Navajo County Community College District
Governing Board Meeting Minutes
December 18, 2012 – 10:00 a.m.
Painted Desert Campus, Tiponi Community Center
2251 East Navajo Boulevard, Holbrook, Arizona

Governing Board Member Present: Mr. Bill Jeffers, Ms. Ginny Handorf, Mr. Daniel Peaches, Mr. James Matteson

Staff Present: President Jeannie Swarthout; 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: Peggy Belknap, Stuart Bishop, Madera Ellison, Everett Robinson, Melissa Luatua, Ann Hess, LaRee Saline, Tammie Pete, Sandra Johnson, Kenny Keith, Ken Wilk, Eric Henderson, Beaulah Bob-Pennypacker

Agenda Item 1: Call to Order and Pledge of Allegiance
Chairman Jeffers called the meeting to order at 10:00 a.m. Mr. Jeffers led the Pledge of Allegiance. Mr. Jeffers welcomed James Matteson the District’s newly appointed board member.

Agenda Item 2: Adoption of Agenda
Ms. Handorf moved to adopt the agenda as presented. Mr. Peaches seconded the motion. The vote was unanimous in the affirmative.

Agenda Item 3: Call for Public Comment
None

Agenda Item 4: Reports

Financial Position – Vice President Hatch
Vice President Hatch summarized the financial position report to the Board, stating the College is at 33% of budget expired.
Tax levy – October’s receipts were slightly higher than expected at 30% collected at this point in the fiscal year.
State Aid – The College has received a 2nd quarterly allotment, so 50% of State Aid has been collected. Tuition and fees are at 23% collected. Transfers are at 33%, revenues on a budget of $15.7 million stand at $5.2 million or 33% attributed to the General Fund.
Expenditures - Salaries at 27%, operating expenditures 28%, and capital expenditures at 15% for a total of just under $6.7 Million on a budget of $24.2 million.
Unrestricted Plant Fund - Only the revenues transferred from the general fund as that is the only source of revenues for fund. Expenditures are at $2.7 million of an $11 million budget.
Restricted Fund – Revenues of just over $2 million, and they are matched as a result of transferring in $155,000 from the general fund.
Auxiliary Fund - Expenditures and revenues match due to a $41,000 transfer from the General Fund. All transfers are at anticipated levels.
Year to date, cash flow is just over $11 million, and cash used for all activities is about eleven and a half million dollars. $525,000 from Unrestricted Fund balance and $8.6 of Unrestricted Fund balance was budgeted.

Chairman Jeffers took the opportunity to introduce the District 4 board member, Frank Lucero, who was also sworn in just before the board meeting began.

Mr. Jeffers acknowledged the late arrive of Ladybird Jack, the newly appointed member from District 2. With the Board’s permission Mr. Jeffers proceeded to swear in Ladybird Jack at this time.

NPC CASO – Ina Sommers
None

Faculty Association – Kenny Keith
Kenny Keith, President of the Faculty Association, addressed the Board and stated faculty were busy getting end of semester grades in. He discussed the local parades that the Welding Department built floats for. The metal can project in Show Low was also very well received. Kenny Keith wished the Board Merry Christmas and a Happy New Year.

Sandy Johnson, faculty, thanked Bill Jeffers for his service and for his respect of the Faculty, staff, and administration.

NPC Student Government Association- Tammy Pete
Melissa Luatua introduced Vice President of SGA, Tammy Pete, who addressed the Board and stated SGA was given donations to purchase turkeys for Thanksgiving and they were given to The Shepard’s Kitchen. SGA helped the Welding Department construct a float for the Show Low Christmas Light Parade and won first place in the Non-Profit category. SGA sponsored a tree in the Town of Snowflake which they decorated; it was a regular tree and is located on Temple Drive. SGA had a Holiday Food Drive and had a donation box at every campus and center and donated all the food to a food bank in each community where the box was collected. Tammy Pete wished the Board a Happy Holiday and New Year.

Melissa Luatua thanked Bill Jeffers for his support and encouragement of SGA and wished him the best.

NPC Foundation- Lance Chugg
None
Agenda Item 5: Consent Agenda
November 19, 2012, regular meeting minutes.

Mr. Peaches moved to approve the minutes. Ms. Handorf seconded the motion. The vote was unanimous in the affirmative.

