

ISOTHERMAL COMMUNITY COLLEGE  
MEETING OF BOARD OF TRUSTEES  
AUGUST 11, 2009

The Board of Trustees met on Tuesday, August 11, 2009, in the "Blue Room" of the Business Sciences Building. The following trustees were present: James Hutchins, Chairman; David Herndon, Pat Morgan, Grady Franklin, David Eaker, Leonard Hollifield, "Buck Petty", Shay Hahn, Sally Jo Carter, Ron Giles, Jacqueline Godlock and Ray Gasperson. The following staff members were present: Myra Johnson, Stephen Matheny, Amy Penson, Kim Gold, Thad Harrill, Mike Gavin, and Glenda Scruggs. Allison Flynn with **The Daily Courier** was also present. Chairman Hutchins called the meeting to order at 5:12 p.m.

Welcome and Oath of Office

Chairman Hutchins welcomed Leonard Hollifield and Ray Gasperson to membership on the Board of Trustees. Amy Penson, Controller, administered the Oath of Office to the following newly appointed and re-appointed trustees:

- Ray Gasperson - appointed by the Polk County Commissioners—Term Expires June 30, 2013
- Ron Giles—re-appointed by the Rutherford County Commissioners - Term Expires June 30, 2013
- David Herndon—re-appointed by the Governor—Term Expires June 30, 2013
- Leonard Hollifield - appointed by the Rutherford County Commissioners to fill the unexpired term of Vernon Hoyle - Term Expires June 30, 2010
- Pat Morgan—re-appointed by the Rutherford County Board of Education—Term Expires June 30, 2013

Each Trustee's Oath of Office will be kept on file in the Office of the President. Chivous Bradley, who was appointed by the Rutherford County Board of Education to fill the unexpired term of Gordon Scott, was absent and will receive the Oath of Office at the next meeting.

Agenda Confirmation

Chairman Hutchins asked board members if they had any changes in the board agenda. Hearing none, the board agenda was confirmed.

Ethics Statement

Chairman Hutchins asked board members if they knew of an actual conflict of interest or the appearance of a conflict of interest which existed with regard to any matter coming before the Board of Trustees. Hearing none, the meeting proceeded.

### Approval of Minutes

A motion was made by David Eaker, seconded by Shay Hahn, to approve the minutes of the regular meeting of May 12, 2009, the Joint Meeting with the Rutherford County Commissioners on May 18, 2009, and the Called Meeting of the Board of Trustees on June 30, 2009. The motion was unanimously approved. (Attachments)

### Trustee Items

Chairman Hutchins reported that the By-Laws of the Board of Trustees were not current and needed to be updated. During the past several months, the Executive Committee has been meeting, reviewing and revising the current By-Laws. (Attachment 2) Mr. Hutchins stated that the committee reviewed several copies of By-Laws and used the By-Laws from Halifax Community College as a model. Chairman Hutchins stated that although the Board of Trustees have had a copy of the Proposed By-Laws for several days, he would like to postpone having them approved until the next board meeting in order to give everyone ample time to study them. (Attachment 1)

Chairman Hutchins announced the following committee appointments for 2009–2010:  
(Attachment 3)

### OFFICERS

James Hutchins  
David Herndon  
Pat Morgan  
Grady Franklin

Chairman  
First Vice Chairman  
Second Vice Chairman  
Secretary

### EXECUTIVE COMMITTEE

James Hutchins, Chairman  
David Herndon

Pat Morgan  
Grady Franklin

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FACILITIES COMMITTEE  
(Buildings & Grounds Committee)

Ron Giles, Chairman  
Leonard Hollifield  
James Hutchins, Ex Officio

Chivous Bradley  
Jacqueline Godlock  
Bobby England

FINANCE COMMITTEE

David Eaker, Chairman  
Chivous Bradley  
James Hutchins, Ex Officio

Shay Hahn  
Pat Morgan  
Bobby England

CURRICULUM AND STUDENT SERVICES COMMITTEE

Sally Jo Carter, Chairman  
Leonard Hollifield  
James Hutchins, Ex Officio

Grady Franklin  
Ray Gasperson

PERSONNEL COMMITTEE

'Buck' Petty, Chairman  
David Herndon  
James Hutchins, Ex Officio

Shay Hahn  
Jacqueline Godlock

Mr. Ron Giles, Chair of the Building and Grounds Committee, reported that the Building and Grounds Committee met two weeks ago with the architect to review the College's number one building priority which is the Allied Health and Nursing Building. Mr. Giles stated that currently the College has no funds for this project, but the College was asked to complete the planning stage in order to be ready when and if funds become available. Another meeting is planned for late August.

