

**NORTHWEST ARKANSAS COMMUNITY COLLEGE  
BOARD OF TRUSTEES MEETING  
March 13, 2017 4:30 p.m. – Burns Hall 3<sup>rd</sup> Floor Board Room**

<b>Call to Order</b>	<b>Page</b>
<p><u>      </u> Action    <u>  X  </u> Information</p>	<p><b>Recognition, Awards, and Information Items</b></p> <ul style="list-style-type: none"> <li>• February Student of the Month Golden Eagle Award: Bernadette Holt (<i>Ms. Dale Montgomery</i>)</li> <li>• March Student of the Month Golden Eagle Award: Jennifer Vehon (<i>Ms. Dale Montgomery</i>)</li> </ul>
<p><u>  X  </u> Action    <u>      </u> Information</p>	<p><b>Attendance</b></p>
<p><u>  X  </u> Action    <u>      </u> Information</p>	<p><b>Approval of Minutes</b></p> <ul style="list-style-type: none"> <li>• Regular Board Meeting – February 20, 2017</li> </ul>
<p><u>  X  </u> Action    <u>      </u> Information</p>	<p><b>ENDS Monitoring Report</b></p> <ul style="list-style-type: none"> <li>• E-104: Constructing the Future: A Progress Report (<i>Mr. Keith Peterson &amp; Mr. Jerod Bradshaw</i>)</li> </ul>
<p><u>  X  </u> Action    <u>      </u> Information</p>	<p><b>Executive Limitations Monitoring Report</b></p> <ul style="list-style-type: none"> <li>• EL-206 Asset Protection (<i>Dr. Jorgenson</i>)</li> </ul>
<p><u>      </u> Action    <u>      </u> Information</p>	<p><b>Committee Reports</b></p> <ul style="list-style-type: none"> <li>• None</li> </ul>
<p><u>      </u> Action    <u>  X  </u> Information</p>	<p><b>President's Report</b></p> <ul style="list-style-type: none"> <li>• P3 Conference in Dallas</li> <li>• Brief Legislative Update</li> <li>• Commencement: May 13<sup>th</sup></li> </ul>
<p><u>      </u> Action    <u>  X  </u> Information</p>	<p><b>Chairman's Report</b></p> <ul style="list-style-type: none"> <li>• Mid-Year Retreat: Friday, July 21<sup>st</sup></li> <li>• Board Self-Evaluation</li> <li>• Committee Chair Assignments</li> </ul>
<p><u>  X  </u> Action    <u>      </u> Information</p>	<p><b>Other Board Action Items and Considerations</b></p> <ul style="list-style-type: none"> <li>• FY2018 Fee Change Proposals (<i>Ms. Debi Buckley</i>)</li> </ul>
<p><u>      </u> Action    <u>  X  </u> Information</p>	<p><b>Executive Session: President's Employment Review</b></p>
<p><b>Adjourn</b></p>	

**NORTHWEST ARKANSAS COMMUNITY COLLEGE  
BOARD OF TRUSTEE MEETING  
Monday, February 20, 2017**

**MINUTES**

Chair Mauricio Herrera called the Board of Trustees of NorthWest Arkansas Community College meeting to order on Monday, February 20, at 4:36 p.m. in the Burns Hall 3<sup>rd</sup> Floor Board Room.

**Members Present:** Mauricio Herrera (Chair), Joe Spivey (Vice Chair), Ron Branscum (Secretary), DeAnne Witherspoon, Mike Shupe, Todd Schwartz, Mark Scott, and Debra Hobbs.

**Also in Attendance:** Dr. Evelyn E. Jorgenson

**MINUTES**

**January 9 Annual and Regular Board Meeting**

Mr. Branscum moved and Mr. Spivey seconded the motion to approve the minutes of the Regular Board Meeting on January 9, 2017. The motion passed unanimously.

**RECOGNITION**

None

**ENDS MONITORING REPORT**

**E-104: Brightwater & High School Recruiting**

Dr. Glenn Mack updated the Board on the high school outreach program. He shared their recruitment efforts including personnel, teaching high school students, training area high school teachers, ProStart-National Restaurant Association, and high school cooking camps. Dr. Mack told the Board about the program personnel which includes two chefs, a program coordinator, a student services specialist, and a high school camps chef. He said that they have an articulation agreement with Bentonville High School's Ignite Program, which has a culinary component, and are also involved with Rogers School District. Both school districts will be participating in concurrent classes at Brightwater during the next school year. He added that demos, field trips, and career days take place with area high schools as well.

Dr. Mack said that they have started providing in-service training to area Family & Consumer Science teachers. They also invite the superintendents and counselors to various events including a teachers appreciation luncheon and summer workshops. He told the Board that his staff has helped with program development at Bentonville High School, Bentonville West High School, Rogers School District, and the Arkansas Arts Academy. Mr. Shupe asked if the majority of high school students are male or female and Dr. Mack reported that they are mostly female.