Agenda Item 6: Old Business
Enrollment Report – Vice President Vest gave a history of the Enrollment Report to the Board and clarified the acronyms and data provided in the report. He stated there is a 3.6% decline in enrollment this semester and believe the decline is reflective of the economic downturn.

NAVIT and Dual Enrollment have not had much change. NAVIT did have decline in general education coursework. White Mountain Campus is down from Fall of 373 FTSE in Fall of 2011 to 313 in Fall 2012. St. Johns Center and Silvercreek Campus show increases during this time. This is reflective of nursing assistant classes being moved from White Mountain Campus to Silvercreek Campus. Overall departmentally based enrollment decline shows that anything that involves direct employment is flat or has an increase. Arts and Sciences area which is general education coursework has an enrollment decline reflecting a need for immediate employment training versus seeking a degree.

Vice President Vest noted that the state average of decline is more like 6%, and NPC enrollment levels would be similar if over the last year the College had not worked with the Navajo County Sheriff’s Office and local law enforcement agencies to create a law enforcement academy at Northeast Arizona Training Center in Snowflake, which generated 33 FTE. This, combined with other program changes and additions has kept enrollment up. There were no questions for Vice President Vest.

*Mr. Jeffers broke from business for a moment to request that Ladybird Jack refrain from voting for the rest of the meeting as he had just been informed by the Superintendent of Schools’ Office that there was a potential problem of her residency in District 2. She agreed.

Agenda Item 7: New Business
7.A. Adopt Strategic Plan 2013-2016
Director Bishop gave a history of the strategic planning process for the Board. Director Bishop stated since the first read in November, nothing substantive was changed in the plan except for updated core components, updated dates, and the glossary. Director Bishop stated that staff recommends the Board pass the plan as proposed.

Bill Jeffers asked that staff explain Pillar 6.4 goals.

Vice President Hatch stated that Priority 4 of Pillar 6 is to evaluate and implement the Higher Education President’s Climate Commitment. This was approved four or five years ago and the College’s commitment there is to make regular and continual progress in this area, there are no particular timeline or deadlines, other than the College be actively involved in promoting climate leadership activities.
Mr. Jeffers stated he knew that included energy saving type issues, recycling program, but wanted to know if there was anything else anticipated to be implemented.

President Swarthout stated that a solar wall for the new skillcenter was considered but a return on investment did not support that choice.

Mr. Jeffers asked about a class designed around this goal. Vice President Vest had Ken Wilks, Professor in Construction, address the board regarding answering questions about this type of curriculum.

Ken Wilks stated that when curriculum goes through the Instructional Council for approval they ask if the class is going to have a sustainability component. So there are three or four classes in the construction curriculum with a direct tie to sustainability where there’s a measurable piece. The concrete class has some measureable tie to sustainability in terms of looking at different types of aggregates from by-products such as fly ash that can be used. There is a sustainable construction class that discusses LEED standards which is the United States Green Building Council. LEED stands for Leadership in Environmentally and Efficient Design in building and it’s a criteria on a ranking system for a new building where they look at different aspects of a building like water retention, reuse of gray water, life cycle cost issues. There is also an elective class that deals with wind turbine generation, and photovoltaics.

Mr. Matteson asked if there were plans to offer programs that would lead to LEED certification. Ken Wilks stated there are not currently but if there was an apparent demand for it then it could be developed.

Mr. Peaches moved to adopt the 2013-2016 Strategic Plan. Ms. Handorf seconded the motion. The vote was unanimous in the affirmative.

7.B. Amendment to Budget Development Calendar
Vice President Hatch stated some additional discussion had taken place since the Board approved the calendar related to the process in determining recommendation for wages and salaries. These discussed changes are included in the budget development calendar and three additions were made. The first addition is that the Employee Relations Committee would receive the wage and salary recommendations from the Faculty Association and the Classified and Administrative Support Organization. Item 5, Employee Relations would then make a recommendation to College Council. Both of these committees are part of the Shared Governance Process; the intent is to make it clear that Shared Governance has been a participant in the wage and salary recommendation.

In January, College Council will receive the wage and salary recommendation from the Employee Relations Committee and then in February, Item 8, the president of the college will receive a recommendation for wage and salary from College Council which flows into the other recommendations related to wages and salaries, Item 14, which has been there, where the Board
receives a wage and salary recommendation at the March 19 board meeting, and then at the April meeting salary schedules will be adopted.