An updated list of trustees with addresses, telephone numbers and e-mail addresses was distributed. (Attachment 4)



An updated list of Organizational Charts showing names and titles of employees under the President, Vice President of Academic & Student Services & Institutional Assessment, Vice President of Administrative Services, Vice President of Community and Workforce Education & Institutional Advancement, and Director of Marketing and Community Relations was distributed. (Attachment 5)

President Johnson announced that the original Deed to the house and 9.33 acres of land on Piney Ridge Road in Forest City, North Carolina has been transferred from the Isothermal Community College Foundation to the College effective June 30, 2009.

President Johnson announced that she has been examining ways to send information (i.e. agendas, attachments, etc.) to the trustees electronically. E-mail addresses have been set up for each trustee and the intent was to try and send the Executive Committee the agenda and attachments for the August board meeting. Dr. Johnson stated that the process was flawed; therefore, she will be meeting with Mike Gavin and the IT people to figure out how to fix the problem. Dr. Johnson stated that the goal is to send all information electronically therefore saving resources. On the day of the board meeting, the information will be accessed electronically and displayed on the data projector.

Stephen Matheny gave an update on the Rutherford County Daniel Road Project. Mr. Matheny stated that once the Daniel Road Master Plan becomes a reality, there could be a road connecting the county property and the campus of Isothermal Community College. After discussion, a motion was made by Grady Franklin, seconded by David Herndon, to approve the following resolution:

Resolved: The Board of Trustees of Isothermal Community College has no objection to the construction of the Daniel Road Connector of the Daniel Road Project.

The motion was unanimously approved.

#### Administrative Items

President Johnson reported that she and Stephen Matheny plan to travel to Raleigh on August 21, 2009, to pick up the college's budget information. Dr. Johnson stated that although the College will be taking a cut in the budget, there has already been a 33% increase in headcount and a 48% increase in FTE for fall semester. Based on budget calculations up this point, the College will probably be flat in terms of our budget for the year. (Attachment 6)

President Johnson reported on the recent program audit final report. One audit exception resulted in a financial adjustment of \$5,945. This amount will be submitted to the System Office to resolve the exception.

President Johnson announced that the College fell just one measure short of receiving a rating of 'Exceptional' from the North Carolina State Community College System's 2009 Critical Success Factors. Statewide, Isothermal did well on the standards, exceeding the average performance on four of the eight factors and tying the average on one. Only 11 of the 58 institutions met or exceeded all eight standards. Dr. Johnson expressed her appreciation to all faculty, staff and students who had a part in the College's achievement of these outstanding levels.

President Johnson announced that Johnny Smith has requested Educational Leave for the Fall Semester, 2009. Dr. Johnson stated that College policy allows for administrative and support staff to take up to 20 days educational leave within a semester. Mr. Smith, who is working on his doctorate, will work with his supervisor in determining what days he will be able to take off.

President Johnson informed the board that the NCCCS Accounting Procedures Manual (Section 5, II) requires College Presidents to get routine, local travel approval by the Board of Trustees annually. A motion was made by David Herndon, seconded by David Eaker, to approve a blanket travel authorization for President Johnson for FY 2009 through FY 2010. The motion was unanimously approved.

#### Business Items

President Johnson and Stephen Matheny reported on the findings and recommendations of the recent Financial Audit Report:

1. Unauthorized Investments and Deficiencies in Internal Control over Investments:  
The College has made investments that are not authorized by law. N. C. General Statute 11D-58.6 restrict the types of investments that can be made by community colleges. Also, the College has not implemented effective internal control over accounting and reporting for investment transactions. As a result, there is an increased risk of error or fraud occurring without detection.

Recommendation: The College should establish a plan to prudently divest its funds from the unauthorized investments. Furthermore, the College should enhance its internal control procedures to prevent such investments in the future and to ensure that investments are properly accounted for and reported.



College Response: The College has filed a letter of dispute concerning this finding with assistance from the College Attorney, Board of Trustees' Finance Committee and advice from other entities within the State System with similar funds invested. Dr. Johnson stated that the College is currently waiting on a ruling from the Attorney General regarding the dispute.

2. Deficiencies in Internal Control over Journal Entries:

The College did not implement effective internal control over journal entries to the accounting records. Journal entries prepared and entered into the accounting system were not reviewed or approved by another member of management.

Recommendation: The College should enhance its internal control over journal entries to include segregating the duties of preparing and reviewing journal entries and procedures to ensure that journal entries are adequately supported and such support can be readily located.

College Response: The College has completed implementation of audit recommendations and now all journal entries have supporting documentation attached and are approved by the next level of management.

