

Navajo County Community College District Governing Board Meeting Minutes

April 15, 2014 – 10:00 a.m.

Painted Desert Campus, Tiponi Community Center
2251 East Navajo Boulevard, Holbrook, Arizona

Governing Board Member Present: Mr. Frank Lucero, Ms. Ginny Handorf, Mr. Daniel Peaches, Mr. Prescott Winslow, Mr. James Matteson.

Staff Present: President Jeanne Swarhout; Vice President Blaine Hatch; Vice President Mark Vest; Information Services Director Eric Bishop; Institutional Effectiveness Director Dr. Leslie Wasson; Recording Secretary to the Board Lisa Jayne.

Others Present: Margaret White, Ann Hess, Everett Robinson, Nick Worth, Kyle Nowell, Lauren Sedillo, Stuart Bishop, Sharon Hokanson, Matt Weber, Jake Hinton-Rivera, Bill Fee, Beulah Bob-Pennypacker, John Spadaccini.

Agenda Item 1: Call to Order and Pledge of Allegiance

Chair Handorf called the meeting to order at 10:00 a.m. Mr. Matteson led the Pledge of Allegiance.

Agenda Item 2: Adoption of Agenda

Chair moved old business to end of agenda

Mr. Matteson moved to adopt the agenda as presented. Mr. Lucero seconded the motion. *The vote was unanimous in the affirmative.*

Agenda Item 3: Call for Public Comment

None

Agenda Item 4: Report

4.A. Financial Position – Vice President Hatch

Vice President Hatch reviewed the Financial Report with the Board.

Mr. Winslow asked if under the Restricted Fund the \$150,000 capital expense was grant funding. Vice President Hatch stated that capital expenses in the Restricted Fund are generally grant funded equipment, most likely Perkins. Chair Handorf asked why the grant revenue was lower this year. Vice President Hatch stated grants and contracts section in the General Fund is where the College receives partnership revenues such as Apache County and NAVIT, and these accounts are billed twice a year; although Apache County is currently in arrears on their payment. Mr. Winslow asked if over \$12 million has been budgeted in capital but only \$2 million had been spent to date, was there an anticipated \$10 million expenditure going to take place in the next two months. Vice President Hatch stated the College would not be spending that amount. This under spending was merely a lagging in some scheduled projects. Vice President Hatch stated the expenditures would be closer to \$3 million by year's end. Mr. Lucero



asked if the additional budget would be spent next year. Vice President Hatch stated it most likely would.

4.B. NPC CASO – Margaret White

Margaret White addressed the Board and stated CASO textbook scholarship have awarded \$935 to four staff applicants who are currently taking classes for professional development. This year there is some leftover in this scholarship for summer school, and will be dispersing an additional \$300 for textbooks. The College Picnic is this Friday. Margaret White invited the Board to attend. CASO will be having a joint retreat with the faculty association next week and Stuart Bishop will be presenting on safety. Presently there are 35 attendees registered. The candy sales for student scholarships are still going well. Five CASO representatives will be serving on College Council in the upcoming year; Vicki Bessinger, Susan Olsen, Shawntel Skousen, Ina Sommers, and Margaret White.

4.C. Faculty Association – Cyndi Hutton

None.

4.D. NPC Student Government Association

Kyle Nowell, SGA President introduced the SGA Vice President, Stirling West. Kyle stated the recent SGA talent show had a great turn out. Winners were Joshua Bell, Alisa Davis, Jessie Reeck, and Ashley Nudson. The laptop scholarship was approved again for this upcoming year, and also a traveling scholarship was approved to pay for costs of traveling for students in outlying areas. The annual Costa Rica trip is coming up and applications are due on the 30th of April. SGA Vice President Stirling West stated the 5th Annual SGA Basketball Tournament will be taking at Holbrook High School gymnasium on May 3, and 4. April 28 is the deadline to sign up. As far as membership, a Hopi Student will be joining SGA. Mr. Winslow stated he was glad to hear Hopi will be represented in SGA.

4.E. Enrollment report

Vice President Vest stated he was cautiously optimistic that there was a modest enrollment recovery this spring. The FTSE count for spring is up 2.3%, and only one of two community colleges in the state will report an increase in spring. Many community colleges will have a double digit decline with a system average of at least 4.7%, although final numbers will not be reported until the annual enrollment numbers come out. Vice President Vest reviewed the enrollment report with the Board.

NAVIT enrollment was down 20% this semester. It is hopeful that upcoming new programs will help increase NAVIT enrollment. Whiteriver has had an increase due to contract training and some positive work by academic advisors and the center manager in student recruitment. The College has met with high school guidance counselors, CTE directors, and dual enrollment contacts last Thursday and did a presentation on the scholarships the Board has recently approved. Another presentation to the Navapache superintendents will be next week. The potential impact is 75-80 FTE if the College Bound scholarship is fully utilized.



Agenda Item 5: Consent Agenda

- A. March 18, 2014 regular meeting minutes.
- B. Curriculum Change for Business Associate of Applied Science Degree in Entrepreneurship
- C. Curriculum Modification of the Medical Assistant Program

Mr. Matteson moved to accept the consent agenda. Mr. Lucero seconded the motion. *The vote was unanimous in the affirmative.*

Agenda Item 6: Old Business

None.

Agenda Item 7: New Business

7.A. Initiate President's Evaluation Process – NPC Procedure 2045

President Swarthout stated the president's evaluation is coming up. In the procedure it is slated for May but because May is a busy session it will most likely be done in June. This year, as in every even numbered year, a 360 evaluation process will take place. The Chair will organize the 360 evaluations as well as Board evaluations. The president will bring a self-evaluation to the Board using the same form the Board uses. She will provide a fairly brief summary of goals from last year along with their outcomes. She will also present a set of new goals for the upcoming fiscal year. If there are other aspects any of the board members feel need added, please contact Lisa Jayne and they will be included in the process.

President Swarthout reminded the Board the president's evaluation will be done in executive session. President Swarthout stated the form does stand in need of revision. Board Handorf stated that an evaluation of Board members might be helpful as she has noticed it is a best practice of other community college boards. President Swarthout stated she would pull some examples of board evaluation tools.

7.B. Review of Budget Analysis

Vice President Hatch reviewed with the Board the budget development process to date. Due to the spread-out nature of the district the College will do more advertising of the upcoming budget hearings than required. Mr. Matteson asked if the operating expense increase included the new building at PDC. Vice President Hatch stated it did. Mr. Matteson asked if the NATC building operating costs are also included. Vice President Hatch stated that the operating costs are largely handled by NATC, only instruction components are covered by NPC and those are included in the budget. Mr. Winslow asked for examples of tuition and fee waivers and other adjustments. Vice President Hatch stated it includes what is waived in tuition for dual enrollment, ADOC, NAVIT, New Mexico tuition waiver, WICHE WUE tuition waiver, instructional awards, return of funds, bank service fees, prior period adjustments, provisions for bad debts. Between tuition and fees the college is budgeting to waive about \$865,000 just on dual enrollment. Mr. Winslow asked if the tuition reductions, the two tuition discounts and two scholarships will be tracked with a cost benefit analysis. Vice President Hatch stated that it will be tracked in several different ways. The \$250,000 budgeted scholarship items will require an application process and



so will know exactly in what is being spent in those two categories. Summer tuition discount will be across all enrollment and should be easy to evaluate, although will require some subjective analysis. TLC reduction will be tracked specific for TLC based on number of people enrolled.

Chair Handorf asked how much the College is appropriating through the Contingency Fund. Vice President Hatch stated currently it is about \$1.4 million, which is a slight decrease from the prior year. The expenditure limit will be breached in 2014-2015. This will be a short-term breach. Presently colleges are working on legislative options to address the expenditure limits. There is sufficient carry forward to carry the College through 2014 and 2015. Mr. Lucero asked when the drop dead point for the expenditure limit will occur. Vice President Hatch stated it is around three years, perhaps in 2016. Mr. Lucero asked how much the expenditure limit will affect the college. Vice President Hatch stated that in 2013-2014 the College will probably be in the \$2-3 million range over the expenditure limit, and in 2014-2015 it will probably double due to enrollment being down. The College currently has about \$25 million in carryover funds.

7.C. 2014-2015 Primary Property Tax- First Read

Vice President Hatch stated that the preliminary budget does include property taxes levied at maximum, which according to Truth in Taxation (TNT) laws, is a 4% increase over the current year. However, because valuations are going down that is a different percentage increase in both the levy and the rate. Mr. Lucero asked what the actual amount is. Vice President Hatch stated that stage budget forms are showing a current levy of \$13,341,000. The budget includes the maximum levy which is \$14,035,000, which is a 5.2% increase. The difference between the 4% and 5.2% is new construction. Mr. Lucero asked with valuation declines what the actual percentage is. Vice President Hatch stated currently the rate is \$1.4769, and would go to \$1.66, which is an \$0.18 increase or 12.5%.

Vice President Hatch stated that currently the total assessed valuation for 2014 for all of Navajo County is \$845,000,000. That is 6.5% lower than it was in 2013, so TNT assumes that everybody's valuation went down 6%. Because of that the \$1.47 doesn't cost you as much because valuation went down. In order to pay the same dollar amount that rate has to go up to capture the difference. Mr. Lucero asked when the valuations go up, if the levy automatically adjusts down. Vice President Hatch stated, yes that is an automatic process. The College cannot, according to State law, assess more than an annual TNT 2% increase.

Vice President Hatch reviewed with the Board instances in the past 10 years when rates decreased due to valuation increasing. Mr. Lucero asked how much revenue would be generated at just under the TNT rate at \$1.59 levy. Vice President Hatch stated it would bring in \$149,000 in new monies, compared to \$694,000. Just going to the TNT rate the College would not receive about \$545,000 of property tax.

Vice President Hatch reviewed the TNT notice with the Board. Staff recommendation would be to post the notice in the newspaper on May 2, 9, and 14th in both the Holbrook Tribune and the White Mountain Independent. A news release is put out that provides information about what



the benefits are, and cost of bonding. There was further discussion by the board on the tax levy increase.

7.D. Request to Approve 2014-2015 Preliminary Budget

Vice President Hatch stated staff recommends approval of the 2014-2015 Preliminary Budget. The actual action item for the property tax levy does not occur until May. At that time reductions to the budget can take place, although no additions can be made to the preliminary budget after approved. Vice President Hatch reviewed the preliminary budget with the Board.

*Mr. Matteson moved to approve the 2014-2015 Preliminary Budget as presented. Mr. Winslow seconded the motion. **The vote was unanimous in the affirmative.***

7.E. Request to Approve 2014-2017 Preliminary Capital Budget

Vice President Hatch stated staff recommends approval of the 2014-2017 Preliminary Capital Budget as presented. Most, if not all of the components presented last year have been rolled forward or continued. Vice President Hatch reviewed the preliminary capital budget and answered item specific questions from the Board.

*Mr. Matteson moved to approve the 2014-2015 Preliminary Capital Budget. Mr. Winslow seconded the motion. **Mr. Lucero abstained. The vote passed with a majority vote.***

7.F. Request to Approve Contract for Tiponi Restroom Remodel.

Vice President Hatch stated staff recommends approval of award of a contract to Pointe Companies for \$128,552. Vice President Hatch stated when the restrooms were designed it was to support a different function than it is currently being used for. There were five respondents to the request for bid.

