

**Minutes of the
Gaston College
Board of Trustees Meeting
Myers Center, Section C
March 24, 2025**

Members Present: John Dancoff, Chair
Judge Jesse Caldwell, Vice Chair
Dr. Shawnya Gore, Secretary
Mr. Bill Carstarphen
Mr. Tom Keigher
Ms. Resa Hoyle
Mr. Steve Huffstetler
Mr. David Lee
Ms. Janie Peak
Ms. Julie Stroupe
Ms. Autumn Queen, SGA President

Dr. John Hauser, President

Members Absent: Mr. Alan Cloninger, Mr. Jonathan Fletcher, Mr. Steve Hall,
Ms. Iris Hopper

Others Present: Mr. Todd Baney, Ms. Tonia Broome, Ms. Jasmine Cox-Wade, Dr. Dewey Dellinger, Dr. Daniel Freeman, Ms. Guyann Howe, Dr. Zachary Kendra-Dill, Ms. Meagan Lingerfelt, Ms. Andrea Lovelace, Mr. Rico McIlwain, Ms. Savonne McNeill, Mr. Mack Millen, Dr. Jennifer Nichols, Ms. Julie Ostrowski, Mr. Jeff Pruett, Mr. Stephen Sharp, Dr. Audrey Sherrill, Dr. Aaron Slutsky, Mr. Greg Smith, Mr. Luke Upchurch, and Mr. Richard Walker

Chair Dancoff called the meeting to order at 3:04 p.m. and welcomed everyone to the meeting. A quorum was present for the meeting.

- **Invocation – Mr. Huffstetler**
- **Ethics Awareness and Conflict of Interest Reminder**

Chair Dancoff reminded Trustees of the ethics requirements of public servants and requested they identify any conflicts of interest or appearance of conflicts of interest present. No conflicts were identified.

A. APPROVAL OF THE AGENDA

Chair Dancoff asked if there were any changes, additions, or corrections to the agenda. None were identified.

Ms. Peak moved to approve the agenda; Ms. Hoyle seconded the motion. The motion carried.

B. APPROVAL OF THE MINUTES

- 1. January 21, 2025, Board of Trustees Meeting**
- 2. February 7, 2025, Board of Trustees Retreat Meeting**

Chair Dancoff asked if there were any changes, additions, or corrections to the January 21, 2025, and the February 7, 2025, Board of Trustees Minutes. None were identified.

Judge Caldwell moved to approve the January 21, 2025, and the February 7, 2025, Board of Trustees Minutes; Mr. Lee seconded the motion. The motion carried.

C. WELCOME

Dr. Hauser welcomed everyone to the meeting, including Mr. Jeffrey Pruett, the president of the Faculty Senate, and Ms. Barbara O'Donnell, who represented the Staff Senate.

D. ACADEMIC AND STUDENT AFFAIRS

Ms. Peak, Chair of the Academic and Student Affairs Committee presented the following action item which was vetted during the Committee meeting held on March 17, 2025.

1. Termination of Associate in Applied Science – Pharmacy Technology (A45580)

Gaston College currently has an Associate in Applied Science (AAS) degree in Pharmacy Technology. Over the past three years, FTE generation has been less than 15 per year. Information on the program's total costs, FTE value, and overall financial loss for the past three years is provided in the table below.

Ms. Peak also pointed out that large pharmacy chains like Walgreens and CVS typically offer in-house training for pharmacy technician positions. An associate degree is not a prerequisite for employment at these establishments.

Year	Total Costs	FTE Value	Overall Financial Loss
2021-2022	\$92,395.17	\$15,245.05	\$77,150.12
2022-2023	\$88,374.60	\$44,076.44	\$44,298.16
2023-2024	\$116,292.33	\$60,341.80	\$55,950.53

As a result, it is recommended that this program be discontinued at the conclusion of the 2024-25 academic year.

There are currently five students enrolled in the program who are on track to graduate in Spring 2025. The program is specifically supported by one full-time faculty member, who unfortunately would be affected.

Cancellation of the program would prevent future financial loss from the program.

The Academic and Student Affairs Committee recommended that the Gaston College Board of Trustees approves the termination of the Pharmacy Technology AAS program as presented.

Chair Dancoff asked if there was any other discussion before voting.

Ms. Stroupe inquired whether this would impact the renovations at the Lincoln Campus. Chair Dancoff replied that the Pharmacy Tech space will be repurposed for the Medical Assisting program at the Lincoln Campus.

The motion passed.

E. FINANCE AND FACILITIES

Ms. Stroupe, Chair of the Finance and Facilities Committee presented the following Finance and Facilities Committee items which were vetted during the Committee meeting held on March 17, 2025.

1. FY 2025-26 Lincoln County Budget

The Lincoln County Manager's Office requested the College submit its County budget request for FY2025-26 in January, 2025. As of FY 2025 capital maintenance and housekeeping for the Lincoln Campus are now the responsibility of Gaston College. The budget approved for the College by Lincoln County for FY 2024-25 was \$304,698 for operating expenses and \$50,000 for capital. The College is requesting an operating budget of \$474,988 and a \$157,000 capital budget from Lincoln County for 2025-26. This represents \$48,000 in operating increases, \$122,290 in salary increases, and a \$107,000 increase in capital funding.

The FY 2025-26 operating budget includes the following budget requests:

- Funding 4% anticipated salary increases (\$8,565)
- Funding for two full-time housekeepers with benefits (\$111,441)
- Funding retirement and health insurance estimated increases (\$2,284)
- Funding for custodial supplies (\$8,000)
- Funding for a digital road front sign (\$40,000)
- Increase in funding for capital/building maintenance needs (\$107,000)

The FY 2025-26 Lincoln County Operating Budget request reflects an increase of \$277,290 from the approved budget of \$304,698 for FY 2024-25 for a total budget request of \$474,988 and a capital budget request of \$157,000.

N.C. statutes require the tax-levying authority of each institution provide adequate funds to meet the financial needs of the institution or capital, plant operations and maintenance, campus police and security, and support services (GS. 115D-32)

The Finance & Facilities Committee recommended that the Board of Trustees approve the FY 2025-26 Lincoln County Operating Budget.

Chair Dancoff asked if there was any other discussion before voting. There being none, **the motion passed.**

2. FY 2025-26 Gaston County Budget

The proposed FY 2025-26 Gaston County Operating Budget is attached. This year's county operating budget request totals \$8,035,863 and includes an increase of \$2,014,088 (33.45%) over the FY 2024-25 actual budget. The largest portions of the increase relate to increases in cost of utilities and maintenance due to the operation of the new Fiber Innovation Center, salary and benefit increases, and new and vacant positions:

Salary and Benefits – 4.0% salary increase including benefits increases	\$337,034
New Position	\$151,998
Vacant Positions	\$124,797
Utilities – Existing	\$387,569
Utilities – New Building Put into Operation (FIC)	\$350,000
Operating Costs	\$608,188
Insurance Premium Increases	\$ 50,814
Antenna Annual lease escalation	\$3,688
Total estimated increase	\$2,014,088 33.45% increase

State Salary Increases

The North Carolina Legislature and Governor included a 7.0% salary increase in the 2024-2025 biennium budget spread over two years as 4.0% for FY 2023-24 and another 3.0% for FY 2024-25. The College anticipates a 4.0% salary increase for FY2025-26. It is projected the state retirement rates will increase slightly from 24.04% in FY 2024-25 to 24.53% in FY 2025-26 but is subject to change. An increase in the cost for health insurance is expected to increase and estimated 4.66% over FY 2025.

The unfunded salary and benefits increases over the past five years, have limited the College's ability to attract and retain skilled personnel needed to properly maintain and upkeep our buildings, grounds, and infrastructure. The College will be faced with making hard decisions if salary and benefits increases continue to go unfunded.

Please see the table below for the accumulative effect of unfunded salary changes since FY 2020-21. Our review of salaries and benefits for FY 2025-26 does not include attempts to make up ground for previous years when salary and benefits increases went unfunded. Instead, the FY 2025-26 request is based on current FY 2025 salary needs with the expected 4% cost of living increase and benefit increases included.

Accumulative Effect of Unfunded Salary Changes:

			%		%		%		%		%	
	FY 2026 Increase	Proposed 2026 Rate*	Increase from PY	2025 Rate	Increase from PY	2024 Rate	Increase from PY	2023 Rate	Increase from PY	2022 Rate	Increase from PY	2021 Rate
Health insurance	26.75%	\$ 8,191	4.66%	\$7,826	4.67%	\$7,477	1.08%	\$7,397	5.39%	\$7,019	10.95%	\$6,326
Retirement	13.07%	24.53%	2.04%	24.04%	-3.92%	25.02%	2.12%	24.50%	1.66%	24.10%	11.16%	21.68%
Pay increase	20.50%	4.00%		3.00%		4.00%		3.50%		3.50%		2.50%
FICA Rate	0.00%	7.65%	change not expected									

*-estimated.

New Positions/Vacant Positions

As Gaston College continues to grow, incorporating new structures, sports facilities, and programs, the demand for sufficient staffing to provide upkeep of buildings, grounds, and infrastructure grows proportionally. Funding for these new positions is paramount to ensuring the continued growth and the maintenance and safety of facilities at Gaston College. The current budget proposal encompasses a request for three (3) additional full-time positions and one (1) additional part-time position, contributing to a total increase of \$151,998 in salary and benefits costs. The new Fiber Innovation Center on the Kimbrell Campus in Belmont necessitates additional housekeeping support (2 positions.) Additionally, recognizing the importance of maintaining our campus grounds, we propose the addition of a horticulture specialist to augment our Grounds Team. This specialist will play a crucial role in sustaining and enhancing the aesthetic appeal of our campus environment. Our current request also includes funding for a part-time maintenance position to facilitate the proper maintenance and safety of our buildings on the Dallas and Kimbrell Campuses.

In addition, due to budget constraints, the College had two (2) vacant positions that went unfilled during the prior year. Our current year request includes funding for one (1) vacant campus police officer and (1) vacant housekeeping position which contributes a total of \$124,797 in salary and benefits costs.

Other Budget Requests

Inflation and utility rates continue to rise. We anticipate a \$387,034 increase in existing utility costs with another \$350,000 in added utility costs relating to opening our new Fiber Innovation Center on the Kimbrell Campus. Funding for the new Fiber Innovation Center is critical for the operations of that building. We expect increases in gasoline, custodial supplies, service contracts, and other operating costs due to inflation and economic conditions. General liability, property, cybersecurity, and other insurance premium rates for FY 2025-26 are expected to significantly increase an estimated \$50,814 over the prior year and the annual lease escalation for the radio tower will be \$3,688 (or 5%.)

Overall Budget

A review of Gaston County budget requested to budget awarded indicates a \$2,981,421 shortfall since FY 2020-21.

Budget Shortfall	FY 2024-25		FY 2023-24		FY 2022-23		FY 2021-22		FY 2020-21		2020	Total
Dollar Analysis	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	Shortfall
Budget Requested	\$ 7,057,331	3.65%	\$6,808,900	7.99%	\$ 6,304,932	5.31%	\$ 5,987,257	3.67%	\$5,775,325	3.39%	\$5,585,769	
Budget Awarded	\$ 6,021,775	2.62%	\$5,868,062	0.00%	\$ 5,868,062	4.45%	\$ 5,618,062	0.75%	\$5,576,363	-0.17%	\$5,585,769	
Shortfall	<u>\$ (1,035,556)</u>		<u>\$ (940,838)</u>		<u>\$ (436,870)</u>		<u>\$ (369,195)</u>		<u>\$ (198,962)</u>		<u>\$ -</u>	<u>\$ (2,981,421)</u>

The FY 2025-26 requested budget reflects a \$2,014,088 increase over the FY 2024-25 approved budget.

The Finance & Facilities Committee recommended approval of the proposed FY 2025-26 Gaston County operating budget request totaling \$8,035,863 to the Board of Trustees.

Chair Dancoff asked if there was any other discussion before voting. There being none, **the motion passed.**

3. FY 2025-26 Gaston County Capital Priorities

FY 2025-26 Gaston County Capital Priorities along with an additional five years of projections were provided. The capital priorities for FY 2025-26 reflect needs totaling \$9,432,850 with an additional \$26,500,000 identified capital needs for immediate planning purposes. The priorities are subject to change due to unforeseen maintenance requirements that might arise.

Gaston College maintains 46 buildings and structures totaling 842,981 square feet and \$213 Million in insurance value in Gaston County. The capital priorities identified for FY 2025-26 encompass critical projects, such as converting aging steam lines and boiler upgrades, ADA compliance issues, roof repairs and replacements, window replacements, improvements to classroom exhaust systems, various HVAC repairs, and pavement maintenance, including the driver track utilized for law enforcement training. As the College turns 60 years old, we find many of our buildings and infrastructure in need of major requirements and upgrades.

In seeking support for these initiatives, we expect that the County will, at the very least, sustain funding for the College's capital projects at the established historical level. Simultaneously, we urge consideration of our identified capital needs, amounting to \$9,432,850 for FY 2025-26. This total includes \$4,025,000 designated as priority one for routine maintenance requirements and an estimated \$3,395,000 for phase two of our steam boiler replacement project, as illuminated in the details provided below. While the request is an increase over the previous year, more capital funding is necessary to address the substantial maintenance needs of our aging facilities. The original campus construction began in 1964 meaning more than 312,000 square feet is greater than 50 years old. Another 35,000 square feet is more than more than 40 years old meaning 54% of our square footage is greater than 40 years in age.

Special Project - Outdated Boilers

Gaston College appreciates being a sub-recipient of \$2,828,300 in Gaston County American Rescue Plan (ARP) funds to begin our steam-line and boiler house upgrades. We greatly appreciate the work that is already underway.

The aging steam boiler system used to heat some buildings on campus is outdated and in a constant state of repair. The campus has two steam boiler plants on the Dallas Campus in need of major repairs or replacement. The main steam plant is over 25 years old and provides heat to six buildings on campus (Beam Administration, Comer Engineering Technology, Myers Center, Morris Library, and the Rauch Buildings.) Another steam plant provides heat to two buildings (Lena Sue Beam and Pharr Industrial Trade.) The underground steam lines were replaced about 15 years ago, but we are beginning to encounter significant leaks again. Our cost to maintain the current steam system is significant and continues to increase from year to year. For efficiency and due to significant repair costs, the College would like to convert the two steam boiler systems to hot water boiler systems for each building. Fortunately, the County allocated \$3,200,000 to enable college and county staff to engage an engineering firm to gather information and design options for replacing the system. The initial funding is a significant start, but it is anticipated that an additional \$9 to \$10 million will be required to complete the project.

The FY 2025-26 Gaston County Capital Priorities total \$9,432,850 with an additional \$26,500,000 identified capital needs for immediate planning purposes. Priorities will be refined to match county funds provided and a final listing will be presented to the Committee once the budget is approved by Gaston County.

The Finance & Facilities Committee recommended the proposed FY 2025-26 Gaston County Capital Priorities to the Board of Trustees for approval.

Chair Dancoff asked if there was any other discussion before voting.

Dr. Hauser informed the group that he will be attending the Gaston County Board of Commissioners Budget Discussions on April 1, 2025, at 12:15 p.m. at the Gaston County Administration Building. During the meeting, he will propose that the Commissioners support a bond to fund the capital projects presented today, along with others. Dr. Hauser also asked if any Trustees would be able to join him in these discussions. Trustees Huffstetler, Carstarphen, and Dancoff confirmed their availability to attend.

The motion passed.

4. FY 2024-25 One-Time Stipend for Employees

The College has received \$407,887 of additional funds for enrollment growth, and \$596,806 in performance funding, which reflects the hard work and dedication of the College's faculty and staff.

To recognize the hard work and dedication of the College's faculty and staff, President Hauser requests that the Board of Trustees approve a one-time \$750 stipend for full-time regular, full-time temporary, and part-time regular salaried employees who were employed with Gaston College by July 1, 2024, and remain employed with consecutive salary payments through March 2025, and a one-time \$250 stipend for part-time faculty and staff who were employed by Gaston College by July 1, 2024, and received pay for at least two months through March 2025.

The stipends will be issued in a separate check on April 17, 2025.

Stipend (includes benefits):

Full-time \$308,417 (~382 employees)

Part-time \$138,869 (~516 employees)

Total \$447,286 (~898 employees)

Funding Source:

Enrollment Growth Funds for FY 2024-2025 \$407,887

Performance Based Funds for FY 2024-2025 \$39,399

The Finance & Facilities Committee recommended to the Board of Trustees a one-time \$750 stipend for full-time regular, full-time temporary, and part-time regular salaried employees who were employed with Gaston College by July 1, 2024, and remain employed with consecutive salary pay through March 31, 2025, and a one-time stipend of \$250 for part-time faculty and staff.

Chair Dancoff asked if there was any other discussion before voting.

Dr. Hauser noted that while the past two enrollment growth stipends issued to faculty and staff were provided during the fall semester, the College was unable to issue them on time this year due to the General Assembly's late approval of enrollment growth funding.

The motion passed.

Dr. Hauser mentioned that he would send out an email to inform faculty and staff that the stipend had been approved.

5. Crash Café

Ms. Stroupe asked Dr. Daniel Freeman to report on the Crash Café information item.

Dr. Freeman reported that the College has been working with Meehan Food Group, owner of Hottadog Food Truck to use the Crash Cafe space. Kevin Meehan's culinary journey began in Cary, North Carolina, where he started as a dishwasher and became Executive Chef of a \$3 million food and beverage program by age 21. He has an impressive resume, having worked at several prestigious establishments.

With a minimal investment of \$3000, Meehan Food Group will begin piloting their food for our students, with an estimated opening date for the first day of school in Fall. This will allow them to trial and iron out details. Meehan Food Group will focus on "pre-sales" of meal plans for 10, 20, and 30 meals leading up to the first day of school in the Fall term. Students can buy these plans through their website. Meals can also be purchased in person Monday through Friday at the Crash Café. Breakfast items will also be available.

Due to the inconsistency of past food vendors in this space and to ensure this is a sustainable food partnership, Meehan Food Group will not pay rent to use the space but will donate 10% of their gross sales back to the college.

The college has also consulted with Parker Poe Law firm to create a draft agreement to ensure a positive relationship between Gaston College and Meehan Food Group. It identifies areas of cleanliness and food safety to exclusivity and their insurance policy.

An example of a lunch menu was provided, along with survey results from students expressing their desire for on-campus food service.

This item was presented for information purposes only; no action was required.

6. Capital Reports

De-escalation Center:

C Design is continuing the design phase after receiving drawings from Action Target on 1/24/25. They are preparing design drawings and are targeting to present them to Gaston County and State Construction Office by end of February.

Fiber Innovation Center:

Construction is currently 100% complete. Contractor retainage will be paid once the final “as-built drawings” are approved by the State Construction Office and received by the College. The one-year walk-through was conducted with Shelco and WHN+. Corrections are ongoing.

Health Science Education and Simulation Center:

The NC Office of State Budget and Management has released the first \$15m allotment to the College for the project. An RFQ for architectural design services was issued with documents due October 31st. 21 proposals were received. Evaluation of bids took place on November 6th. That list was narrowed to 6 Architectural firms by a selection committee. Those firms made presentations to the Facilities and Finance Committee on December 10th. The F&F Committee selected WHN+, Morris-Berg, ADW, and Lord Aeck Sargent to give presentations to the Board of Trustees. Those presentations were on Thursday, December 12th. The firm chosen to be presented to the North Carolina State Construction Office was Morris-Berg, with the two alternates being Lord Aeck Sargent and WHN+. The College has met on-site with Morris-Berg to discuss possible site locations. Workshops were held to kick off the planning process. The meetings were led by Morris-Berg and included selected representatives from Faculty, Staff, Athletics, and Gaston County Schools.

Minor Project –PTI Automotive Labs Exhaust System:

The exhaust systems for the automotive labs in the Pharr Trade and Industrial Building, rooms PTI 109 and PTI 110, will be renovated to install updated equipment. The project is currently in the design phase. Drawings have been completed. We are working with CMTA to put a Scope of Work together.

Minor Project –Rauch Science and Fine Arts Building Lab Hood Exhaust System:

The Lab Hood exhaust systems in the Rauch Science and Fine Arts Building need repair and renovation to restore them to full operation. This will include needed repairs, updates for energy savings, and the removal of the pneumatic controls and air compressor. The controls will be integrated with the Gaston College Building Automation System. We are working with CMTA to put a Scope of Work together. Design drawings are complete. Team Mechanical LLC was selected as the general contractor. After a value engineering process, funding was approved using County

Cap Funds with a budget of \$448,000 and an agreement has been signed. A PO was issued and preliminary work has started.

Minor Project – Regional Emergency Services Training Center (RESTC):

The Board of Trustees approved to proceed with the structural inspection January 22, 2024. The structural inspection took place May 14-16, 2024. The concrete testing report has been received. The inspection found two (2) areas within the tower too deteriorated for safe use. Other areas were determined useable but reaching end-of-life. The structure needs replacing within the next several years. We have been meeting with contractors to obtain cost estimates on repairs for the two areas that have been taken out of service and all other areas where fire props are located.

Steam Plant Renovation Project:

The project is currently in the design phase; however, based on preliminary assessments the first phase will focus on the Comer Engineering Technology Building (CET) and the Robinson Classroom Building (RCB). The College provided documents to Gaston County that were requested supporting the use of ARPA funding. An Electrical Load study was performed for the CET Building and is under review by the engineering team. Gaston County has provided a subrecipient agreement for this project, and the Gaston College Board of Trustees approved it at their meeting on November 18th, 2024. The signed document was presented to Gaston County for final approval. Due to the scope of work, the project has been separated by building.

Robinson Classroom Building Steam Plant Project:

Drawings for RCB are at 90% and have been sent to the State Construction Office for pre-approval. A 3-1 is in progress.

Comer Engineering Technology Steam Plant Renovation Project:

Drawings for the CET Building are at 30%. 3-1 will be submitted soon.

Textile Academy Renovation Project: The project will include interior and exterior renovations to the Kimbrell Classroom Building on the Gaston College Kimbrell Campus. The renovations will create space for (2) Analytical Testing Labs, a Microscopy Lab, and (2) Physical Testing Labs. This will allow for support and growth in industry training for the region, and nationally. It will also enhance the development of the Associates Degree in Textile Technology by offering students hands on training. There will be modifications in the Electrical, HVAC, and Plumbing systems. Funding source to be determined.

Fiber Innovation Center Electrical Upfit Textile Technology Center Carding Room:

The Textile Technology Center (TTC) has received a donation of carding-type textile machinery in coordination with the development of the new Fiber Innovation Center (FIC). This prototype production machinery will support the TTC's mission as outlined in State Statute 115D-67.1. The FIC was specifically designed to accommodate this equipment, with Room 119 offering 7,050 square feet of high-bay industrial space equipped with the necessary power and environmental conditions. To fully operationalize the equipment, a project will be required to install additional electrical connections from the main distribution panel (MDP), including voltage adjustments, to each of the 32+ individual pieces of machinery. Board approved to proceed with project 1/21/25. An RFP was issued for engineering design services, and the responding firms were evaluated on qualifications and selected by ranking. Once the selected firms are under contract, Stephen Sharp will start the design process with them.

Fiber Innovation Center Process Chiller: The Textile Technology Center (TTC) has received donations of and continues to purchase very specialized textile machinery for the development of the new Fiber Innovations Center (FIC). This specialized equipment generates high temperatures. The FIC was specifically designed to accommodate space for this specialized equipment; however, a process chiller will be necessary to maintain proper temperatures and protect the equipment and building. Board approved to proceed on 1/21/25. Currently awaiting design drawings.

This item was presented for information purposes only; no action was required.

7. Financial Audit – Gaston College

McCannon Rogers Driscoll and Associates has completed the financial audit for Gaston College for the fiscal year ending June 30, 2023. McCannon Rogers Driscoll and Associates issued an unmodified (or “clean”) audit report.

The audit results summary noted:

- Clean opinion
- No deficiencies found in internal controls
- Financial statements are neutral, consistent and clear
- Full cooperation with management

Auditors identified one difficulty encountered in performing the audit to which the College agreed. As stated in the attached governance letter addressed to the Board of Trustees:

- The completion of our audit was delayed primarily due to the effects of a cybersecurity attack the College experienced in February 2023 and the continued vacancy of the Controller position at the College. In addition, after the College’s recovery from the cybersecurity attack, there were also timing delays caused by coordination challenges between auditor and auditee schedules and other duties that took precedence.

Auditors identified one misstatement as stated in the attached governance letter addressed to the Board of Trustees:

- Professional standards require the auditor to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the College’s financial statements taken as a whole.

The auditor’s opinion letter, governance letter, and internal control letter were provided in the Board material. Copies of the audited financial statements are available upon request.

Chair Dancoff and the other Trustees acknowledged the excellent work that Ms. Alman and the Finance Department have done.

This item was presented for information purposes only; no action was required.

8. FY 2024 College Financial Statement Audit

NC General Statute 115D-58.16 states that each community college shall be subject to a financial statement audit a minimum of once every two years.

§ 115D-58.16. Audits.

(a) Each community college shall be subject to a financial audit a minimum of once every two years. Community colleges may use State funds to contract with the State Auditor or with a certified public accountant to perform the audits. The colleges shall submit the results of the audits to the State Board of Community Colleges. The State Board of Community Colleges may require a community college to be audited annually after the community college has two consecutive financial audits with findings.

The State Board of Community Colleges shall ensure that all colleges are audited in accordance with this section.

(b) Notwithstanding the provisions of Chapter 143D of the General Statutes, a community college shall not be subject to the EAGLE program administered by the Office of the State Controller unless (i) there is a finding of internal control problems in the most recent financial audit of the college or (ii) the State Board of Community Colleges determines that a college should be subject to the program. (2011-145, s. 8.15; 2013-360, s. 10.15(b); 2018-92, s. 1(c).)

The audit of fiscal year 2023 is complete with no findings. A copy of the Governance Letter, Auditor's Opinion Letter, and Internal Control Letter are attached as Agenda Item 7 and a copy of the full report is available for each board member. In discussions with the auditor, it was suggested that the College not complete the fiscal year 2024 financial statement audit for the following reasons:

- Timeliness and Relevance of Audit
- Staffing Changes
- New Controller
- Vacant Positions
- Cost of Audits

Audits are valuable to the College but should also be timely and relevant. The significant delays in completing the audits lessen the relevance of the audits. The cost of a financial statement audit has reached record levels the past few years. With a vacant Chief Finance Officer position and a new Controller, it would lessen the burden to not have an audit of the 2024 financial statements.

The College would complete a 2025 financial statement audit in fiscal year 2026 which is within compliance with the NC General Statute.

The Gaston College Foundation will continue with annual audits. The fiscal year 2024 audit for the foundation is wrapping up and will be shared at a later date.

This item was presented for information purposes only; no action was required.

9. Pension Spiking

During the 2014 General Assembly session, contribution-based benefit cap (CBBC) legislation was enacted effective Jan. 1, 2015 to control the practice of "pension spiking" in which a retirement system member's compensation substantially increases, resulting in a monthly retirement benefit that is significantly greater than the member and employer contributions would fund. As part of this calculation, a minimum average final compensation (AFC) amount is established before the calculation would apply, which is indexed for inflation each year. The current AFC threshold is \$130,764.76. This rule as established will only impact a few members

of the retirement system. The legislation requires the member's last employer to pay the additional contribution required to fund the member's benefit in excess of the cap.

