

Navajo County Community College District Governing Board Meeting Minutes

January 15, 2013 – 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. James Matteson, Mr. Prescott Winslow

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: Everett Robinson, Stuart Bishop, Bonnie Adams, Wendy Shepard, Melisa Luatua, Ken Wilk, Julie Wiessner, Tracy Mancuso, William Fee, Peggy Belknap, Sharon Hokanson, Jeremy Raisor, Jake Hinton, Ann Hess, Maderia Ellison, Tamara Martin, Lance Chugg, John Bremer, Beulah Bob-Pennypacker, Margaret White

Agenda Item 1: Call to Order and Pledge of Allegiance

Secretary Handorf called the meeting to order at 10:01 a.m. Mr. Peaches led the Pledge of Allegiance.

Agenda Item 2: Adoption of Agenda

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

Agenda Item 3: Election of Board Officers

Mr. Matteson nominated Ms. Handorf for Chair of the District Governing Board. Mr. Peaches seconded the motion. *The vote was unanimous in the affirmative.*

Mr. Matteson nominated Mr. Peaches as Secretary to the Board. Mr. Lucero seconded the motion. *The vote passed with a majority.*

Agenda Item 4: Call for Public Comment

None

Agenda Item 5: Reports

5.A. Financial Position – Vice President Hatch

Vice President Hatch summarized the financial position report to the Board, stating the financial report covers July 1 through November 30, the first five months of the budget period expired. General Fund – primary property tax as of November was just over \$3 million, which is 53% collected, 10% higher than prior year collections at this time.



Balance of revenues for general fund, State Aid is provided in quarterly increments but have received half of NPC's State Aid.

Out of County Reimbursement happens later in the year, a onetime collection from the State of Arizona for Out of County Reimbursement.

Tuition and fees, just under \$650,000 in November which is about 35%.

Investment earnings were ahead of expectation.

Grants and contracts are at 22%. Other Miscellaneous is at 42% which is on target.

Transfers – budgeted for \$11,750,000 to transfer out of the General Fund into other funds. For the Capital Fund this is done on a monthly basis where an equal amount is transferred. The Restricted Fund and Auxiliary Fund transfers are done as needed in order to balance out those funds. Total revenues are at 51%.

Total Revenue Budget of just under \$15.7 million compared to Total Expenditure Budget of \$24.2 million. The budget did plan to expend \$8.5 million of fund balance in the current year out of the General Fund, this is a result of not getting funding or the Capital Fund.

35% of the budget has been expended through November.

Salary and Wage line is a large percentage of the overall General Fund Budget.

Unrestricted Plant Fund - No revenues go directly into Unrestricted Plant Fund or Capital Fund, except what is transferred from the General Fund.

Expenditure side, total revenues of \$11 million compared to total budgeted expenditures of \$11,085,000. \$85,000 has been budgeted to come out of the fund reserves. Expenditures YTD are just over \$3.5 million (32%) and is on target.

Restricted and Auxiliary Funds are not tax supported funds. Restricted Fund is primarily related to grants and includes pass through of Pell Grants to students. For November, just under \$200,000, bringing YTD revenues to \$2.2 million (37%), expenditures for the month are \$135,000, so no transfer in November was required. There has been about \$200,000 previously transferred from the General Fund to meet obligations in the Restricted Fund.

Auxiliary Fund primarily includes bookstore and non-credit courses that flow through this fund and show revenues of just under \$39,000 for the month, YTD just over \$185,000 (37%) and total expenditures are marched YTD \$185,260. This did require in November a \$21,000 transfer from the General Fund, and YTD a nearly \$69,000 General Fund transfer.

Cash Flow from all activities is just under \$15 million, and cash used for all activities is \$14.4 million. Net cash YTD is just over a half a million dollars.

General Fund YTD have used just over \$600,000 of net cash or fund balance, \$8.5 million has been budgeted and have 93% remaining. The lower cash flow months are ahead so this number will grow significantly, particularly through the next four months.

