

Navajo County Community College District Governing Board Study Session Minutes

January 15, 2008 – 9:00 a.m.

2251 North Navajo Boulevard, Holbrook, Arizona, 86025

Governing Board Members present: Dr. Kem MacNeille, Bill Jeffers, Chariman Daniel Peaches, Neal Thompson, and A.T. Siquah.

Staff present: President Dr. Jeanne Swarhout, Vice President Dr. Eric Henderson, Vice President Blaine Hatch, Vice President Mark Vest, and Secretary to the Board Brandy Shumway.

Review of Action Items:

1. Agenda Item 6.B.1.: December 18, 2007 Regular Board Minutes – Chairman Peaches

There were no comments or discussion regarding the minutes.

2. Agenda Item 6.B.2.: Revisions to Purchasing and Competitive Bidding Procedures – Vice President Hatch

Vice President Blaine Hatch stated that Staff recommends revisions to the purchasing procedure (consider increasing the level of approval for the DGB); and revisions to the bidding procedures (prices which would require competitive bids ranging from oral and written quotes to formal bids). Mr. Hatch provided a copy of the current policy for expenditure of public funds, Policy #1930 and a copy of policy #1932 which lays out procedures rather than setting thresholds or limits. Mr. Hatch indicated that NPC is in accordance with the Uniform System of Accounting and Financial Reporting for Arizona Community College Districts (USAFR). He explained that since the initial procedures for purchasing approvals and bidding requirements had been established, costs and services have increased thus requiring a formal bid process.

The recommendation is the revision of the purchasing procedure to require District Governing Board approval for purchases \$50,000 and above. Staff also recommends revision of the competitive bidding procedures as follows:

	NON COMPETITIVE	ORAL QUOTES	WRITTEN QUOTES	FORMAL BID
Equipment, supplies, and services	< \$5,000	\$5,000 to \$14,999	\$15,000 to \$24,999	\$25,000 +
Construction	<\$25,000	Not used	\$25,000 to \$49,999	\$50,000 +



Responding to questions from Neal Thompson, Mr. Hatch stated that all bids could be written and that oral bids could be eliminated. He also stated that the procedure which the President is authorized to develop contains a clear designation of procedures, i.e. splitting orders to evade the bidding requirements is not acceptable.

3. Agenda Item 6.B.3.: Revisions to Fiscal Management Policies – Vice President Hatch

Mr. Hatch presented the following recommendation: **“Staff recommends updating NPC Policy 1931 and a technical revision to NPC Policy 1933.”**

Mr. Hatch explained that staff proposed updating NPC Policy 1931 by specifying the approval process for making electronic payments. The proposed change also recognizes the position of Director of Financial Services.

Staff also proposed revising NPC Policy 1933 to include the Director Financial Services as an authorized signatory. The policy addresses check approval authorization.

Responding to a suggestion from Neal Thompson, Mr. Hatch stated that the proposal could read “payments made by electronic transfer require approval by the President, or Vice President for Administrative Services, or Director of Financial Services, or Controller” (thus eliminating the words “wire transfer”).

4. Agenda Item 6.B.4.: Dual Enrollment – President Swarthout

Dr. Swarthout presented staff’s recommendation to approve Dual Enrollment Inter-Governmental Agreements for: Hopi Junior/Senior High School, academic year 2007-2008 and Chinle Unified School District No. 24, academic year 2006-2007.

5. Agenda Item 6.B.5.: Academic Calendar 2008-2009 – Vice President Henderson

Dr. Henderson presented the proposed Academic Calendar for 2008-2009. Responding to a question from Bill Jeffers, Dr. Henderson affirmed that NPC’s calendar coincides with some of the local school districts. Dr. Swarthout noted that moving class cancellation dates further into the semester is a significant departure for NPC and should be a substantial help to students and staff.

Responding to questions from Board members, Dr. Henderson affirmed that the proposed calendar has been reviewed by the Instructional Leaders Council and approved by the faculty.

He also affirmed that classes and offices will be closed on MLK, Jr. Day.

Dr. Henderson stated that campuses are open during both summer sessions, and summer openings vary at the centers.

