The Cisco College Board of Regents met Monday, November 10, 2014, in the Board Room of the Regents’ House on the college main campus in Cisco, Texas. Officers in attendance were President Brad Kimbrough; Vice President, Ronnie Ledbetter and Secretary, Martha Davis. Also present were members Sarah Adams, Jerry Conring, Allen Masters, Joe Jarvis, Ricky Whatley and Charles Humphries. College administrators present were President Bobby Smith; Dr. Jerry Dodson, Vice President for Student Services; Dr. Carol Dupree – Provost, Abilene Educational Center; Vice President of Instruction, Randal Golson and Audra Taylor, Chief Financial Officer and Dean of Business Services. Elaine F Lee, recording secretary, was present.

President Kimbrough asked Regent Jerry Conring to offer an invocation.

President Kimbrough called the meeting to order at 6:59 p.m.

Several guests were present at the meeting, although there was no representative from the Faculty Senate. A list of guests, including the Cisco College auditor, Cam Gulley who is scheduled to give his yearly audit report, is included with the minutes and the supporting documentation for the board agenda.

President Kimbrough called for additions or corrections to the minutes of the meeting of October 13, 2014. There were none voiced and the minutes stand approved as presented.

President Kimbrough then bypassed some scheduled reports and moved to the first item on the Agenda, an introduction of the coaches and players of the Cisco College basketball team. Charinee Mitchell, more commonly known across campus as Coach Chi, was introduced. She asked her team members to introduce themselves and their high schools or other information about themselves. Players hailed from Alaska to Brazil and the Panhandle of Texas to the southeast portion of the state. Coaches’ origins were from Tyler, Texas and Southeast Louisiana University. Coach Chi mentioned that they were ready to play ball and have upcoming games scheduled during the quickly approaching Thanksgiving holidays.

Returning to the written order of the agenda, Dean of Business Services, Audra Taylor, reported that the end of the month, October, Cash and Investment were $80,000 above the figure at the same time last year and that Cash is “sitting well and steady” [at the current time.] On Page 2 State Funds/Other indicated $126,000 for TEOG (Texas Education Opportunity Grant) while the figure last year was $30,000. Tuition & Fees Revenue was $40,000 up overall. Under Other Income/Grants (the Fast Track Welding program) was up. Miscellaneous is also up almost $126,000 due to Insurance [payments] for hail damage in Abilene. On Page 3 Revenue/Summary/Expenditures/Instruction/Vocational is down because the College had a Skills Grant last year, but not this year. Instructional support is down $130,000. IT (Information Technology) Expenses will move back from Audit Journal Entries in November. The Surplus is $1.25 million and last year $1.7 million dollars. The figure looks good now but Audit Journal Entries in November will change that figure. Dean Taylor finished by saying there will be better figures in December.
President Smith gave the Fundraising Report since the last board meeting, and reported $1600 had been received from Alumni and Friends, including the yearly gift from the family of Alice Kitchell for a nursing scholarship; $600 from Taylor Electric Co-op for the CSI (Career Scene Investigation) program at the Abilene Center. He mentioned funds received from First Financial Bank in payment for their employees to take classes. Athletic fundraisers received a total of $29,000: basketball $8,100; softball $12,000; baseball $7,700; and volleyball $1,200.

Dr. Jerry Dodson gave the enrollment report. He stated the figures are on a legal-sized sheet of paper and are the certified fall semester numbers dating back to 2008. The columns include On Campus-Cisco; Off-Campus-Abilene; Dual Credit; and Online Only, which is exactly what it says. Also listed are semester credit hours, Academic and Technical, and Contact Hours. Online hours include all online courses, whether with classes or not. State Funding is based on contact hours. And, finally, the certified headcount for the fall semester was 3564.

Cameron Gulley, CPA (Certified Public Accountant) began his report by stating the Statistical Supplemental Schedules – all 19 of them – will change and Tables 1 and 2 of the M, D & A are accurate. The narrative of the M, D & A will be prepared later. He continued that Exhibits 1 and 2 on Pages 9 & 10 indicate the Balance Sheet and Income Statement. The Statement of Net Position, as it is now called, is on a full accrual basis. He stated that under the Non-operating Revenue section the $207,932 is the net gain sale of the property north of town. Of course, the SACSCoC (Southern Association of Colleges and Schools) visit is in the Spring, and they do not like to see deficits. Total Aid (Financial Aid) – SEOG, Pell and Carl Perkins – with fewer students qualifying for them, is down. Cash Balances decreased as shown on page 20, broken out by various accounts, was $5.5 million dollars last year and $4.9 million this year. Because of dorm improvements and reduced tuition and fee revenue, cash declined, even though there were salary freezes and hiring freezes.

As he continued, CPA Gulley turned quite serious and referred to GASB-68, a 4 page document that will have a significant impact next year, although it was not [a part of] the audit this year. (GASB is the acronym for Governmental Accounting Standards Board.) Auditor Gulley said it is the largest pronouncement to come along in his career. Board members listened intently as he continued. Unfunded pension liability has never been reported for governmental entities, but according to GASB-68 document, it will be in the future. Cisco College has an estimated benefit liability of $1.9 million dollars now and it will have to be accrued to the financial statement. He said Teacher Retirement [officials] can talk to state representatives and the Co-Board. Such rates were set in Austin and it will have a huge financial impact and bond rating impact. Equity ratios will limit the amount the College will be able to borrow in the future. (President Smith stated that he had visited with newly-elected Sen. Charles Perry, also a CPA, about the liability that has been assigned to all public schools and colleges.) The College position is that we pay annually what TRS says we owe. Now there are many questions, e.g., how did they come up with the values assigned to the individual colleges, schools, etc.? Cisco’s is $1.9 million dollars and Ranger [College’s] is about $400,000. Following the information from President Smith, CPA Gulley ended his report. Regent Jarvis moved to accept the report and Regent Davis seconded the motion. Motion passed 8 – 0, with everyone present wondering what will happen next.

The next item on the agenda was a memo in the board packet from the College’s Executive Assistant, who is also the recording secretary, Elaine Lee. The memo reports the individual board training members have received throughout the previous college year. It is required to be reported in the minutes of the last board meeting of the calendar year. During the soon-to-be-over 2014 year, Regent Jarvis completed board training online. Regents Conring and Adams
had both completed the Open Government modules of Open Meetings and Public Information. Regent Adams was also scheduled to attend the Co-Board’s Leadership Training in Austin later in the month of November. Board members received Certificates attesting to their training completion.

Beginning in the upcoming Spring Semester, the College will begin offering golf at Lakeside [Country Club] in Eastland, and they will charge Cisco College $975 yearly for such use. A lab fee of $50 is proposed for each student taking the course. A cap of 16 students is proposed and the classes will be taught both semesters. Regents Adams and Jarvis moved and seconded, respectively, to approve the lab fee as proposed. Motion carried 8 – 0.

Heather Hicks, SACS Liaison, reported on the latest SACSCoC communications. She began by saying, “Good news!” She continued that the College had to notify SACS of a change we made for the Level 2 Certificate in Advanced Welding. Secondly, the College received approval for Cisco and Wylie High Schools as 50% or more of a degree sites, bringing the total to 4 sites, including Region XIV and Clyde HS. Cisco College is requesting a site visit for both schools. A SACSCoC financial committee will be looking at [FY] 12-13 and [FY] 13-14 at the SACS December, 2015 Annual Meeting. Their concerns are yearly annual reports indicating a 2 year decline in total assets, total 2 year revenues and a 2 year increase in current debt, a decline in tuition and unrestricted net assets. Cisco has hit 4 of the 5 indicators that trigger such financial inspections. Ms. Hicks continued that there are 3 possible outcomes. The first and best is “thank you, no signs of additional stress”; the second is to request a monitoring report and 2 year monitoring with another report in 2017; and the third outcome is Cisco College being placed on sanction with a report or a visit to campus. Announcement of the outcome in December, 2015 will occur pretty quickly. Strategic planning by the College is an ongoing problem. Hopefully, we will receive no further action.

The College had received a request from the Cisco Economic Development and City of Cisco regarding the property at 1602 Conrad Hilton, inside Cisco city limits. Taxes are owed to the taxing entities and it needs to get back on the tax rolls and a request was made from the Cisco EDC Director, John Diers, to transfer the property to the EDC. Motion was made by Joe Jarvis and seconded by Allen Masters to transfer the property as presented. Motion passed by a vote of 7 – 0 with 1 abstention by Regent Ledbetter, due to conflict of interest. He serves on the EDC board.

President Brad Kimbrough announced that at 8:19 p.m. on November 10, 2014, the board would enter into Closed Meeting as provided by Sections 551-071 – 551-076 of the Texas Government Code (formerly V.T.C.S. Section 2(G), Article 6252-17.)

At 8:44 p.m. on November 10, 2014, President Kimbrough announced that the Regents would re-convene back into Regular Session. He stated there were no votes taken and no decisions made in Closed Session.

College President, Bobby Smith, read the names of those from whom resignation letters had been received. They included Diana Clark in Admissions; AnnMarie Schaefer, Nursing; and Ben Rohus, Library. A single recommendation was received for the part-time employment of Kathleen Brooks, a dual credit English teacher. For full-time employment, a recommendation from the Admissions office was received for the replacement of Diana Clark. Krista Heath is her recommended replacement. There were no other personnel matters to discuss and Regents Ricky Whatley and Allen Masters moved and seconded, respectively, to accept the resignation letters and the recommendations for employment, as presented. Motion passed 8 – 0.
There was no representative from the Faculty Senate as Kim Wombles was ill and Susan Moore unable to attend. Their previous meeting was deemed an informal meeting due to the small number of faculty in attendance via ITV connections.

President Bobby Smith stated that he had only a few items and (1) mentioned the flyer on the table with information regarding the Great American Christmas Show to be presented by the Wrangler Band and Belles. Reservations are being taken for the shows on November 20 and November 22 – a Thursday and Saturday (scheduled to not interfere with the Cisco HS Lobo’s play-off game on Friday.) (2) The CoBoard Leadership Seminar takes place in Austin on November 20 & 21. And lastly (3) Good news! The pass rate for the LVN to RN program was 93.75%, higher than either the Texas Tech or Patti Hanks, two other Abilene nursing programs.

There were no remarks by board members.

The next board meeting will be January 12, 2015.

Regent Ricky Whatley moved and Regent Martha Davis seconded to adjourn. Motion carried.

Meeting adjourned at 8:49 p.m.

Minutes presented and approved at the regularly scheduled meeting of the Cisco College Board of Regents on the _______day of ______________________________, 2015.

_________________________________  ___________________________________
Martha Davis, Secretary                Brad Kimbrough, President
Board of Regents                        Board of Regents
Cisco College                           Cisco College