Chair Handorf asked Vice President Hatch where \$750,000 of the \$11,750,000 transfer went.

Vice President Hatch stated that the \$11,750,000 transfer includes \$11,000,000 in the Unrestricted Plan Fund, and then \$600,000 in the Restricted Fund, and \$150,000 in the Auxiliary Fund, which totals the \$11,750,000 transfer amount.

5.B. NPC CASO – Ina Sommers

Margaret White, Vice President of CASO, addressed the Board and stated the CASO Retreat was held at end of November in the Hubbell Building and there was a very good turnout. At the



retreat, a presentation by the curator of the Hubbell Building took place in which the history of the building was discussed. Staff members presented about emailing and health in the work place. Salary recommendation and benefits were discussed, as well as changing scholarships, upped from \$500 to \$1000 per semester. The money for the scholarships is earned through See's Candy sales. In April, at the NPC Picnic, CASO will sponsor a charitable event.

5.C. Faculty Association – Kenny Keith

No report.

5.D. NPC Student Government Association – Wendy Shepard

Melissa Luatua, Student Activities Coordinator, introduced SGA President, Wendy Shepard. Ms. Shepard stated upcoming events on February 8 and 9, and on February 22 and 23, there will be tryouts for talent competition on March 16. SGA meeting this Friday at 1:30 pm in Video 1. Student Ambassadors will be working with SGA. Annual conference in Tucson, Student Government conference at U of A, February 15 and 16, most SGA members are attending. Trivia Night, a fundraiser for Holbrook Kiwanis, is Friday night and SGA is sponsoring a team. SGA member, Fernanda Alekay, lost her three year old son, NPC is collecting donations to help with funeral expenses, Loyelin Aceves or Melissa Luatua can be contacted regarding this matter.

5.E. NPC Foundation- Lance Chugg

Lance Chugg, Director of the NPC Foundation, addressed the Board and handed out his business card to Board members. Bonnie Adams, Chair of the NPC Foundation, stated January Foundation meeting is on Tuesday, January 22 at 3pm at Silvercreek Campus, and District Board Members are welcome to attend. Mr. Chugg stated January and August is month for scholarships distribution. Scholarships are usually half to two-thirds tuition. There is a scholarship fund funded by City of Holbrook that provides \$2,000 each year for Holbrook students at PDC. The Lisitzky Scholarship benefits Native American Students. This scholarship was recently adjusted which allows for more and larger scholarships. Completer scholarships are for students who need help completing degree and have lost eligibility for student aid because they have exceeded credit limits. Smith Scholarship will be awarded for next year and will be working with the Art Department for awardee.

Agenda Item 6: Consent Agenda

- A. December 18, 2012, regular meeting minutes.
- B. Dual Enrollment Intergovernmental Agreement with Red Mesa USD #27

Mr. Matteson stated he would like to ask questions about the Red Mesa Intergovernmental Agreement. Chair Handorf stated the item would be removed from the consent agenda for discussion right after the vote of the consent agenda. Remaining on the consent agenda is the minutes from the December 2012 meeting.

Mr. Matteson moved to accept the consent agenda with the Dual Enrollment Intergovernmental Agreement removed for discussion. Mr. Lucero seconded the motion. *The vote was unanimous in the affirmative.*

Mr. Matteson asked how long the Intergovernmental Agreement had been in effect.



President Swarthout stated the format and contents of Dual Enrollment Intergovernmental Agreements are statutorily dictated. Dual Enrollment has been around for more than 15 years. Mr. Matteson stated he was impressed with the level of detail of the agreement and thought it was worth talking about in more than a pro forma passage. Mr. Matteson asked how many dual enrollment students are involved with NPC locally. Vice President Vest stated there were about 313 FTE, and 850 head count. A handful of school districts have very heavy involvement in Dual Enrollment - Blue Ridge, Show Low, Snowflake have heavy enrollment – Holbrook and Winslow a little less so. Fourteen other districts participate or don't participate each semester depending on course and instructor availability. Chair Handorf commended the dual enrollment program. President Swarthout stated that Dual Enrollment Intergovernmental Agreements are typically placed on the consent agenda because there are so many and they all are worded the same.

