

Frank Phillips College
Board of Regents
Regular Meeting
May 16, 2011

- Members Present: Conny Moore, Steve Williams, Jay Campbell, Shad Goldston, Sandra Hilbert, Marlene McKinney, Tonya Moore, Ed Quiros, Scott Radach.
- Others Present: Dr. Jud Hicks, Shannon Carroll, Lew Hunnicutt, Bridey McCormack, Jerry McMillon and Janie Arnold, Connor-McMillon-Mitchell-Shennum Certified Public Accountants and Consultants, Rusty Berry, News Herald, Nancy Young, Highlights Memories.
- Call to Order: Mr. Moore called the meeting to order at 12:35 p.m. and welcomed the guests. Dr. Goldston presented the invocation.
- New Employees: New employees introduced to the Board:
- Ashley Dyer, Volleyball Coach
 - Chris Hackett, Men's Basketball Coach
 - Travis Dooley, Assistant Men's Basketball Coach
- Presentation: Mr. Moore presented a plaque to Mr. Odis McClellan in appreciation of his service to the FPC Board of Regents from 2003 to 2011.
- Adjust Agenda: Mr. Moore explained that Items #V. Report Regarding 2010-2011 Classes, and Item #VI. Title IV-Trio Program, would be moved for presentation immediately after Item #III. Minutes of the April 28, 2011, regular meeting.
- Minutes of the April 28, 2011, Regular Meeting: On a motion by Mr. Williams, seconded by Mr. Campbell, the minutes of the April 28, 2011, regular meeting were unanimously accepted as presented.
- Report Regarding 2010-2011 Classes: Dr. Hicks explained that the Education Code requires, "After the end of each spring semester, the College President shall provide the Board with a report for the preceding fall and spring semesters indicating for each instructor certain course information under Education Code 51.403.
- He introduced Michele Stevens, Enrollment Manager, who explained that the full report was in the President's Office for anyone who would like to see it. The report is divided by instructor and indicates each class that was offered, credit hours for each class, course name and number for each class, the enrollment at the beginning of the semester for each class, and the enrollment at the end of the semester.
- Title IV-Trio Program: Ms. Peggy Little, Director of the Title IV-Trio Program, presented information regarding the program, including:
- Trio is required to serve at least 160 students each year
 - To qualify for the Trio Program a student must be low income, first generation, or disabled.

- Objectives of the Trio Program:
 - Have 65% of the Trio students persist from the first year through the second year of college
 - Have 85% of the students earn a 2.0 GPA or above, which FPC Trio students do
 - Have 20% of the Trio students earn an associate degree or certificate within two years
- Students are required to participate in five activities per year, which include things like picking up trash on the section of highway that Trio has adopted or working in the booth at Baby Animal Day, etc.
- Students are provided lunchtime seminars, tutoring, advising, and orientation
- This year \$24,000 in Trio scholarships were given to students
- This year is the first year that Trio scholarships will be available to students for summer classes

Financial Report:

Dr. Hicks presented the financial report noting:

Revenue:

- State Appropriations will be received through the end of the academic year; State Appropriations are down \$40,000 as a result of the 2 ½% appropriations decrease last fall
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- Borger Junior College District taxes collected were \$42,000; Ochiltree County Taxes collected were \$3,000; with \$77,000 remaining to be collected from the BJCD and \$52,000 for Ochiltree County.
 - Dr. Hicks provided the name of the attorneys for Hutchinson County, regarding tax collection, to Mr. Campbell.
 - He explained that he had talked with the tax assessor and she was comfortable about the collection process and collection rates.
- The dorms are right on budget and there is a lot of interest in summer housing.

Expenditures:

- Employees are being selective in how money is being spent; discretionary funds are being looked at very carefully
- Early debt payment on Tyler Street was \$179,000
- The next payment on the IPC Property will be received in August and it will be used to pay the remained of the debt on Tyler Street

Dr. Hicks also presented a financial analysis of the BCAC and a “snapshot” of memberships, active contracts, and the fee charged for each. Dr. Hicks noted that this report does not include any athletic events at the BCAC. Members were also provided a copy of the BCAC brochure.

In answer to Mr. Campbell’s comments regarding fee increases, Dr. Hicks explained that all those things can be covered in the Annual Retreat or at the next Board of Regents meeting. He further explained that the Board’s approval was not necessarily needed to increase fees. There have been no fee increases at the BCAC in ten years; cost of operation has increased, so there was ample justification for a fee increase. Dr. Hicks asked if this should be a line item for the Retreat, the consensus was affirmative.

Ms. McKinney asked if students paid to use the BCAC. Dr. Hicks explained that students, taking nine or more credit hours, pay a \$35 BCAC Use Fee.