Dr. Mack explained the ProStart program which is a national curriculum started by the National Restaurant Association. Students who complete the ProStart program can receive college credit. He

said that Brightwater awarded some scholarships at the Missouri ProStart Invitational recently. This summer, the National ProStart Invitational competition will take place and the top culinary schools in the country will be awarding scholarships, including Brightwater. Brightwater will host a national high school educators workshop in July. Dr. Mack reported on various high school cooking camps that have taken place over the past year and stated that in the future he would like to add after school programs and collaboration with local businesses. Mr. Shupe asked how many of our scholarships are accepted by students and Dr. Mack responded that the number varies. Mr. Spivey asked if there are possibilities of seeing our students at some of the 5-star hotels, restaurants, and resorts around the country. Dr. Mack responded that it is definitely a possibility and that they are working on possible articulation agreements with other schools for program advancement.

Dr. Mack reported that there was a 16% increase in enrollment this semester with virtually no marketing dollars. Mr. Branscum asked what the target number is for total enrollment and Dr. Mack said approximately 350 students. Mrs. Hobbs and Dr. Jorgenson both asked about salary ranges of graduates. Mr. Herrera asked if other culinary schools around the country are two or four year schools and Dr. Mack said the majority are two year schools. Mr. Scott asked how the scholarships were funded and Dr. Mack said that they are funded mostly through the Foundation. He added that Brightwater will hold some fundraising campaigns and they are also soliciting area businesses. Dr. Mack invited the Trustees to stop by for a tour of the new facility.

#### **Approval of E-104**

Mr. Spivey moved and Mr. Shupe seconded the motion to approve the END 104 Report. The motion passed unanimously.

### **EXECUTIVE LIMITATIONS MONITORING REPORT**

#### **EL-200 Global Executive Constraint**

Dr. Jorgenson reviewed EL-200 with the Board, stating that the President shall not cause or allow any practice, activity, decisions, or organizational circumstances which is either unlawful, imprudent or in violation of commonly accepted business and professional ethics or Board of Trustee policy. She said that the 2015 financial audit performed by the Division of Legislative Audit disclosed no instances of significant noncompliance or other matters that are required to be disclosed. She reported that the 2016 audit has not yet begun, and added that the College is very careful to follow state guidelines and governmental auditing standards.

#### **Approval of EL-200 Report**

Mr. Spivey moved and Mr. Branscum seconded the motion to approve the EL-200 Report. The motion passed unanimously.

### **COMMITTEE REPORTS**

#### **Land Use Committee**

Mr. Spivey reported that the Committee met on February 9<sup>th</sup>. He updated the group on the status of the 8<sup>th</sup> Street project and said it is moving along. He stated that Crossland Construction has their staging area on campus and they will refill the former railroad property in exchange for the laydown area. Mr. Spivey said that the City of Bentonville is proceeding with planning the widening of Water Tower Road. He reported that the Integrated Design Lab (IDL) proposal was discussed. He told the group that the

building has changed scope and is now a \$5.5 million building. It would be located at the same site as originally planned. He introduced the motion on behalf of the committee to construct the IDL. He asked Mrs. Debi Buckley to speak about the building. Mrs. Buckley gave an overview of the cost and revenues of the building, stating that the cost of the building would be approximately \$5.5 million. She said that \$3 million would come from the capital millage account and the other \$2.5 million would come from the cash revenue and a letter of credit, if needed. She said the building would take approximately one year to complete.

Mrs. Buckley invited the Board to ask questions. Mr. Branscum asked if there were any foreseen repairs or improvements over the next 2-3 years that would be coming out of the capital millage account. Mrs. Buckley said that regular operating funds would be used for those things and the only time the capital millage account would be needed is if something major occurred. Mr. Herrera asked what the balance of the capital millage account is and Mrs. Buckley reported that it is over \$5 million and the cash reserve is over \$9 million. Mr. Scott asked several questions pertaining to tuition increases, Shewmaker renovations, and opportunities for expansion at the new Washington County Center (WCC). He also asked about the increase in the amount to fund the building and Mrs. Buckley said that the increase is due to the plans for integrated space, but stated that the \$5.5 million estimate is on the high side. Dr. Jorgenson said that upon approval from the Board, the College would seek private donations to help fund the building, but added that private funds are needed much more for the WCC project since no capital millage money can fund that project. Mrs. Buckley said that an additional 50 construction students and an additional 225 design students can be accepted with the new space. This does not count students from other areas who would also be using the new building for general courses. She added that the projected revenue is approximately \$346,000 for the first year and expenses would be approximately \$118,000. After five years, she estimates a positive cash flow of approximately \$265,000. She stated that these revenues are over and above what we are bringing in now. Dr. Tompkins stated that the new space would allow for changes to current degree programs and expand course offerings, providing more opportunities for our students. Dr. Witherspoon asked what type of building this would be and Mrs. Buckley responded that it would be a regular brick and mortar structure.