Mr. Lucero made a motion to approve the Intergovernmental with Red Mesa USD #27. Mr. Matteson seconded the motion. *The vote was unanimous in the affirmative.*

Agenda Item 7: Old Business – Ratification of December 18, 2012, vote of board member resignation

President Swarthout stated there is a request to ratify the acceptance of District 2 resignation that occurred at the last meeting due to it not being on the December 18 DGB agenda.

Mr. Lucero moved to accept the resignation of Ladybird Jack, District 2. Mr. Matteson seconded the motion. *The vote was unanimous in the affirmative.*

Linda Morrow, Navajo County's Superintendent of Schools, swore-in **Prescott Winslow** for District 2 of Northland Pioneer College's District Governing Board.

President Swarthout thanked new and old board members for their service.

Agenda Item 8: New Business

8.A. Request to Approve New Construction Programs

Vice President Vest stated the new curriculum moves through the Instructional Council of the College which is made up of faculty and instructional administrators. Instructional Council will make a recommendation to the President and is posted on the Board agenda. The Board does see all new curriculum programs from a certificate of proficiency up through Associate Degrees. The Instructional Council recommends approval an Associate of Applied Science and related certificates in construction trades. There will be implementation of construction trades in the new Skillscenter at Painted Desert Campus in Fall of 2013, and will offer the degree at other locations sometime in the future. This program is being implemented in cooperation from NAVIT and will be available through dual enrollment to area high schools that have construction shops in their high schools. Vice President Vest and Chair Handorf discussed the differences in credits and classes between certificate programs and associate degrees. Mr. Matteson stated as an engineer he was impressed by the core curriculum of the proposed degree, and inquired if



there were plans for LEED certification to become part and parcel of the program or available as an elective. Ken Wilk, Faculty in Construction, stated there are no current plans for this but could add it to the advisory council agenda so it could be determined if LEED certification would work into curriculum and could be a benefit to employment. Vice President Vest stated that in Nursing and Allied Health and Career and Technical Education area when curriculum is considered for the program there is an Advisory Council that is made up of educators and employer in the specific fields that help evaluate the curriculum. The proposed construction curriculum was vetted by the advisory committee. Ken Wilk invited Mr. Matteson to attend the advisory council and Mr. Matteson stated he would like to attend.

Mr. Matteson moved to approve the new construction trades degree and certificate programs. Mr. Lucero seconded the motion. *The vote was unanimous in the affirmative.*

8.B. Request to Approve Coconino Association for Vocations, Industry and Technology (CAVIAT) Intergovernmental Agreement

Vice President Hatch stated staff does recommend approval of the Intergovernmental Agreement with CAVIAT. The coursework is for industrial maintenance and operations in Coconino County. Because of that Coconino Community College had to provide permission to provide services within their service district. Chair Handorf clarified that the course would be provided at CAVIAT facility but NPC would provide instruction. Vice President Hatch stated NPC would provide the instruction and curriculum. President Swarthout stated the location approved for this is in Page. Mr. Winslow asked if it only included Page and if other sites were brought in would other IGA's be needed. Vice President Vest stated that if other sites were considered then a new IGA would be necessary. Chair Handorf asked if it was limited to tribal member students. Vice President Vest stated it was not.

Mr. Matteson moved to approve the Coconino Association for Vocations, Industry and Technology (CAVIAT) Intergovernmental Agreement. Mr. Lucero seconded the motion. *The vote was unanimous in the affirmative.*

8.C. Request to Approve a Hearing Officer

President Swarthout stated that Procedure 2755, Discipline of Employees, requires that a list of hearing officers is required to be brought to the Board yearly in the case of personnel actions or discipline.

