

Frank Phillips College
Board of Regents
Regular Meeting
November 16, 2009

- Members Present: Conny Moore, Odis McClellan, Carlos Mendez, Ed Quiros, Steve Williams, Sandra Hilbert, and Scott Radach. Members absent: Bill Cornelius.
- Others Present: Herbert J. Swender, Sr., Jud Hicks, Becky Green, Lew Hunnicutt, Jerri Aylor, Brooke Huff, News Herald, and Gloria Rummel.
- Call to Order: Mr. Moore called the meeting to order at 12:38 p.m. and welcomed the guests. Dr. Quiros presented the invocation.
- Minutes of the October 19, 2009, Regular Meeting: On a motion by Mr. Williams, seconded by Dr. Quiros, the minutes of the October 19, 2009, regular meeting were accepted unanimously as presented.
- 2009 Audit Report: Dr. Hicks introduced Jerry McMillon and Ms. Janie Arnold of Connor-McMillon-Mitchell-Shennum, Certified Public Accountants & Consultants. Mr. McMillon noted that the audit report was “clean, unqualified,” which is the best audit that one can get. Mr. McMillon also explained that the “Management’s Discussion and Analysis” was prepared by Dr. Hicks and presented a good overview. Additionally the single audits were clean and unqualified. The audit was very comparable to last year’s audit. The big change from last year was related to the construction of the welding facility. He also noted that the Coordinating Board has changed the way they want the Title IV Federal funds reported, it does not change the amounts, only the way it is reported.
- Mr. McMillon noted that in the single audit section there will be one change made from the draft audit to the final audit report. The Department of Education audit is still in process. A finding was added as a full disclosure since the DOE audit is on-going and nothing has been resolved.
- Mr. McMillon closed with a thank you to Dr. Hicks and his staff for their assistance during the audit. He also noted that they do a good job.
- On a motion by Ms. Hilbert, seconded by Mr. Williams, the 2009 Audit Report was unanimously accepted as presented.
- Financial Report: Dr. Hicks presented the financial report noting that this is the second month of the annual budget, and
- Tuition and Fees is \$1.236 million of the \$3.021 million budgeted;
 - 90% of our students have received financial aid
 - Taxes collected in Hutchinson County are \$134,000, which is behind last year at this time. The Appraisal District sent tax bills out late and as a result taxes collected are behind.
 - The College has been reimbursed for the \$16,000 spent on the Perryton Rodeo
 - A used truck has been purchased for the Maintenance Department
 - Approximately \$26,000 has been spent for thermostats in the BCAC and the A&I.
- At last month’s meeting there were questions from the Board. The first was in reference to miscellaneous income. Miscellaneous income includes: \$36,000 budgeted for the Perryton infrastructure; \$20,000 from Texas Workforce Commission for the One-Stop rental; \$15,000 bookstore revenue; and \$45,000 for the bond.

The second question concerned the tax incentives as related to energy savings. Dr. Hicks explained that he had talked with several individuals including those at the Texas Higher Education Coordinating Board and the electric company. There is nothing available to community colleges. The credit available is for individuals and come as tax credit. The College does not pay taxes and would not be eligible for tax credit. The College is required each year to report energy savings projects.

The third question was in reference to investments. Dr. Hicks explained that the College has approximately \$400,000 that is not invested. The requirement is to keep the amount invested below \$250,000 when the institution is something other than a bank. H & H Credit Union's Super Share is earning 1.65% and the Pantex CD rate is 2.25%.

Dr. Swender noted that State Revenues are down approximately 12% and that last year the State asked for funds to be returned. That could happen again.

Dr. Hicks said that if money was moved to Pantex or to H & H Credit Union, the College would need authorization from the Board to open accounts at those institutions.

Following a discussion about various accounts, Dr. Hicks noted that all nine College accounts are interest bearing accounts and that those accounts are earning a higher interest rate than sweep accounts.

Mr. Williams pointed out that the administration has the talent to make decisions, which is clearly in the administration's purview to do. Mr. Williams made the motion to enable the administration to open accounts at both Pantex and H & H Credit Unions. Seconded by Mr. Radach, the Board voted with five in favor and one abstention (Mr. McClellan) to accept the motion.

Consent Agenda:

On a motion by Mr. Williams, seconded by Mr. Mendez, the following items were accepted unanimously as presented:

- a. A resolution for the acceptance of AARA funds. The American Recovery and Reinvestment Act of 2009, (ARRA) is an economic stimulus package enacted by the 111th United States Congress in February 2009. In Texas these funds were awarded to the Governor, who in turn, allocated the funds to State Agencies and other eligible recipients. ARRA funds for the State Fiscal Stabilization Fund-Government Services will be administered by The Texas Higher Education Coordinating Board (THECB). For 2009, THECB is expecting approximately \$723 Million for Texas Public Community/Junior Colleges, Institutions of Higher Education and State Agencies (applicants).