Dr. Jorgenson stated that it is important to keep our main campus in mind and continue to expand to meet the needs of the growing population and areas of interest, which can be done while building the WCC facility. Mr. Schwartz asked what other programs would be housed in the IDL besides construction technology and Mr. Peterson said that it has not been decided yet, but the new space will allow apprenticeship programs to expand. Mr. Schwartz also asked about the scheduling of classes/labs and if the benefit of the building would be maximized. Mr. Peterson said that the building will include industrial arts space, fine arts space, and space where either or both programs could occur. Ms. Buckley added that the building will include 2-3 classrooms and 6-7 labs, along with some faculty offices and student gathering places. There was discussion on additional tax revenue, return on investment, and millage funds. Mrs. Hobbs asked about the estimated cost of furnishings and Mrs. Buckley said that the current equipment will be moved, and other things that are needed will be secured from grants and philanthropic giving. Dr. Jorgenson stated that there is some equipment in storage that would be moved to the new space. Mrs. Hobbs asked about other programs that could benefit from the new building and Dr. Tompkins said that Computer-Aided Design (CAD), Information Systems, and the Fab Lab are just a few examples of programs that could be taught in the new space. Mr. Scott and Mr. Spivey both expressed their concern for the need for a facility in Washington County. They also believe

that an academic support center is needed. Mr. Spivey asked about the square footage of the IDL and state-appropriated funding on our current buildings. He expressed his concern for lasting programs in the new building. Dr. Tompkins told the Board that the new building would be a collaborative environment and a way to integrate multiple disciplines. He said that most programs that would utilize the new building are on the STEM list. Mr. Spivey also touched on the funding formula and opportunities for fundraising for this building. Dr. Jorgenson stated that since she has been here (3 ½ years), land has been purchased, a commitment has been made to building the WCC, and she has met with area technical centers, colleges, and universities to develop MOUs and lay groundwork so NWACC's presence in Washington County is no longer a concern of other area institutions. She said SCM Architects was also hired to develop a Master Plan. Dr. Jorgenson also told the Board that \$3.6 million has been raised toward the \$15 million needed for the WCC. She added that construction of Brightwater is almost complete. Mr. Herrera asked about a line of credit for the IDL and what the estimated amount would be. Mrs. Buckley said the College would seek a line of credit to cover anything that would be paid from general revenues, and the amount would probably be no more than \$1 million.

#### **Approval of the Land Use Committee Report**

Mr. Shupe moved and Mr. Schwartz seconded the motion to approve the minutes of the Land Use Committee meeting. The motion passed unanimously.

#### **Approval of the Integrated Design Building Proposal**

Mr. Spivey called the question and asked for a roll call vote. The vote was 6-2 with Mr. Herrera, Mr. Branscum, Dr. Witherspoon, Mr. Shupe, Mr. Schwartz, and Mrs. Hobbs voting yea, and Mr. Spivey and Mr. Scott voting nay. The motion passed.

#### **PRESIDENT'S REPORT**

Dr. Jorgenson told the Board that the annual Plant a Seed Gala will be held on April 28<sup>th</sup> at Brightwater. She said that instead of a sit-down dinner, there will be activities throughout the building. Bike Rack Brewing Company will donate beverages and will also be hosting an after party at their new brewery next to Brightwater. She reminded the group that the proceeds from the night will benefit scholarship funds for students. The VIP Tour is at 6:00 and the main event is at 6:30.

#### **CHAIRMAN'S REPORT**

Mr. Herrera told the Board that Scott Grigsby's resignation has been reported to the Governor, who will appoint someone to fill the vacancy. Mr. Herrera said that the mid-year retreat will be scheduled soon for a Saturday in July. He reported on the ACCT Legislative Summit and said that their group met with Senator Boozman, Senator Cotton, and Congressman Womack. One of the biggest topics of discussion was year round Pell grants and extending the grants to non-degree programs. He also mentioned risk sharing which would mean that colleges would play a role in the repayment of student loans if students defaulted. Mr. Herrera said that the National Child Protection Training Center was also discussed. He reminded the Board that Executive Sessions will be held at the March and April Board meetings.

#### **OTHER ACTION ITEMS**

##### **Committee Chair Appointments**

Mr. Herrera briefly discussed the College Committees and encouraged Board members to get with him if they are interested in serving on a committee. He said the Land Use Committee and Finance Committee

are both on an ongoing basis, but the others are ad-hoc. He asked the Board to read over the committees and let him know if they would be willing to chair a committee. Mr. Shupe volunteered to be a member of the Advocacy Committee. No action was taken on appointments.