The State Treasurer's office reports monthly to each employer a list of those members for whom the employer might be required to make an additional contribution. The chief financial officer of the agency is required to provide a copy of the report to the chief executive and the governing body, so that all are aware of the potential future liability.

Gaston College receives monthly reports from the State Treasurer's office identifying members who are close to the AFC threshold. The members identified may or may not actually reach the CBBC at the time of their actual retirement.

As of February, 2025, the report from the NC Department of State Treasurer identifies 10 members' who may be eligible to retire in the next 13 months whose estimated monthly retirement benefit exceeds the CBBC. There is 1 member whose salary exceeds the AFC threshold creating the potential for a required additional retirement contribution of \$301,299 should that member retire in 2025. We will continue to monitor the calculation in the future.

The report was attached in the Trustee material. This item was presented for information purposes only; no action was required.

10. Supplemental Budget Allocations

The College has received \$1,192,984 in Supplemental State Budget Allocations in December 2024 and January 2025, including \$949,384 in Customized Training. Please see the following pages for additional information. This item is presented for informational purposes.

GASTON COLLEGE
Fiscal Year Ending June 30, 2025
Supplemental Budget Allocation

PURPOSE	DESCRIPTION	STATE CURRENT
361	Customized Training	\$ 272,568
547	Disaster Recovery Act Part II	\$ 13,907
548	Disaster Recovery Act Part II	\$ 2,055
various	Faculty Recruitment and Retention	\$ 310,215
various	Longevity	\$ 452,461
372	Expansion of Apprenticeship	\$ 141,778
	TOTAL	\$ 1,192,984

A total of \$949,384 has been received for Customized Training as of January 2025 as follows:

Customized Training - Reconciliation		
As of January 2025		
		YTD TOTAL
31196	Plastics Product Manufacturing	25,795
31198	Parkdale Mills	117,901
31178	Owens-Corning #2	5,674
31189	J & L Machine & Fabrication	21,068
31186	HYDAC	38,808
31187	Husky	23,144
31195	Huber Technology Inc	41,744
31135	Dole Foods	105,656
31142	Bosch Hand Tools	378,952
31193	Blum (Project 2)	141,053
31182	APTAR #3	36,980
31107	AB Carter	12,609
TOTAL FOR FY 2025		949,384

This item was presented for information purposes only; no action required.

11. Financial Reports

Ms. Stroupe reviewed the summaries of budget and expenditures for month-end January 2025 for State, Gaston, and Lincoln County operating budgets and proprietary accounts in comparison to the previous year.

State: State budget **non-categorical** spending was 57.8% spent at the end of January 2025. Results will continue to change as enrollment growth, additional budget supplemental, and longevity funding is received.

Categorical: Overall spending is at 44.1% with some categories higher. The nature of some categorical allotments prevents a percentage spending comparison. An example is purpose code 361 for New and Expanding Industry Customized Training. These funds are allocated to the College to deliver specific training within the timeframe requested by the company. The budget is awarded and expected to be spent quickly.

Finance continues to monitor spending.

County Budgets: 54.6% of the Gaston County budget and 58.2% of the Lincoln County

budget has been spent as of the end of January 2025. Finance continues to manage county spending using other funding sources as needed. The total Gaston County budget deficit as of the end of January 2025 is approximately \$223,860.

Proprietary:

The Rhino Shop: Revenues are down \$62,158 when compared to the same period for FY2024 and related expenses are up \$188,908 when compared to the same time last year. The spending increase is mostly caused by the timing of purchases for resale and inflation (less purchased this month.) The net operating loss for January 2025 increased when compared to the operating loss for the same time in the prior year. The Bookstore continues to operate at a loss. Finance will continue to monitor spending.

Textile Center: As the Fiber Innovation Center planning continues and equipment is being purchased and placed in operation, 2025 revenues through January 2025 have decreased by \$109,937 when compared to the same period for FY2024. Expenses are also down significantly due to payroll relating to the Textile Center being moved to State funding.

Athletics: Expenses relating to Athletics through January 2025 were \$524,812 which is down \$190,528 over the prior year. Athletics is funded via student activity fees, excess fees, campus access fees, and bookstore revenues.

Campus Access Fee: Revenues for YTD January 2025 have decreased by \$18,000 compared to YTD January 2024 due to the timing of payment receipts. However, with increased enrollment, we anticipate revenue growth throughout the spring semester as students continue to settle their balances. Expenses have decreased due to fewer projects and motor vehicles being purchased so far this year.

Fire Training: Revenues for the fire training program are up \$9,542 when compared to the prior year with a \$2,627 increase in related expenses. We expect the financial position of the Regional Emergency Services Training Center to continue to improve as spring approaches and due to the increase in fees approved at the June 2024 Board meeting.

Foundation: Total Foundation cash and investments were \$13,739,666 million at the end of January 2025.

College Investments with the Foundation: As of January 2025, the College has invested \$3 million via the Foundation. Investments are managed by Raymond James

and interest earnings on those investments so far are \$42,590.

Dr. Hauser added that the College is working on a new format for the proprietary and investment accounts that will be more user-friendly.

This item was presented for information purposes only; no action required.

12. Grant and Foundation Update

Mr. Upchurch reported that from July 1, 2024, through February 28, 2025, the Foundation received \$909,159 through 2,569 gifts, with an average contribution of \$354.