*Mr. Matteson moved to approve the contract for Pointe Companies for the Tiponi restroom remodel in the amount of \$128,552. Mr. Lucero seconded the motion. **The vote was unanimous in the affirmative.***

7.G. Request to Approve NATC Design/Build Contract

Vice President Hatch stated staff recommends approval of the design/build contract with DW Lusk Contracting and SPS Architects for a 50' x 60' 3,000 sf. classroom. The funds for this facility come from State of Arizona appropriation for construction of a public safety training facility. There is \$430,000 of state funds available. The contract with DW Lusk is a guaranteed maximum price not to exceed \$300,000. Lusk has provided a proposed project budget. Mr. Matteson recused himself. NATC Board recommends approval of the contract for DW Lusk Contracting.

*Mr. Winslow made a motion to approve the proposed NATC Design/Build Contract with DW Lusk Contracting in the amount not to exceed \$300,000. Mr. Peaches seconded. **Mr. Lucero dissented. The vote passed with a majority vote. Mr. Matteson abstained.***



7.H. Request to Approve Resolution Calling for Election of DGB Members

President Swarthout stated staff recommends approval of the resolution calling for election of DGB Members. Mr. Winslow stated that the wording in the resolution should exchange “position” for “terms” as a term expires, not the position.

*Mr. Winslow moved to approve the resolution, with the recommended wording change, calling for election of DGB Members. Mr. Matteson seconded the motion. **The vote was unanimous in the affirmative.***

Agenda Item 8: Standing Business

8.A. Strategic Planning and Accreditation Steering Committee Report

Director Leslie Wasson stated the Higher Learning Commission annual conference was attended by staff this weekend. Several sessions were attended that discussed best practices in strategic planning. The Quality Initiative team has begun discussions on project ideas. Once the QI team has settled on an idea, it will be formally proposed after it is reviewed and refined. The College will be moving ahead with HLC assurance whereby exhibits of evidence of continued quality of operations will be gathered and submitted.

Vice President Vest stated that while at the HLC annual conference staff heard how as of this year the nationally accumulated student loan debt load is \$1.1 trillion, including private and government loans. It has surpassed credit card debt as the second largest debt load in the United States. He thanked the Board and the College on behalf of students in Navajo County for keeping tuition low and staying away from the student loan business in lieu of saddling NPC students with a portion of that debt.

8.B. Human Resources Update – Director Sharon Hokanson

Director Sharon Hokanson summarized the Human Resources report with the Board.

8.C. President’s Report – President Swarthout

President Swarthout stated that Leonard and Alice Graham, two huge supporters of the College and original Foundation Board members, died last week. The College hopes to acknowledge the work they did and the contribution they made. This Friday is the annual NPC picnic. At the AC4 meeting presidents will discuss provisional colleges. The Higher Learning Commission is rolling out a new student survey that the commission will administer to all students in year 10 to inform peer reviewers. Data will be held by the Commission, and the US Department of Education will have access to this data. There is some paranoia amidst the colleges about this. NPC is 5-6 years away from year 10. Staff did get to meet the College’s new liaison at the HLC annual conference.

Agenda Item 9: Board Report/Summary of Current Event

White Mountain Chorale is May 3. The concert will be raising funds for Blue Ridge student scholarships.

Agenda Item 10: Announcement of Next Regular Meeting: May 20, 2014.



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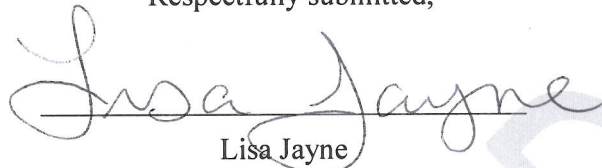
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Agenda Item 11: Adjournment

The meeting was adjourned at 12:55 p.m. upon a motion by Mr. Matteson, a second by Mr. Lucero, and a unanimous affirmative vote.

Respectfully submitted,



Lisa Jayne

Recording Secretary to the Board

APPROVED