Ms. Handorf moved to approve the amended Budget Development Calendar. Mr. Matteson seconded the motion. *The vote was unanimous in the affirmative.*

7.C. FY 2013 Budget Guidelines
Vice President Hatch went over the budget guidelines and budget development assumptions document presented to the Board asking for any suggestions or adjustments the Board would like to see made.

General assumptions are that the College will follow the Budget Development Calendar, an introductory budget analysis will be presented to the Board in February prior to budget hearings so will be limited to an overview of expenditure and revenue trends. In March, there will be a preliminary budget analysis and this will include a detailed examination of budget planning, similar to what was done last year. Also, the statutory expenditure limit will be monitored.

Overall revenues will be flat heading into upcoming fiscal year. State funding is expected to increase slightly. State aid revenue history was discussed by Vice President Hatch including the Capital Outlay State Aid that went away when the State hit fiscal problems. There will be efforts to reestablish this aid which will mean $400,000 if funded this year.

Tuition and fees assumptions are that tuition and fees should be set at a level where students in the area can afford it. The College would like to incrementally increase tuition and then compare tuition on a regular basis so that the College remains competitive in the market with other Arizona community colleges.

Property tax – the maximum levy the College can assess is a 2% increase. Levy has had a slow and steady increase since the College is limited to 2% increase each year. The 2012-2013 $1.35 tax rate is still lower than what it has been in the past. There’s an inverse relationship to the rate versus assessed valuation. As the assessed valuation goes down the College is required to assess a higher rate to accommodate the maximum tax levy the College can receive.

Vice President Hatch reviewed some current trends with the Board.

Ms. Handorf directed Blaine Hatch to comment on the relationship between levying the maximum property tax and equalization.

Vice President Hatch stated that the intent of equalization is to level out property tax resources as much as possible, to provide services. The State has asked if community colleges are doing everything they can locally to provide services. If the College does not levy the maximum tax rate to provide for services to students, then the State would question why equalization money should be provided. Currently over $6 million in equalization aid potentially could be at risk if the College didn’t levy the maximum tax levy possible.
Mr. Jeffers stated that losing equalization could be devastating to the college.

Expenditure assumptions are, first, that the budget request will be linked to the strategic plan. The strategic plan drives expenditures for the College and the budget does not. Any budgeted amounts higher than the current budget or historical spending will require justification and will be reviewed during the budget hearing process.

Mr. Jeffers stated that the strategic plan may drive the budget, but the budget may limit the strategic plan implementation. Vice President Hatch concurred.

Budget requests for operational capital expenditures will be completed by first of February. Salary schedules will be developed with incrementally increasing rates, consideration of competitive market conditions by maintaining a comparative position to the average increases at other local entities and community colleges. In 2012-2013, just over 3% increase was state average on salary increases; NPC was at a 6% making the College the highest wage adjustment given compared to other community colleges as well as local entities. Discussion about how NPC compares to other state community colleges took place.

Mr. Matteson asked if the 6% increase was due to the wage structure being depressed. Vice President Hatch stated it was not. Vice President Hatch stated the reason the process for wage and salary increases be identified in the calendar was because the previous process was out of sequence and there was a late request for this increase that was approved.

Mr. Jeffers stated that several years ago, based on information that there would be a large cut in the budget, the Board requested that College personnel take a 2% pay cut. The 6% was an attempt by the Board to make up for that two year cut. Mr. Jeffers pointed out that the recommendation from administrative staff was not 6%.

Vice President Hatch stated that following a 2% cut a few years ago, two years later there was a 4% increase, followed again by last year's 6% increase. Ms. Handorf stated that 1% of that was a step. Vice President Hatch stated that there was a step, which is 3% for the faculty, and for classified staff is $35. On average there was a 6% increase to classified staff, and a step plus 3% to the faculty.

Mr. Matteson asked if the 6% raised granted in 2012-2013 brings the faculty and staff and administrative staff in line with comparable wages in competitive community colleges. Vice President Hatch stated that in the past NPC tended to be in mid-range. Now with the 6% wage and salary increase the College is now above that mid-range slightly.

The budget assumes that the College will maintain that comparative position in salaries and wages which currently is slightly above average.

President Swarthout stated depending on which employee group you look at that it will depend where they land in comparison to other colleges. When comparing to like institutions in the
Western United States, NPC faculty sits a little above average regarding salary and wages. The College’s administrative staff is the lowest paid in the State.