Annual Funds/Grants	\$268,037
Athletic Funds	\$157,303
Capital Funds	\$185,000
Endowment Funds	\$192,481
WSGE Radio	\$106,338

New Funds:

Austin Harvell Memorial Scholarship (Endowed)
Katelyn Self Scholarship (Endowed)
Uster/Raul Thomas Scholarship (Annual)

Mr. Upchurch also shared three events that the Foundation will be hosting:

1. Rhino Bowl-A-Rama, May 3, 2025
2. A Night for Momentum Makers, Featuring Band of Oz, June 13, 2025
3. Rhino Golf Classic, June 23, 2025

Grants and Sponsored Programs- YTD

Grants Awarded:

Bosch Community Fund- \$20,000- Skills USA and Academic Travel
Gaston Community Foundation- \$20,000- Skills USA and Academic Travel
High-Cost Workforce Programs- \$750,000- Sonography (Lincoln Campus)
John M. Belk Endowment- \$20,000- Hurricane Helene Relief
North Carolina Community College Foundation- \$5,000- Hurricane Helene Relief
Duke Energy Foundation- \$25,000- SciVisit/Rhino Road Map
Duke Energy Foundation- \$25,000- Electrical Systems Technology Enhancements
Golden Leaf (Lincoln)- \$1,034,600- Lincoln Health Academy Program Funds (EMT/Paramedic/PN)
Golden Leaf (Gaston)- \$125,000- Welding expansion and enhancement
Cannon Foundation- \$75,000- Sonography Matching Funds

Grants Pending:

National Science Foundation- \$750,000- SPARC 6
National Science Foundation- \$1,872,057- SPARC 7
NC State and Local Cybersecurity Grant Program- \$250,000
Title II- Adult Education and Family Literacy Act- \$750,000

The Trustees commended Mr. Upchurch for the impressive grants that have been awarded to the College.

This item was presented for information purposes only; no action required.

F. SGA REPORT

Ms. Queen reviewed the following SGA-sponsored events:

Since her last report, the Student Government Association (SGA) has hosted and sponsored 11 events, and 644 students have attended all SGA events combined.

Spring Semester Welcome Events:

At the start of the spring semester, the SGA sponsored a welcome event on the Dallas and Lincoln campuses. Combined, there were 330 students present. Snacks were provided and general campus information for incoming and returning students.

N4CSGA Spring Division Meeting:

On the 8th of February, six student members and two advisors of our board traveled to Surry Community College in Dobson NC for the N4CSGA Spring Western Division Meeting. Topics such as servant leadership, advocacy, event planning, and budgeting were discussed.

Black History Month Events:

To highlight the past and celebrate Black History Month, the SGA has sponsored two Black History Month Events. On the 10th of February, a Black History Trivia-style event was held in the Crash Café. On the 27th of February, a Black History Movie Event was held in the Myers Center Auditorium.

Career & Hiring Expo Prep Events:

In March of 2025, SGA sponsored several professional and academic support events and workshops. The SGA partnered with the Work-Based Learning and Placement department to successfully host workshops on the topic of Resume Building, Communications in the Workplace, Workplace Culture, and Mock Interviews.

N4CSGA Spring Conference 2025:

On the 21st – 23rd of March, six student members of the SGA and two advisors traveled to Raleigh, N.C. for the N4CSGA 2025 Spring Conference. At this event, topics such as financial literacy, leadership styles, and legislative matters were discussed as we networked with student leaders across the state. N4CSGA President, Autumn Queen, was honored to host and orchestrate this event. In addition to the professional connections made, some of our Gaston College group were honored at the 55th annual awards banquet. Our advisor Ms. Meagan Lingerfelt was recognized as the Advisor of the Year for the Western Division, Gaston College SGA Vice-President, Bannock Scott, was presented the Bryan Pugh Award for his exemplary leadership and commitment to serving others, and SGA President, Autumn Queen, was recognized as a Regional Winner for the Governor Robert W. Scott Student Leadership Award.

Chair Dancoff, the Trustees, and Dr. Hauser applauded Ms. Lingerfelt and Ms. Queen for their leadership and awards.

Dr. Gore inquired about the College providing free interview clothing to students. Ms. Lingerfelt replied that it does not. Dr. Gore and Ms. Peak said several local organizations and churches do offer this service. Dr. Gore suggested that Ms. Howe compile these lists and forward them to Ms. Lingerfelt and Ms. Queen, so they can be provided as a resource to students.

F. CHAIRMAN'S REPORT/ANNOUNCEMENTS

Chair Dancoff shared the following with the Trustees:

- Board of Trustees FY 2025-26 Calendar of meeting dates
- Resolution of Gratitude from Haywood Community College Board of Trustees
- Athletic dates provided in their Board material and other events such as:

Ribbon Cutting-FIC Building	April 28, 2025	10 a.m.	Kimbrell Campus
Board Committee Meetings	May 12, 2025	1-4 p.m.	MCMA, Section B
GC Graduation	May 16, 2025	10 a.m.	CaroMont Health Park
Board of Trustee Meeting	May 19, 2025	3:00 p.m.	TBD

- Statement of Economic Interest (SEI) report is due to the Ethics Commission by April 15, 2025.
- The President's Evaluation Survey will be sent out in April. Results will be discussed at the May Executive Session during the Board meeting.
- The Executive Committee met on Tuesday, March 18, but had no action items to come before the Board.
- Chair Dancoff thanked Dr. Hauser and Trustees Huffstetler, Lee, Keigher, Fletcher, Hoyle, Caldwell, and Stroupe for attending the NCACCT Conference in Raleigh, March 19-21. He was glad he attended and thought it was an excellent conference. Others shared how nice it was to spend time and get to know other fellow trustees, the College was well-represented, the open meeting session was very insightful, meeting the new Speaker of the House Justin Hall, and how Gaston College is esteemed throughout the State.
- Relay for Life will be hosted on the Dallas Campus on May 2, 2025.

