 1/11- 1/12/10.

Board Retreat Planning (dates, times, facilitator) – The retreat will be held on Saturday, February 6, 8:30 a.m. – 1:00 p.m. Dr. Matney has been visiting with Dr. Greg Williams, President, Odessa College, who will facilitate the retreat.

Mr. Nicholson and Mr. Frank Nelson have planned a Christmas Decorations/Lighting Ceremony on Monday, November 30 at 6:30 at 24th and Washington. Refreshments will be served in Russell Hall.

VP of Academic Affairs search is ongoing; Bill Crawford is chairing the search committee; the job announcement has been posted. Thus far, we have received eight applications; a thorough review will take place in January.

AC Foundation awarded ten (10) \$1,000 scholarships at the Area Counselors Luncheon, 11/4.

Hereford Campus Planning Retreat was conducted recently. The challenge will be to look for a new location.

Thirty-one students attended the AC Honors Student Trip in Dallas, November 21-22.

The AC Distinguished Lecture Series with Cal Ripken, Jr., will be held February 9. Tickets will go on sale soon.

We continue to be proactive concerning the H1N1 flu; the President's Office continues to send out Flu Tips and updates.

Mr. Bob Sanders recently underwent hip replacement surgery.

Dr. Matney distributed a handout of the Strategic Plan Survey and the regents were asked to respond to Ms. McAnally.

The Math Outreach Center is one of the finalists for a Bellwether Award; Dr. Matney and a regent will travel to Orlando in late January for the presentation. They will still be out of town on our regular January Board meeting date; the regents were asked if we could change the meeting to Wednesday, January 27.

A ribbon-cutting ceremony is planned for January 21 for the new Science Laboratory Building.

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

Mr. Nicholson said that the AC Foundation Annual Giving Campaign is underway; Foundation board members are being asked to sign letters.

The Underground Railroad exhibit at the Amarillo Museum of Art is exquisite, according to Mr. Forrester.

ADJOURNMENT:

There being no further business, the meeting was adjourned.

John D. Hicks, Secretary

