Navajo County Community College District
Governing Board Meeting Minutes
November 19, 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

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


Agenda Item 1: Call to Order and Pledge of Allegiance
Chairman Jeffers called the meeting to order at 10:00 a.m. Mr. Peaches led the Pledge of Allegiance.

Agenda Item 2: Adoption of Agenda
Mr. Peaches moved to adopt the agenda as presented. Ms. Handorf 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 reported on the first quarter of the fiscal year. Actual primary tax revenues show $110,000 which is slightly lower by as much as half but due to less collection in the first three months of the fiscal year there is no immediate concern. Collection increases in October and November. Right now, collected revenues are at about 2% of budget. NPC receives State Aid quarterly and so will see a payment in October. 22% of tuition and fees are collected which is typical at this point of the fiscal year. After transfers out of the general fund, revenues for the months were a negative $400,000 YTD, actual just under $700,000. This is purely a function of cash flow and is expected.

On the expenditure side of the general fund, 19% has been spent on the College’s largest expenditure of salaries, wages and benefits, and 20% overall on expenditures. $4.8 million in expenditures YTD for the general fund and because of transfers there is a $700,000 cash flow short fall.
Unrestricted Plant Fund revenues only come from general fund transfers; $2.75 million has been transferred to date into the Unrestricted Plant Fund, expenditures YTD are at about $2 million. There are some major projects that have concluded and the Painted Desert Campus project is starting.

Restricted fund was out of balance last month because of timing of reimbursements for Pell Grants. The Restricted Fund is back into balance this month with $1.6 million in revenues and $1.6 million in expenditures with about $44,000 in transfers to balance the fund.

Auxiliary Fund, there is $124,000 of revenues compared to $100,000 YTD of expenditures which is typical for this point in the fiscal year. Cash flow from all activity YTD is $5.2 million and cash used YTD is $8.6 million. A budgeted $3.4 million of Unrestricted Fund Balance was used to balance the fund. This will level off in the next few months.

**NPC CASO – Ina Sommers**
Ina Sommers, President of CASO, addressed the Board about the professional develop scholarships awarded to students who complete NPC classes. There was $900 allocated for this and there was $1038 in requests. For the first time, CASO had to do a complete percentage of discounts for every award, which came out to $899.58 out of the $900. The CASO retreat will be next week at the restored Lorenzo Hubbell building in Winslow. The retreat theme is focusing on creating a healthier happier employee and there will also be professional development training on utilizing all capabilities of Outlook and managing email. See’s Candy is being sold as a fundraiser. The CASO Compensation Committee met last week are working on salary recommendation for the coming year.

**Faculty Association– Kenny Keith**
Kenny Keith, President of the Faculty Association, addressed the Board and stated the Faculty Association wanted to thank Bill Jeffers for all his years of service. Most of faculty subcommittees have reported to IC and are successful so far this year with reports. Dr. Mike Solomonson, Chair of the Fine Arts and Performing Arts Department, has given permission for his paper *The Influence of George Cram Cook’s Delphic Spirit on Eugene O’Neill* to be included in a published collection of scholarly papers that is expected to be published in 2013. Dr. Solomonson originally presented this paper in Delphi, Greece in 2008 at a conference that was sponsored by Interdisciplinary Center for Hellenic Studies at the Richard Stockton College in New Jersey. The Faculty Association is making progress towards negotiations for compensation for the coming year. Marina Beerli, NPC Faculty, was presented to the Board to introduce herself.

Marina Beerli introduced herself as new faculty in the Early Childhood and Elementary Ed Department. She’s lived in New Hampshire, New Mexico, New Zealand and has worked in the field of education. She started in August and has been very happy with NPC and everyone’s support.

Mr. Jeffers asked Kenny Keith if he was going to introduce a new faculty member every month. Kenny Keith stated he would try to do so.
NPC Student Government Association- Wendy Shepard
Wendy Shepard, President of SGA, stated that just before Halloween Willis Farms donated pumpkins and SGA painted and distributed to nursing homes in the area. Outdoor Club trip to Walnut Canyon was canceled due to inclement weather but are planning another excursion in the near future. SGA has decided to do a Holiday Food Drive at all campuses. All foods donated are going to be given to local agencies. SGA is making a Holiday float for Show Low Shines Light Parade and will be gathering on November 28 in Show Low in the Welding Class to work on the float. Ms. Shepard invited everyone to come help if they wanted.

Mr. Jeffers brought up the upcoming fundraiser Quiz Nite in January and how it would be nice for SGA to put together a group of students to compete. Wendy Shepard stated SGA had already expressed a desire to do this but needed more information. Mr. Jeffers stated Quiz Nite is January 18.

NPC Foundation- Lance Chugg
None.

Agenda Item 5: Consent Agenda
October 16, 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
None.