G. PRESIDENT'S REPORT/REMARKS

- Gaston College was awarded initial accreditation for the Surgical Technology Associate Degree by the Commission on Accreditation of Allied Health Education Programs.
- Our second annual Rhino Roadmap for CTE Careers event was a success. We had 170 registered participants and 25 employers that attended. Feedback was very positive, and we estimated that 250 people visited the campus during this event. Due in part to our Marketing and Communication Department's promotion of this event, the registrations for the 2025 event rose by 46% compared to 2024.
- Two articles featuring Gaston College are featured in the latest issue of the **Charlotte Business Journal**: "Gaston College to Boost Domestic Advanced Fiber Development" and "Gaston Region Growing Much-Needed Healthcare Workforce." These articles highlight the College's Textile

Technology Center, the new Fiber Innovation Center, and the ongoing demand for healthcare-related programs, underscoring the upcoming Health and Wellness Center.

- A Rhino Chat was held on Tuesday, March 18, at 10:00 a.m., with approximately fifty faculty and staff in attendance, along with Chair John Dancoff. There was great conversation and many topics were discussed during the session.
- Dr. Hauser, Ms. Cox-Wade, Mr. Sharp, and representatives from NC State, Drexel University, UMass Lowell, and NC Textile Engine will be attending the National Council of Textile Organization (NCTO) in Washington DC, March 25-26. While there, we will be lobbying for a \$50 million (over 5 years) Department of Defense grant. If awarded, 25% will be allocated toward Workforce Development (Gaston College).
- Dr. Christopher Thurley has been awarded a summer fellowship from the American Council of Learned Societies, which is funded in part by the Mellon Foundation. Additionally, Dr. Thurley's book, *Anthony Burgess and America*, will be published by Manchester University Press on March 25.
- Melanie Dekerlegand has been awarded a scholarship to attend the AI and Digital Literacy: Toward an Inclusive and Empowering Teaching Practice Institute this summer at the University of Kansas. The institute will explore how to teach writing, research, and critical inquiry in the face of developing generative AI technology.
- SPARC student Carolina Servin Leon is a semi-finalist for the Jack Kent Cook Undergraduate Transfer Scholarship, a highly selective scholarship for the nation's top community college students. It provides up to \$55,000 per year at any accredited four-year undergraduate institution in the U.S.
- This May, Medical Assisting will have the biggest graduation class in the program's history with over 50 graduates. The fall enrollment is expected to grow with a new cohort starting at the Lincoln Campus in Fall 2025.
- \$10,807,652 has been disbursed in federal, state, and institutional aid to 2,268 students. 4,955 unduplicated FAFSA applications for the 2024-2025 school year.
- Christian Smith was honored with the Deborah Northcross Unsung Hero Award for the region in recognition of her dedication to our students and the TRiO program.
- The smaller melt spinning unit has been delivered to FIC; the larger unit is scheduled to ship at the end of March.
- **Basketball**
 - Season record is 22 wins and 8 losses, with Region 10 conference games at 8-6.
 - All three Sophomores were named to the 2025 All-Region 10 team:
 - Jordan Brown, first team; Tyheim Love, second team; Judah Ravenell, second team
 - Jordan Brown has signed with UNC Greensboro
 - Ravenell and Love are awaiting offers from several interested universities
- **Softball**
 - As of March 17, Softball's record is 33-3 overall, and 2-0 in the conference
 - Currently ranked #12 in the NJCAA Poll
 - First NCAA Division 1 signee this season: Kendall Bradshaw, Appalachian State University.
- **Baseball**
 - As of March 17, Record is 22-7 overall, 8-4 in conference, with a 6-game winning streak going into a 13-game homestand.
 - Currently ranked #23 in the NJCAA Poll
 - Four student-athletes are currently signed at the Division 1 level:

- Conner Frail, College of Charleston; Jackson Berini, Wichita State University; Noah Zimmerman, High Point; Sam Dansky, Citadel
- **Beach Volleyball**
 - Played their first match of the spring and are participating as a club sport this season
 - Gaston College will be hosting the South Atlantic Conference's Beach Volleyball Championship Tournament on April 11 & 12, 2025

A few topics discussed after the President's Report were:

- WSGE's is having its spring fund drive. Judge Caldwell encouraged the Trustees to contribute to the Station.
- Cancer Benefit in memory of Jackson Hall, Trustee Steve Hall's grandson, will be hosted by the GC Softball team on April 10, 2025. All donations will be given to the No Brainer Foundation.
- DEI and the Potential Dismantling of the Department of Education
Dr. Hauser shared that during the recent NCACCT President's meeting, it was indicated that the Federal PELL Grant would likely remain unaffected. Mr. Baney added that the College is collaborating with Parker Poe Attorneys to navigate this fluid situation, which includes potential changes to the Department of Education and how they may affect higher education institutions, and evaluating DEI related programs and activities and their various funding sources for compliance. Until clarification is determined that could precipitate specific change for applicable activities and programs, activities such as academic course content should continue as planned. Additionally, in alignment with the US Office of the Attorney General, educational, cultural, or historical observances, such as Black History Month, Women's History Month, or similar events that celebrate diversity, recognize historical contributions, and promote awareness of these observances may continue.

H. ADJOURNMENT

Chair Dancoff asked if there was any further business to come before the Board. There being none,

Mr. Huffstetler moved to adjourn the meeting.

The meeting adjourned at 4:36 p.m.

Respectfully submitted,

Dr. Shawnya Gore, Secretary

John Dancoff, Chair

Guyann Howe, Recording Secretary

(College Seal)