3. System Access Controls Do Not Support Appropriate Segregation of Duties:

Business Office employees' duties should be segregated such that employees, in the normal course of performing their assigned functions, can prevent or detect errors or fraud on a timely basis.

Recommendation: The College should review access rights and job functions to ensure that duties are properly segregated. The College should discourage the sharing of user names and passwords to maintain accountability.

College Response: Isothermal has completed a thorough evaluation of job duties and system access rights, and changes were made to both. We believe our current structure does not allow any non-managerial individual to access all aspects of any process, including the payroll and purchasing processes. In addition, Management has counseled employees on the importance of maintaining the integrity of all system access, including the importance of not sharing passwords.

President Johnson announced that gifts, grants and donations totaling \$3,157.00 have been received from May 5, 2009 through July 31, 2009. A motion was made by Sally Jo Carter, seconded by Leonard Hollifield, to approve these gifts, grants and donations. (Attachment 7)

President Johnson presented the Proposed Schedule of Fees for Isothermal Community College for FY 2009–2010. A motion was made by Leonard Hollifield, seconded by Jackie Godlock, to approve these fees as presented. The motion was unanimously approved. (Attachment 8)

#### Academic Items

President Johnson informed the board that the System Office staff has reviewed the College's Huskins Cooperative Program Agreement to offer courses to high school students in Polk County and Rutherford County Schools for the 2009-2010 school year. A motion was made by "Buck" Petty, seconded by Leonard Hollifield, to approve the Huskins Cooperative Program Agreement. The motion was unanimously approved. (Attachment 9)

#### Personnel

President Johnson announced that Statements of Appointment were issued to the following personnel:

1. Ted Hamrick, Director of Small Business Center, August 1, 2009 through June 30, 2010
2. Jessica Cooper, Math Lab Instructional Assistant–August 13, 2009 through May 17, 2009

President Johnson announced the resignation of Chris Roberts, Teaching Assistant–Mathematics/Academic Development, effective June 18, 2009.

President Johnson announced the elimination of Career Start Funding. As a result of this loss in funding, two positions were eliminated. Reduction in Force letters were sent to two individuals but because of grant money, shuffling, and turn over, we did not actually lose the individuals—just the positions that were funded through Career Start.

President Johnson announced that contracts have been issued to the following personnel:

1. Dena Ramsey, ADN Instructor, Foothills Nursing Consortium, May 18, 2009 through June 30, 2009.
2. Curtis Vance, Information Systems Instructor, August 13, 2009 through May 17, 2010

A motion was made by Grady Franklin, seconded by David Herndon, to approve these contracts. The motion was unanimously approved. (Attachment 10)

### Other Business

President Johnson made the following announcements:

1. Convocation–All Faculty and Staff–August 13, 2009
2. First Day of Classes/Schedule Adjustments, August 19, 2009
3. Labor Day Holiday - September 7, 2009
4. Board of Trustees' Called Budget Meeting–late September or early October
5. Fall Break–Faculty and Students–October 8-9, 2009
6. 'GRUB DAY'–October 28, 2009
7. Board of Trustees' Meeting, November 10, 2009, 5:00 p.m.  
'Blue Room'–Business Sciences Building
8. ICC Polk Foundation Golf Tournament–Cliffs of Glassy–October 26, 2009

President Johnson announced that a Board Retreat is tentatively planned for Tuesday afternoon, November 10, 2009, starting at 2:00 p.m. Members attending will stop for the Board of Trustees' meeting at 5:00 p.m. and then reconvene on Wednesday, November 11, 2009, for the entire day. Chairman Hutchins asked trustees to let him know if they had a conflict with the proposed dates.

President Johnson announced the following cultural events:

1. The 8<sup>th</sup> Annual Rutherford County Homecoming Celebration - Saturday, August 15, 2009, at 6:00 p.m.–The Foundation
2. American Big Band–September 19, 2009–7:30 p.m. The Foundation
3. Junie B. Jones, October 6, 2009, 10:00 a.m. and 12:30 p.m. The Foundation
4. Snuffy Jenkins Festival, in conjunction with the Rutherford County Arts Council, Saturday, November 7, 2009, All Day on Campus
5. Doc Watson and David Holt–'Hills of Home', November 7, 2009, 7:30 p.m.–The Foundation

President Johnson announced the following Board Meeting Dates for 2010:

Tuesday, February 16, 2010 (Polk County Center)  
Tuesday, May 11, 2010  
Tuesday, August 10, 2010  
Tuesday, November 9, 2010



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The meeting was adjourned at 7:10 p.m.

  
CHAIRMAN

  
SECRETARY