Agenda Item 7: New Business
7.A. Alumni Award
Ann Hess presented Howard Carlson as Northland Pioneer College’s Fall 2012 Alumni Award Winner. Howard Carlson’s work and education history was shared and Mr. Carlson thanked NPC for his education opportunities and thanked his wife. Mr. Jeffers thanked Mr. Carlson for his service.

7.B. First Read Strategic Plan 2013-2016
Director Eric Bishop reminded the Board the Strategic Plan timeline was changing from a fiscal year timeline to a calendar year timeline so that it would coincide with budget planning. Some significant changes are proposed in Pillar 4 and Pillar 6. The 2013-2016 Strategic Plan will be sent to the College this week for input. The Board will see the final version at the December Board Meeting.

Ms. Handorf asked about the changes in Pillar 4 and 6. Vice President Hatch stated the major change in Pillar 4 was in Priority 1 dealing with Human Resources and direct involvement with students in the areas of resume building and interview skills. Career services has been proactive in these same areas so there is some question about how this might be implemented. Pillar 6 is strengthening facilities and the primary change in this pillar is moving from the planning concept of creating facility master plans to implementation activities. Facility renewal focuses on deferred maintenance, upgrading buildings and replacing facilities in ways that are most cost effective.
7.C. Review of FY 2013 Budget Process and Request to Accept Proposed Budget Calendar
Vice President Hatch stated they are asking the Board to approve the proposed budget calendar earlier than in the past and are moving the initial planning process up in order to provide for additional Board input and direction in regards to assumptions and guidelines. In January there will be no Board action in regards to the budget but will bring back the budget to the Board in the case the Board would like to be updated on it.

In February there will be no action items either in regards to the budget but the budget analysis and tuition and fee schedules for first review. The rest of the budget calendar will be similar to what’s been done in the past. Both CASO and Faculty Association are discussing wage recommendations so they can be built into the budget.

Ms. Handorf suggested that explaining “the Strategic Plan should drive budget,” should be explained to the upcoming new board members for clarity.

Vice President Hatch addressed the Board regarding the State Budget. The charts presented in the Board packet are from JLBC. The alternate scenario is the worst case scenario for the State’s budget. The other scenario does not have a $400 million short fall in the upcoming fiscal year but shows a slight shortfall. In 2011/2012 and 2012/2013 the temporary one cent sales tax allowed for a slight surplus but will be going away at the end of this fiscal year. This is reflected in the upcoming decline in the ongoing State revenues. The normal process for budget requests will go forward. As has been requested but not funded in previous years, capital outlay will be requested again. The community college presidents met recently to discuss an approach that changes terminology and purpose of this capital state aid.

As far as State aid, NPC received capital outlay last in FY 2007/2008. Our upcoming request is about $400,000. It was noted that operating State aid and equalization were switched on the presented charts. State Aid is the smaller amount and equalization is actually the larger component. FY 2013/2014 the total community college request, not counting the capital piece, is less than last year. But for NPC, in regards to equalization aid, there is an increase. NPC is the only equalization school that will have an increase based on formula. There is a slight decrease in operating aid as a result of declines in enrollment but it is compensated for by equalization.

Vice President Hatch referenced the graph that shows Navajo County property tax assessed valuation over the last 10 years. It peaked out in 2010 which was about a year later than statewide valuations. There was not nearly the growth as the average and that is why NPC began to receive large amounts of equalization State aid. Even though NPC’s decline is not as much as the state average for 2013, the reason there’s an increase based on formula is because NPC is still not at the equalization cap. The rate they cap equalization is $1.37, for the current year, NPC is at $1.35. The increase in equalization will most likely be a one-time event, and will find next year NPC will drop back into a decline in equalization.

Vice President Hatch summarized what past tax rates have historically been.
Ms. Handorf asked if equalization would offset what NPC would have received. Vice President Hatch stated that equalization would offset because it isn’t monies coming out of the local tax base but from a state shared tax base. As has been the case, equalization is NPC’s biggest component of state aid. The concern is if NPC doesn’t levy the maximum the state saying locally you’re not doing everything that you can so why should we add additional state shared revenues to your less than 100% effort to do everything to fund your local activities. The idea of equalization is to say some counties have less assessed valuation and therefore don’t have the same capacity to provide services that others do. So equalization just average that out. There are three community college districts in the state that benefit from equalization, Eastern, Cochise and Northland Pioneer.

Bill Jeffers asked if Vice President Hatch’s recommendation was that the College should continue in the same direction. Vice President Hatch stated it was, should the College move forward with that assumption or not. Bill Jeffers stated that it should move forward with that assumption.

Vice President Hatch stated in regards to tuition, early enrollment has provided revenue prior to the fiscal year in which they’re actually enrolled. Changes in this policy will place the tuition revenues in the actual year in which they are enrolled. So, in general terms, tuition revenue needs to be adjusted down to reflect the change in procedures. Revenues for tuition in 2013/2014 will be flat.