Mr. Matteson moved to approve the proposed list of hearing officers. Mr. Lucero seconded the motion. *The vote was unanimous in the affirmative.*

8.D. Request to Approve Adjustment to Fiscal Year 2011-2012 Adopted Budget

Vice President Hatch stated that this adjustment is a regular occurrence each year and the purpose of the adjustment is to maximize, as much as possible, the funds the College is able to expend under the statutory expenditure limitation. Each year the College is required to prepare an annual budgeted expenditure limitation report, which will be provided at the next board meeting, for the fiscal year ending June 30, 2012. This proposed adjustment adjusts the budget with actual expenditures that took place in 2012. This helps keep the College safely under the expenditure limit. The adjustments for 2012 are adjustments downward in each of the four funds



of actual adopted budget in 2012 to the actual expenditures so there is no variation between the budget and the actual expenditures.

Chair Handorf asked where the \$5 million goes once the adjustment is made. Vice President Hatch stated that the budget is just a plan; the actual dollars that were expended have been expended, so this adjustment takes the number that was on the plan and brings it to the number that was actually expended.

Mr. Lucero moved to approve the recommended adjustment to fiscal year 2011-2012 adopted budget. Mr. Matteson seconded the motion. *The vote was unanimous in the affirmative.*

8.E. Request to Accept the Single Audit Reporting Package for the Fiscal Year ended June 30, 2012

Vice President Hatch stated that Jay Zorey, Director of the Division for Financial Audits from the Auditor General's Office was present. Jay Zorey addressed the Board and gave a summary of Auditor General duties. Mr. Zorey stated the District this year received a "clean audit" meaning that the information in the District's financial statement is accurate and can be relied upon and is in great condition financially. The college is well reserved, has a solid fund balance, and has no negative trends or concerns. There were findings in the area of IT system in regards to system access and a computer change which is the level of access employees are granted. The College should limit access that is appropriate to employee responsibilities. Terminated employees should be immediately removed from the system. Program changes should be reviewed and approved before they're actually placed in use. Disaster recovery plan is also needed to recover operations as quickly as possible in case of an emergency. Federal compliance issue regarding suspension and debarment came up. When awarding contracts the College needs to check against the list of federal government lists of businesses that have been barred from receiving federal dollars. Certification of time and effort in grant management was also an issue. Annual filings show there is oversight of programs but sufficient documentation showing the maintenance was lacking. Mr. Winslow asked what the division of labor looked like from the Board to the Auditor General's Office in working with administration to correct findings. Mr. Zorey stated that the District Governing Board is elected to run the District and so it is the Board's responsibility and key members of management to correct audit deficiencies, the Auditor General's Office will follow up annually on each finding. Mr. Winslow asked about how the Board will be updated on correcting the findings. Vice President Hatch stated that progress on correcting findings will be brought to the Board as updates. Mr. Zorey introduced other staff members present with him.

Mr. Winslow moved to accept the single audit reporting package for the fiscal year ending June 30, 2012. Mr. Matteson seconded the motion. *The vote was unanimous in the affirmative.*

F. 2013-2014 Budget Development Update

Vice President Hatch stated that the College is on schedule with items that are on the budget development calendar including distribution of budget development documents. Vice President Hatch stated he wanted to take a moment to discuss the impact of declining enrollment on the