Mr. Matteson stated that due to the spread out nature of the campuses that salaries should be in the upward 1/3 of salary range to attract the kind of people needed to do a difficult job under challenging circumstances and is very supportive of a good wage for a good job.

Mr. Matteson asked if salary and wages for technical positions in IS were at a competitive level as well. Director Bishop stated that IS positions at the College are not competitive in salary and wages. Mr. Matteson questioned if a 6% raise was adequate for IS positions.

Vice President Hatch stated that in regards to benefits it is hopeful that a high deductible option will be added to the list of options available. The College’s third party partnership with Navajo County Schools Employees Benefit Trust for medical and dental has kept health insurance costs at a reasonable level.

Arizona State Retirement System will have a 0.4% of an increase both for employee and employer which changes from our current 11% to just over 11½% for ASRS contributions.

Mr. Matteson asked why the capital assumptions are three years instead of five years. Vice President Hatch stated that the assumptions match the strategic plan’s timeframe which is a three year plan.

Mr. Matteson moved to approve the FY 2013-2014 Budget Guidelines. Ms. Handorf seconded the motion. *The vote was unanimous in the affirmative.*

*Mr. Jeffers called a 10 minute recess at 11:35 am with no objections from the Board.

The Board reconvened at 11:45 am and Mr. Jeffers stated that the School Superintendent’s Office stated that Ladybird Jack’s residence was actually outside of District 2 so she is not eligible to be on the Board from that district and has submitted a letter of resignation.

Mr. Matteson moved to accept Ladybird Jack’s resignation from the Board. Ms. Handorf seconded the motion. *The vote was unanimous in the affirmative.*

Ms. Handorf acknowledged Bill Jeffers’ service to the community and to the District and spoke about his achievements. Mr. Peaches presented to Bill Jeffers a crystal eagle in honor of his service to the College on behalf of the Board and the College staff and faculty. Mr. Jeffers offered words of thanks to everyone.

**7.D. Request to Accept the Termination of Springerville Lease**

Vice President Hatch stated that staff recommends that the Board accept the lease termination for the Apache County site. The Apache County Higher Education Committee has recommended that the Springerville/Eagar Center be relocated to a larger facility. The location is scheduled to be completed soon. Both towns have agreed to terminate the current lease with consideration
given of retaining two modular units that the College purchased and relocated on that facility. The College does not have a need for those facilities and would be an expense to the College to relocate them. Springerville/Eagar agree that the modular units will be used exclusively for governmental purposes. Vice President Hatch also requested that the Board approve Dr. Swarthout as signator of the lease termination.

Ms. Handorf moved to approve the Termination of the Springerville/Eagar Lease and to authorize Dr. Swarthout to be the signator. Mr. Peaches seconded the motion. The vote was unanimous in the affirmative.

7.E. Request to Approve the Round Valley Lease
Vice President Hatch stated that the Apache County Higher Education Committee has requested the move of the Springerville/Eagar Center. It is a 5 year lease for $15,000 per year with an option to extend it for additional periods of five years. The utility expenses are expected to remain the same. Vice President Hatch also requested that the Board approve Dr. Swarthout as signator of the lease agreement.

Mr. Peaches moved to approve the Round Valley School district Lease with Dr. Swarthout as authorized signator. Ms. Handorf seconded the motion. The vote was unanimous in the affirmative.

7.F. Accounts Receivable Collections
Vice President Hatch stated the College wanted to make the Board aware that there will be a change in how accounts receivable is done. In the past accounts receivable has been done in-house but believe it would be more beneficial and efficient to use an external collection agency for recovering accounts receivable from students. Enterprise Recovery Systems and Williams and Fudge are two companies being considered for this. A collection fee will be added to help defray costs beginning in Fall of 2013. The College will continue to work directly with third party accounts for any outstanding accounts receivable and will not be included in plan for collecting accounts receivable via an external agency.

Ms. Handorf asked if the fee will be a flat or a percentage. Vice President Hatch stated it will be a percentage and the agency will only be paid if they collect. Ms. Handorf asked about the balance in accounts receivable.

Maderia Ellison stated there was under $2 million on a fiscal year basis in accounts receivable which is down significantly compared to prior years.

Mr. Matteson asked how many people the $2 million represents and Ms. Ellison stated it was over 1,000 students for a number of years.
Mr. Jeffers asked if some of these accounts have been written off in the past. Ms. Ellison stated they had been.