On the expenditure side wages and benefits are the primary cost for NPC operations. State Retirement System continues to increase, 4/10% of increase for both employer and employee. Health Insurance has been able to keep costs down. The trust continues to operate well and there are no expected major increases in the cost of health insurance.

Bill Jeffers asked if the adjustment year end for tuition revenue will be the 2013/2014 year. Vice President Hatch stated it was done in 2011/2012 from a financial statement perspective, from a budget perspective it hasn’t. Vice President Hatch’s recommendation is that the budget adjustment occur in the 2013/2014 year.

Bill Jeffers stated that the carryover will not carry over from the budget at the end of this year; the board would address it in June or July. Bill Jeffers stated that throws the budget year off a little bit. Vice President Hatch stated that in 2013/2014 it does for this one time.

Ms. Handorf moved to approve the Proposed Budget Calendar for FY 2013-2014. Mr. Peaches seconded the motion. The vote was unanimous in the affirmative.

7.D. Request to Accept Proposed Formation of the Arizona Community College Coordinating Council
President Swarthout stated that Arizona Community College President’s Council, which is a voluntary organization, initiated the formation in hopes of providing a central and effective point for communication to the legislature, stake holders and to the public. Six other colleges have
passed the ACCCC formation to date and it is hoped by the end of December to have all ten colleges to have signed on. There will be an increase in dues as there will be a compensated organizational structure. President Swarthout stated she wished to make it clear that the ACCCC will not direct local governing boards and will not supersede them. In addition, the voting structure will be a majority of a quorum which was to avoid an instance of one member dropping out and all momentum would just stop.

Ms. Handorf stated that a majority of a quorum could be as little as four people. President Swarthout concurred.

Ms. Handorf asked President Swarthout if the college presidents were 100% in favor of ACCCC formation and President Swarthout stated they were.

Ms. Handorf moved to approve a resolution authorizing membership in the Arizona Community College Coordinating Council. Mr. Peaches seconded the motion. The vote was unanimous in the affirmative.

7.E. Request to Approve lease for printing and duplicating equipment
Director Bishop stated that Printing and Duplicating is requesting a lease be approved for a Konica Minolta scanning device that binds and folds documents produced in house. The current machine is at its end of life cycle and end of its lease, so this would be replacing current machine which would save $450 a month and provide more print capacity. The new machine has more features. The 60 month lease includes a lease for equipment, monthly maintenance package, the warranty. This machine sends notice to warranty staff when it needs service. The IS Department recommends the purchase be approved.

Mr. Jeffers asked what proportion the maintenance costs were. Director Bishop stated $250 a month for maintenance and it would provide 100,000 copies per month. The machine will be located at old downtown area in automotive.

Mr. Jeffers clarified that the lease will cost $1500 a month.

Ms. Handorf moved to approve the lease for a Konica Minolta Business Solutions Machine in the amount of $85,134.60 over a five year period. Mr. Peaches 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 has been working on the Strategic Plan. He asked the board to provide any feedback through the President’s office. Reports to the Board will itemize any changes to the plan. President Swarthout pointed out that the College did realign the strategic plan to meet the new Higher Learning Commission criteria.
8.B. – Human Resources Update – Vice President Hatch
Vice President Hatch presented Sharon Hokanson the new Human Resource Director to the Board. Sharon Hokanson greeted the board and expressed her gratitude for being here and provided the Human Resource update to the Board.

The ADOC Part-time Faculty position is ready to make an offer. The Academic Advisor position has had interviews. The Faculty in Biology position is preparing for interviews. The Faculty in Philosophy position has received many applications that are under review. The Faculty in Nursing position is open until filled and currently has one application. The Small Business Analyst position is open until filled, and has received 10 applications. The Database Administrator will be interviewing this month. The Director of Administrative Systems Support has had nine applications, however none meet requirements so will be widening search. Assistant to the Campus Manager is open until filled and are currently preparing a contract. EMS Program Clerk is open until filled and have received 22 applications for that position. The Grant Project Coordinator has received three applications.

8.C. - President's Report – President Swarthout
President Swarthout stated there is no president’s report.

Agenda Item 9: Board Report/Summary of Current Event
Mr. Jeffers mentioned that Quiz Nite is a fundraiser for the communities of Navajo and Apache counties for a number of charities. The winning team gets prizes but also get to choose the charities the money goes to. Mr. Jeffers stated the College did a nice job of publishing the flyer and partnering with the fundraiser. Mr. Peaches stated that yesterday his family completed a ceremony for his sister over the last 5 days.


Agenda Item 12: Adjournment
The meeting was adjourned at 11:31a.m. upon a motion by Mr. Peaches, a second by Ms. Handorf, and a unanimous affirmative vote.

Respectfully submitted,

Lisa Jayne
Recording Secretary to the Board