#### **ADJOURNMENT**

The meeting adjourned at 6:36 p.m.

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Mauricio Herrera, Chairperson

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Ron Branscum, Secretary

**POLICY TYPE: EXECUTIVE LIMITATIONS****EL-206****POLICY TITLE: ASSET PROTECTION**

**Policy 206: The President shall not allow corporate assets to be unprotected, inadequately maintained or unnecessarily risked.**

*Definition: Unprotected refers to (1) facilities not being physically safeguarded by locks during other than normal operating hours, (2) physical and electronic surveillance by security personnel not performed during normal operating hours and (3) employees not locking their offices when not in use and safeguarding personal items. Inadequately maintained refers to unacceptable maintenance standards as judged by (1) monthly maintenance inspections by in-house staff, (2) semi-annual inspections by professional outside staff, (3) unannounced inspections by local building inspectors and (4) annual inspections by state insurance department. Unnecessarily risked refers to not having property and casualty insurance to cover at least 80% of the replacement cost of buildings and contents owned by the college.*

*Response:*

- Assets are well protected through the use of NWACC Public Safety personnel and surveillance cameras.
- Facilities are adequately maintained through regular cleaning routines by NWACC personnel as well as cleaning services.
- Buildings, contents and all College owned property are adequately insured for full replacement value after the \$30,000 deductible.

**Further, without limiting the scope of the foregoing by this enumeration, he or she shall not:**

**1. Fail to insure against theft and casualty losses to at least 80% replacement value and against liability losses to Board members, staff and the organization itself in an amount greater than the average for comparable organizations.**

*Definition: Liability losses refer to liability judgments actually filed against Board or staff members due to their actions as officials/employees of the college. A comparable organization is a two-year community college in the state of Arkansas.*

*Response:*

- The College building and contents are insured with the Arkansas Multi-Agency Insurance Trust Fund administered by the State Risk Management Division, Arkansas Insurance Department.

- The College has a directors' and officers' liability insurance policy for \$5,000,000 aggregate limit of liability covering College Board members, officers and employees acting in their official capacities.

## **2. Allow unbonded personnel access to material amounts of funds.**

*Definition: Unbonded personnel refers to college employees not automatically covered by the college surety bond. Material amount of funds are any amount in excess of \$50. Access refers to any physical access.*

*Response:*

- College employees are bonded under the Arkansas Fidelity Bond Trust Fund for \$250,000 per occurrence, less a \$1,000 deductible.

## **3. Unnecessarily expose the organization, its Board or staff to claims of liability.**

*Definition: Unnecessarily expose refers to failure to comply with federal and state laws regarding discrimination, safety, hiring practices, workplace activity, student's privacy rights, etc.*

*Response:*

- Enterprise risk management practices are employed to reduce potential liabilities through policies and procedures, as well as adequate workplace and classroom safety measures.
- Student information is safeguarded through compliance measures established by the Family Education Rights and Privacy Act (FERPA).
- The Office of Policy, Risk Management, and Compliance coordinates with the Compliance Committee to provide a structure that encourages ethical conduct and compliance with the College's legal obligations to prevent unethical practices, violations of the law, or compliance failures; preventing loss or injury to our students, employees, and protecting the College.
- Human Resources provides employee orientation and training based upon regulatory compliance and job/task function.
- The advice of the Attorney General's Office is sought prior to the implementation of any reductions in force.
- The Board members are notified of relevant state and federal laws regarding liability through the Board of Trustee Policy Manual.

## **4. Fail to protect intellectual property, information and files from loss or significant damage.**

*Definition: Protect refers to adherence to Arkansas legislative audit recommendations and best practices concerning data backup and offsite storage.*

*Response:*



- Electronic information from the College's main computer network and administrative software is backed up daily and stored securely.
- Access to sensitive areas in Business Services, Information Technology and Enrollment Management is controlled.
- A cyber liability policy is retained with the College's insurance portfolio.

**5. Receive process or disburse funds under controls, which are insufficient to meet the legislative or independent auditor standards.**

*Definition: Insufficient refers to not meeting standards so that more than one comment or more than five findings are received from the annual legislative audit in any one year.*

*Response:*

- FY 15 is the last completed audit from legislative audit. We had a very successful audit with no reportable findings. There was one minor supplemental comment that is not reportable and was discussed with college administration prior to the submission of the audit. In addition, Financial Aid had a separate audit performed by the Division of Legislative audit for the 2016 fiscal year. That audit did not result in any significant noncompliance issues that are required to be disclosed under *Governmental Auditing Standards*.

**6. Endanger the organization's public image or credibility in ways that would hinder its accomplishment of mission.**

*Definition: The Board shall be notified of pending adverse coverage.*

*Response:*

- Board members are kept informed about press releases and other news stories, including anticipated negative coverage.

MONITORING:

Methods: Written report with verbal explanation of variances

Date Approved: