

# Navajo County Community College District Special Board Meeting Minutes

May 19, 2015 – 10:00 a.m.  
Painted Desert Campus, Tiponi Community Center  
2251 East Navajo Boulevard, Holbrook, Arizona

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

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

**Others Present:** Stuart Bishop, Tamara Martin, Ann Hess, Maderia Ellison, Josh Rogers, Everett Robinson, Linda Kor, Sharon Hokanson, Shawntel Skousen, Jeremy Raisor, Judy McFarland, Peggy Belknap, Beulah Bob-Pennypacker, Margaret White, Gus Lundberg, Dave Smith, Brad Farber

## **Agenda Item 1: Call to Order**

Chair Handorf called the meeting to order at 11: 07 a.m.

## **Agenda Item 2: Request to Approve 2015-2016 Proposed Tax Levy – Vice President Hatch**

Vice President Hatch stated that the College has done all required notices to the public and provided information as requested and that staff recommends that the Board approve the proposed 2015-2016 primary property tax levy of \$14,509,355. Vice President Hatch reminded the Board that statutorily the vote is required to be a roll call vote.

Mr. Winslow stated he supports the property tax rate levy in order to protect state funding, and also he supports the fiscally conservative and responsible policy the College has adopted to save and then build then there is no additional expenses of debt service.

Mr. Winslow stated it is important that the college maintain quality not just low cost. Mr. Winslow stated the College is a great deal, a student who is a junior in high school could earn the first two years of a bachelor's degree for less than \$800.

Mr. Matteson stated that without the community college system he would not have afforded to put his children through college. His grandchildren are attending a community college system. He is in support of the increase.

*Mr. Matteson moved to approve the proposed 2015-2016 property tax levy rate increase as presented. The motion was seconded by Mr. Winslow. **The vote passed upon a roll-call vote, with affirmative votes from Mr. Winslow, Mr. Matteson, Mr. Peaches, Chair Handorf, and Mr. Lucero.***



### **Agenda Item 3: Request to Approve 2015-2016 Proposed Budget – Vice President Hatch**

Vice President Hatch stated that the preliminary budget as approved by the Board at the April board meeting and discussed in the public hearing has been published and noticed. The proposed budget is aligned with the current NPC strategic plan approved by the board.

Vice President Hatch stated that the college anticipates the expenditure limit will be breached in 2016, however carry forward will bring expenditures under the limit and a study committee has been approved by the legislature in July and the College is hopeful that a legislative solution to address expenditure limit issues is possible.

Mr. Matteson asked how much contact staff had received from the public. Vice President Hatch stated there were no web comments, letters or phone calls from the community.

Mr. Matteson stated he calculated the expenses for administration versus education and the administration budget came in at 30.2%, which is surprisingly low compared to other organizations. He expressed thanks to administration for this.

Mr. Winslow stated that included in administration is information services, and the College's administrative overhead is significantly lower than other institutions, especially considering that the College does not break out information services into education versus administrative costs.

*Mr. Matteson moved to adopt the proposed 2015-2016 budget as presented. Mr. Winslow seconded the motion.*

*The vote passed upon a Majority; Mr. Lucero dissented.*

### **Agenda Item 4: Request to Adopt 2015-2018 Proposed Capital Budget – Vice President Hatch**

Vice President Hatch stated staff is recommending approval of a proposed 3-year-capital budget, which has been incorporated into the documents and notices of the proposed 2015-2016 Operating Budget. The capital budget helps plan for the future and helps identify needs in the three year time period, and to present and develop for the Board in moving forward with programs and services.

The funding mechanism was approved last year, through policy 1926 where a future capital reserve is set, the proposed operating budget there is a \$13,000,000 capital reserve line that then funds the three year capital budget. Sources for funding the capital activity first comes from fund balance, and in the current budget \$2.8 million is scheduled to come out of fund balance, \$2 million comes from the operating fund, so money not spent is moved into capital purchases, and then \$345,000 from the State of AZ is specifically relative to science, tech, engineering and math equipment. The fund balance is sufficient for 2015-2016, and then in 2016-2017, and 2018-2019 adjustments will be made to the current three year plan. Staff recommends continuing on an ongoing basis transferring \$2 million a year from the Operating Fund, and will remain hopeful that the State of Arizona will continue to fund STEM activities.



Mr. Winslow asked what initial operating costs and staffing might be associated with implementing the Quality Initiative Project.

Mark Vest stated last year the student services area was restructured in anticipation of changes and so there are no additional costs on the staff side at this point. Faculty advising has no direct cost but indirect costs could come about in order to hire adjuncts to fill in for faculty who have advising load. This cost could be addressed within the current budget with no issues. The biggest known expense is the cost of the software package and the ongoing cost of software package, but RFP is now out on this software. Information Services states that the maintenance cost is usually 15-20% of the initial software purchase price.

President Swarthout stated there may be some other indirect costs in regards to HR in the future, although it will not be for this year. There will be expenses for the Retention Academy and there may be additional costs in year two, three, and four.

Mr. Winslow stated that sometimes budget information is not presented in a budget decision making format but rather in a “keeping track of the money” format. Having documents and proposals that show the total package in narrative form with the numbers attached to it is a better presentation model for expenditure decision making process.

Mr. Lucero asked if the budget to remodel Snowflake was in the Capital Budget or the Operating Budget, and where it was located on a timeline. Vice President Hatch stated that in regards to proposed changes at the Silvercreek Campus (SCC) there are two lines items totaling about \$2.5 million in the contingency fund. This of course is contingent upon the space use study being brought back to the Board and approval of the proposed changes. But the relocation concept would only require expenditures at SCC at this point.

Mr. Matteson asked if the SCC space use study was in process. Vice President Hatch stated it was. Mr. Matteson asked if there was adequate funding in administrative services area to accommodate whatever the space use study might suggest. Vice President Hatch stated there was adequate funding to consider several different options. Mr. Matteson asked when the space use study might be done. Vice President Hatch stated by the end of the summer.

Mr. Winslow stated he wanted to clarify that when the capital budget is adopted there is not a commitment to each line item in the budget. He asked Vice President Hatch what the dollar threshold is that must come to the Board. Vice President Hatch stated \$50,000 of purchases comes to the board. Mr. Winslow asked if even if the item was less than \$50,000 it would still come to the Board for approval for a capital project. Vice President Hatch stated that any major reconfigurations would need Board discussion and would come through the strategic planning process.

*Mr. Winslow moved for adoption of the 2015-2018 proposed capital budget as presented. Mr. Matteson seconded. **The motion passed with a unanimous vote.***



**Agenda Item 5: Adjournment**

*The meeting was adjourned at 11:45 a.m. upon a motion by Mr. Matteson, a second by Mr. Winslow, and a unanimous affirmative vote.*

Respectfully submitted,



Lisa Jayne  
Recording Secretary to the Board

APPROVED