Gifts, Grants,
and Donations:

Dr. Hicks commented that Linn Operating, Inc. had donated \$106,000 for the renovation of the softball field, which is the property of the City. He had met with Eddie Edwards, City Manager, and Dan Redd, Borger Economic Development Corporation, to discuss the needs for the area. Included in the proposal was \$60-\$65,000 for a restroom/concession building. Having two collegiate softball fields will allow for tournament play, which will bring revenue to the City through hotel/motel occupancy and restaurant utilization.

On a motion by Mr. Campbell, seconded by Ms. Hilbert, the Board unanimously accepted the \$106,000 donation from Linn Operating, Inc.

Risk Assessment:

Dr. Hicks pointed out that the purpose of a Risk Assessment was to ensure that at the end of the year we would know what needs to be done; what was right, what was wrong; and “get everything on the table.”

Dr. Hicks met with Jerry McMillon and Janie Arnold, Connor-McMillon-Mitchell-Shennum, Certified Public Accountants and Consultants, to discuss the procedures for protecting the assets of the institution and protecting the integrity of the institution when the chief financial officer and the president are the same individual.

Jerry McMillon explained that there were not a lot of changes to be made. There are good controls in place; there is a segregation of duties. Where there might be a conflict it is necessary to get another individual involved, i.e. Shannon Carroll, Vice President of Academic Affairs.

Mr. McMillon talked about “perception,” and the importance of having another individual (Bridey McCormack) attend the Board Meetings and be involved with the Board. Mr. Williams asked if Bridey answers to Jud, how you address that. Mr. McMillon asked, “What can you live with? Do you need to go out and get another CFO to break the linkage? Personally, I do not think so.”

Dr. Hicks said that on an operational level all grants, purchasing, payroll, etc. require multiple signatures—CFO and president. In those cases, Bridey can mark out CFO and sign as Director of Accounting and he could sign as President.

Mr. McMillon stated that one cannot always get past “perception.” The second signature should not be a “rubber stamp.” Outside agencies should have no problem with the financial person who knows the information.

Dr. Quiros asked if there was something in place that would keep what happened with the former president from happening again. Mr. Radach said that there were procedures in place and that the audit had identified that. Mr. Moore said that those things would be addressed in closed session.

Mr. McMillon explained that he was leaving the firm and moving to Austin. Janie Arnold, who is a partner, would be taking his place at Connor-McMillon-Mitchell-Shennum. On behalf of the College, Dr. Hicks thanked Mr. McMillon

for all he had done for the College and he noted that the College was being left in competent hands.

On a motion by Mr. Williams, seconded by Dr. Quiros, the Risk Assessment Report from Mr. Jerry McMillon, Connor-McMillon-Mitchell-Shennum, was accepted unanimously.

Presidents
Compensation
Policy:

Mr. Williams stated that the second consideration in the Risk Assessment was to specifically address the audit finding, a material weakness, regarding the procedure to change the president's salary.

Mr. Williams noted that the President's Compensation Policy as presented needed two corrections: change "President's Executive Assistant" to "President" in the third paragraph outlining required signatures; and change "processes" to "processed" in the final paragraph, which outlines payroll processing and filing of the document.

The second document was the President's Compensation Change Authorization Form. The Board will use this form every time any change is made in the president's compensation.

On a motion by Mr. Williams, seconded by Mr. Campbell, the President's Compensation Policy, as edited, and the President's Compensation Change Authorization Form were unanimously accepted.

Name Bridey McCormack
Public Funds Investment

Officer:

Ms. Hilbert moved that Ms. Bridey McCormack, Director of Accounting, be named Public Funds Investment Officer. Seconded by Mr. Radach, the motion was accepted unanimously.

Dr. Quiros asked if Ms. McCormack would be solely responsible for investments, Mr. Radach explained that the Investment Policy outlines investment procedures. Mr. Moore added that any major shift in funds would go through the Board of Regents. Mr. Williams asked if Ms. McCormack was bonded, Dr. Hicks answered, "yes."

Items of
Information:

Included in the Items of Information:

- The Grant Summary now includes a legend on the last page to answer questions that were expressed in the last meeting
- Annual Calendar for the Board of Regents
 - After a discussion regarding when the Legislature will have its budget completed, estimates of the cuts in State Appropriations, and the impact that the cuts will have on the College, the Annual Board Retreat will be set for Saturday, August 6, 2011, beginning at 8:00 a.m. in the A&I Conference Center
 - The New Member Orientation is Friday, May 27th, beginning at 2:15 p.m. in the President's Office

- Dates and Events
 - Dr. Hicks asked Board Members to add Thursday, June 2, 2011, for a reception for Mr. Jack Stanley, Dean of Career and Technology. Industry representatives, members from the community, and Board members will be invited to the event to meet Mr. Stanley.

Presidents
Report:

Dr. Hicks included in his report:

- Because of the NJCAA sanctions, the golf program will be suspended for at least the next year. The golf students have been released to go on to other colleges.
- To replace the students lost in the suspension of the Golf Program, a Collegiate FFA Program has been proposed. An individual, Amanda Jewkes, has been moved to Ag Instructor and FFA Sponsor. Fifteen new students will be recruited for the program, which is also open to current students. Rodney Purswell, Dustin Warren, and Amanda Jewkes brought this proposal forward.

The Golf Program budget was \$50,000 for operations and scholarships, the Collegiate FFA Program will have a budget of \$10,000, primarily for recruiting and travel. Seven thousand dollars is needed for scholarships to enhance the program and will be raised through donations.

Dr. Hunnicutt added that a Collegiate FFA Program will be great for FPC because the majority of recruiting for the program will be done in the FPC service area.

Discussion followed regarding last year's golf program.

Shannon Carroll:

Mr. Carroll presented additional information regarding putting into place an Associate Degree EMT Program:

- Approximately \$15,000 to become accredited; this is a onetime cost.
- Each course generates funds above the cost of instruction.
- Should have up to fifty enrolled for at least the first two quarters; if we convert to credit system, they become a part of that.
- If we do not go to credit, there will be no EMT Continuing Education Program.
- Going to a credit program will require hiring a director for the program. Mr. Sam Aldrich, who currently teaches EMT for FPC, is interested in that position, and is the only person in the Panhandle who is certified to do that.

Dr. Hicks added that going to the credit program in EMT is a part of the shift toward a focus on workforce programs.

The mini term classes have all made.

Lew Hunnicutt:

Dr. Hunnicutt presented an overview of activities at the Perryton Campus:

- The Vision Banquet was April 29th and last week the first \$20,000 endowed scholarship was received: The Mike R. Richardson Memorial Scholarship. Additionally two donations, one for \$400 and one for \$100, were received. There have been comments from the community that others are planning to donate as well.

- The Allen Campus Student Senate hosted a Career Day. More than 150 students attended and forty-five local business people came to share with them information about their professions.
- April 28th Dr. Hunnicutt went to Spearman and talked with fourteen community members. He reported that it was the most interactive group he had spoken with. The people who attended indicated that agriculture classes are number one on their list.
- April 29th representatives from the Amarillo Area Foundation came to Perryton to discuss an ACE (Achievement through a Commitment to Education) Program in Perryton. Through the ACE Program, a student, prior to entering high school, signs a contract agreeing to make certain minimum grades and agrees to maintain a 95% attendance rate. When the student graduates and enrolls at Amarillo College or West Texas A & M University, the ACE scholarship will pay tuition, fees, and books, not covered by Pell Grants. Plans are to include FPC in the ACE Program for Perryton students.
- The architects and contractors have met to discuss building and parking lot issues. Plans should be in place by the end of summer to address the issues.
- The CDC is meeting to consider providing the funds to renovate the lab to create two additional classrooms. If they approve the funding for that project, which is an estimated \$120,000, the project will be brought to the Board for their approval.
- Next week Dr. Hunnicutt and Renee Prater will travel to Dalhart. This visit with residents will concentrate on Safety classes that FPC can provide to them.
- The total number of individuals served by FPC to date is 50,829.
- Dr. Hicks and Dr. Hunnicutt will travel to Canadian on Tuesday, May 17, to ask, "What can we do for you?"

Closed Session: At 2:25 p.m. Mr. Moore called a closed session of the Board of Regents noting that the authority for going into a closed session is contained in the Open Meetings Act, Texas Code Annotated, Government Code Article 551.074. He added that no final actions, decisions or votes shall be made in the closed meeting.

Open Meeting: At 3:46 p.m. Mr. Moore reconvened the open meeting advising that no final action, decision or vote with regard to any matter considered in the closed meeting was made.

Personnel: On a motion by Mr. Williams, seconded by Mr. Campbell, unanimous approval was given to adopt the President's Employment Contract with a change of the date as noted in Term 1.1 Employment to "commencing on April 18, 2011, and ending on June 30, 2012."

Mr. Radach expressed appreciation on behalf of the Board to Dr. Hicks for everything that he has done in moving the College the right direction. He noted that Dr. Hicks has a great support team and that great people always surround themselves with great people.

Adjournment: There being no further business, the meeting was adjourned at 4:49 p.m.