The expenditures by a public community/junior college of any funds received by it under these provisions was limited to the payment of the following elements of cost: instruction, academic support, student services, institutional support, organized activities, and staff benefits associated with salaries paid from general revenue...It is specifically provided that funds appropriated above may not be used for the operation of intercollegiate athletics.

Funding for community colleges was based on a prescribed formula. Frank Phillips College applied for and was granted \$40,675.00 from ARRA funds.

- b. A Memorandum of Understanding for Frank Phillips College and the FPC Development Corporation. One of the recommendations from the Southern Association of Colleges and Schools (SACS) on site visitation team was that the College demonstrates that a formal

agreement exists between the Development Corporation and the College that accurately describes (1) the relationship between the Development Corporation and the College and (2) the liability associated with that relationship is in place. The Memorandum of Understanding was presented to the Development Corporation Board of Directors on Tuesday, November 17, 2009, and will be signed after the Board of Regents' approval.

Gifts and Donations: On a motion by Ms. Hilbert, seconded by Mr. Williams, the \$5,000 donation from the Amarillo National Bank and the Ware Foundation, which was designated for the FPC Nursing Program, was unanimously accepted with grateful appreciation.

SACS Commission on Colleges Reaffirmation Response:

Dr. Swender noted that the Southern Association of Colleges and Schools (SACS) Reaffirmation Response was a draft report from the on-site committee that will be presented to the full SACS board in June and acted upon at the annual SACS meeting in December 2010. The on-site visit went extremely well.

Items of Information: Included in the items of information:

- FPC has been recognized by the judging committee for *Military Advanced Education's 3rd Annual Guide to America's Military-Friendly Colleges and Universities*. FPC has been chosen for inclusion in the 2009 Guide as well as on line as a Military Friendly College.
- Annual Calendar for the Board of Regents
- Upcoming Dates and Events
- Administrative Report

President's Report: Dr. Swender will introduce Representative Warren Chisum at the Hutchinson County Retired School Personnel meeting on Thursday, November 19, 2009. Dr. Swender invited Board members to come listen to Representative Chisum's remarks.

The last of three UIL Contests is being held on the College Campus this Friday, November 20th.

KACV Public Television has received a national award from the Corporation for Public Broadcasting. The *My Source Community Impact Award for Engagement* was given to only ten public television and radio projects nationwide. KACV was recognized for its award-winning Texas Panhandle World War II Stories Project. The College's own Judy Hart worked on this prestigious project and the college's name appears on all the posters as a "Project Partner."

Conny Moore: Mr. Moore gave a summary of the history of the FPC Development Corporation and its projects which included scholarships and teacher recognition dinners. In 1993 the Development Corporation supported the College's efforts in raising endowed scholarship funds. Since that time the Development Corporation has become stagnant. At yesterday's Development Corporation meeting, Mr. Moore challenged the members to broaden their vision and become more active. Ed Nichols, president of the Development Corporation, has a vision of expanding what the Development Corporation does.

The Development Corporation will look to the Board of Regents to participate with them and in any fund raising projects that they undertake.

Mr. Moore added that the Development Corporation By-laws state that the Chair of the Board of Regents and one other member will serve on the Development Corporation. At the January Board of Regents meeting we will decide on another representative from the Board of Regents.

President's
Evaluation:

Mr. Moore explained that the Board will formally evaluate the President in January. He asked if anyone wanted to make changes in the current evaluation document. The consensus was to continue to use the current document. Mr. Moore said that the evaluation will be mailed to each member and he asked that members complete the document and return it to him by the second week of December so that the evaluation can be completed in a timely manner.

Ed Quiros:

Dr. Quiros asked Dr. Swender about the athlete that was discussed in last month's meeting. Dr. Swender explained that the student athlete was ineligible to play and that FPC had to forfeit all conference games that were played last year. The sanction will not affect any other year.

Closed Session:

Mr. Moore announced at 1:50 p.m. that it was necessary to call a closed session of the Board of Regents. The authority for going into a closed session is contained in the Open Meetings Act, Texas Code Annotated, Government Code Article 551.074.

At 2:15 p.m. Mr. Moore reconvened the open meeting noting that no final action, decision or vote with regard to any matter considered in the closed meeting was made.

Adjournment:

There being no further business, the meeting was adjourned at 2:16 p.m.