Vice President Hatch stated that the College will control whether students will be reported to the credit agency. Mr. Matteson stated that such cases should be dealt with delicately.

7.G. Northeastern Arizona Technological Institute of Vocational Education (NATIVE) IGA Amendment
Vice President Hatch stated the initial IGA with NATIVE was approved in October without the 2013 spring listing and is now presented to the Board in Exhibit B.

Mr. Matteson moved to approve the NATIVE IGA Amendment. Ms. Handorf seconded the motion. The vote was unanimous in the affirmative.

7.H. Curriculum Changes: Nursing Assistant Training Certificate of Proficiency; Industrial Maintenance and Operations
Vice President Vest stated that whenever the College makes a substantive change to an academic program, to a degree or certificate, it requires Board action. The programs are initially developed by department chairs; they go through the academic dean to a shared governance group within the College called the Instructional Council which consists of faculty and academic administrators. Instructional Council makes a recommendation to the President and moves it to the Board.

The first is the creation by the Nursing and Allied Health Division of a Nursing Assistant Training Certificate of Proficiency.

Mr. Jeffers asked if this certificate program was a step for someone who wanted to complete a nursing program. Vice President Vest stated it was but not all of the courses in the certificate are required by nursing. Mr. Jeffers asked what a starting salary for someone with this certificate would be.

Dr. Peg Erdman, Dean of Nursing and Allied Health, stated there have been many students who have completed this certification plus their CPR and have gone out and immediately got a job with a pay scale somewhere between $13 and $15 an hour.

Mr. Peaches moved to approve adding the certificate of proficiency in Nursing Assistant Training. Ms. Handorf seconded the motion. The vote was unanimous in the affirmative.

Vice President Vest stated that the Industrial Maintenance and Operations Program is recommending that CIS 106 be dropped as the computer requirement in Industrial Maintenance and Operations and replace it with CIS 105 that traces the origin of computer applications and information technology and tries to educate about the state of the information technology field. IMO’s advisory council, largely made up of industrial partners has recommended this change.
Ms. Handorf moved to approve the deletion of CIS 106 and CIS 105 to the Industrial Maintenance and Operations Program. 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 (SPASC) Report – Director Eric Bishop**

Director Bishop stated SPASC will be updating the Board in January with accreditation activities. The College went through the accreditation process a few years ago but the accreditation model has now changed and the requirements are coming up.

**8.B. Human Resources Update – Sharon Hokanson**

Director Sharon Hokanson stated that the assistant to campus manager position at LCC has been filled; Jamie Cox, who was a temporary employee has taken the position. Jeb Earl was hired as part-time faculty for ADOC in Winslow. Jeanmarie Nielson was hired as EMS Program Clerk. Richard Chanick was hired as a Small Business Analyst.

Several of the open positions are close to being filled. The academic advisor position has actually been filled and that person will be starting on January 2 as well as the ASC-GIEC Grant Project Coordinator.

The Faculty in Biology and the Director of Administrative Systems Support System are ready to make offers and the Database Administrative Position has been advertised on a wider scale to get someone into that position and one more applicant has come in. The Faculty in Philosophy position has received a lot of submissions and interviews are being conducted presently.

Mr. Matteson asked if competition from NAU made it difficult to hire some positions.

Dr. Swarthout stated that for the most part universities and community colleges pull from different pools of people and there doesn’t tend to be competition for the same employee pool except for maybe in the area of math or science.

**8.C. President’s Report – President Swarthout**

President Swarthout asked Everett Robinson to share about the All Arizona Academic Team. Mr. Robinson stated there were 13 students this year who applied for the All Arizona Academic Team. A list of the students was provided in the board packet. Three of the students have already enrolled and will be at NAU in spring. A luncheon will be held to honor these students on February 20th in Mesa where 70 students will attend.

**Agenda Item 9: Board Report/Summary of Current Event**

Mr. Jeffers thanked everyone for their well wishes.

**Agenda Item 11: Announcement of Next Regular Meeting:** January 15, 2013.
Agenda Item 12: Adjournment
The meeting was adjourned at 12:36 p.m. upon a motion by Mr. Matteson, a second by Mr. Peaches, and a unanimous affirmative vote.

Respectfully submitted,

[Signature]
Lisa Jayne
Recording Secretary to the Board

[Signature]
Ginny Handorf
Chairman

[Signature]
Daniel Peaches
Board Secretary