expenditure limitation. That is going to be an issue that will need addressed with no real solutions at this point. At convocation the College discussed declining enrollment impacts and there will be an upcoming All College Retreat in which this topic will be discussed. Expenditure limit has three components; one is basic expenditures in the 1979-80 Fiscal Year, that's when spending limits were first passed in Arizona and that's the College's base year. Secondly, inflation component that allows for the changing costs of things over times. The third component is enrollment. Expenditure limit changes over time and is based on enrollment. In 2012, the College will be a half a million dollars below the expenditure limit. The College is allowed to carry forward unused funds to future years and that has been done. Without the carry forward dollars, it is possible in 2013 the College would exceed the expenditure limit by about a half a million dollars. In 2014, we could be \$2.5 million in excess of our expenditure limitation, carry forward funds help us move through this variations but carry forward funds cannot be a long-term solution. Mr. Lucero asked about the balance in the carry forward fund. Vice President Hatch stated there were around 15 to 20 million in the account. Chair Handorf asked if the carry forward are limited to be expended in this category. Vice President Hatch stated that carry forward amounts are plans on paper, they're not real money, so it's just saying, we're going to carry forward this money we earned and we're going to put it aside and spend it at a later time. Chair Handorf asked if carry forward amounts were restricted to operational expenses. Vice President Hatch stated that for the most part the expenditure subjected to the to limits are operational in nature. Mr. Matteson asked if the College is able to request an increase in the expenditure limitation. Vice President Hatch stated that the option of taking a request for expenditure limitation increase to the electorate was a possibility although in this economic climate it may be difficult to get vote approval for it. Mr. Winslow asked in regards to upcoming legislative changes that affect the College, how those changes get blended into the budget development process. Vice President Hatch stated that the budget is built based on what best expectations are recognizing that adjustment may need to be made with focus on building a budget that is flexible enough to either make adjustments downward or upward, and the real adjustments are made in the following year budget. Mr. Winslow asked about the relationship between the budget development and the strategic plan. Vice President Hatch said the timing of the adoption of the strategic plan has recently been changed in order that budgeting can be driven by the strategic plan. The Strategic Plan is brought to the board in a number of ways from first read to ask for input from the board until final approval. President Swarthout stated that the strategic plan is tightly linked to accreditation criteria and components, so the strategic plan is driven by accreditation status and needs to remain linked.

Agenda Item 9: Standing Business

9.A. Strategic Planning and Accreditation Steering Committee (SPASC) Report – Director Eric Bishop

Director Bishop stated SPASC has no report but will have report in February.

Mr. Winslow asked about when President Initiatives in SPASC will be addressed. President Swarthout stated that a report to the board about the Strategic plan is usually done in June or August which covers the progress of the plan.



9.B. Human Resources Update – Sharon Hokanson

Director Sharon Hokanson stated there has been several hires, Deb McGinty was hired as a new academic advisor, Elinor Hempsey as Faculty in Biology, Christine Sleightor as the Director of Administrative Systems Support, William Fee is the new ASC-GIEC Grant Project Coordinator. The Faculty in Philosophy position is still open but are reviewing applicants and holding interviews. The Faculty in Nursing position is open and have only received one applicant. Database administrator position has received four applications for that position. The Audio Video Support Technician position will close January 4 and there is one applicant.

9.C. President's Report – President Swarthout

President Swarthout stated Lobbyist Kristen Boilini would be here on February 8 for a legislative background and current session. Hopefully there will be a Board retreat in March and are attempting to find a date for an All College Retreat for a Friday that would allow the College to meet and plan for the future. An invitation was given to all board members to the All-Academic Team Luncheon on February 20, 2013. President Swarthout stated that NAU had requested a partnership meeting with NPC in February.

Agenda Item 10: Board Report/Summary of Current Event

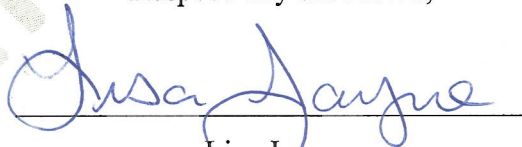
Mr. Peaches stated that there is a lot of snow on Black Mesa. Chair Handorf stated that AADGB are putting together a one day conference for all governing boards of community colleges that hasn't been done for 12 or 13 years. Originally February 22 was the projected date but potentially is looking at April.

Agenda Item 12: Announcement of Next Regular Meeting: February 19, 2013.

Agenda Item 13: Adjournment

The meeting was adjourned at 12:10 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



Ginny Handorf

Ginny Handorf
Chairman

Daniel Peaches

Daniel Peaches
Board Secretary

APPROVED