6. Agenda Item 6.B.6.: Approval to Purchase a Passenger Van – Vice President Hatch

Vice President Hatch presented Staff’s recommendation to approve the purchase of a 2008 Ford E350 Passenger Van from Show Low Ford for \$25,565.00, which does not exceed the Arizona State contract price of \$25,610.65.

Mr. Hatch affirmed that exact quoted specifications from the State contract are provided to local car dealers via phone calls. The dealers respond by written fax. This van will be used primarily for student field trips, off campus classes, and general student transport. The older vehicle, which is being replaced, has in excess of 200,000 miles and will be sold through State surplus.



7. Agenda Item 9.C.1.: Approval to Purchase Modular Classroom Relocation & Renovation – NATC – Vice President Hatch

Vice President Hatch presented Staff's recommendation for approval to purchase services, not to exceed \$185,000, related to the relocation and renovation of an approximately 4,000 square foot modular classroom facility for NATC which was purchased by Navajo County from Glendale Community College and relocated to the NATC site in Taylor. Included in the request are expenses totaling approximately \$95,000, which were obtained by Navajo County through a formal bid process, for the relocation of the modular facility from Phoenix to Taylor. Navajo County plans to use County staff and inmate labor to remodel the interior and exterior of the building. Furnishing and renovation services are expected to cost no more than \$50,000. The total cost to provide a functional classroom facility is estimated at \$45 per square foot.

Mr. Hatch explained that Navajo County's initial involvement was to have a Navajo County Sheriff's sub-station housed in the modular building, but the decision has been rescinded by the Sheriff's department.

Dr. Swarthout affirmed that NPC was involved in the design of the modular facility for classroom, storage, and office spaces.

To date, the DGB has approved the erection of the fire training tower at \$207,000; GADA Loan repayment to the Town of Taylor at approximately \$95,000; the modular building expenses would be an additional \$185,000, which leaves approximately \$340,000 remaining of the million dollars. The next proposed item is engineering services totaling \$30,000 which, if approved, would leave \$310,000 remaining. The leadership of the Legislature is proposing a possible retraction of monies in 2008, including the million dollars to NATC. Mr. Hatch stated that if the money is used to pay back a loan, the Legislature would probably not withdraw the money.

Board members expressed concerns about the lack of an operational and financial plan to develop the site. Dr. Swarthout introduced Mr. Eric Ritz, recently hired manager for NATC. Mr. Ritz stated that, as a newcomer, he does not have the benefit of understanding the long five-year funding perspective of the project. He has queried various players in the project and the consensus is that the purchase of the modular building is an attempt to get something up and running, not a long-term plan for the vision of the project. Mr. Ritz stated that highest on his priority list is to establish an operational plan and budget. His emphasis, to date, is to use the money available to avoid losing the funds back to the Legislature.

Mr. Jeffers asked why NATC did not come to the District Governing Board for approval before money was encumbered. Dr. Swarthout responded that the NATC Board did not know that the funding was coming in until the first of July. The commitment of reimbursing, if the money came through to Navajo County, was made in May. Mr. Jeffers reiterated that the District Governing Board has a fiduciary responsibility to manage the funds and does not want to be put in a position to approve expenditures after the fact.

Mr. Ritz stated that he would like to move forward and spend the money to get the project underway and provide classrooms for everyone's benefit for the next couple of years. Mr. Ritz stated that since he has come on board as manager, NATC is not stepping out of bounds as it relates to the DGB's responsibilities and the NPC process to expend funds.

Mr. Ritz stated that it is his understanding that the County and the Sheriff's Department decided to move the Sheriff's substation elsewhere due to security issues and that the Sheriff continues to be supportive of the NATC facility.

Mr. Hatch stated that there has not been an invoice issued to the County to date for costs relating to the modular building.



Mr. Hatch stated that there has not been an invoice issued to the County to date for costs relating to the modular building relocation.

Responding to Mr. Jeffers, Mr. Ritz stated that the challenge will be to formulate an approved operating plan with so many divergent interests and members of the NATC Board who have varying levels of investment, but that he is going to make recommendations to the NATC Board within the next 30 to 60 days.

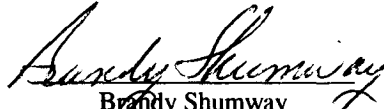
8. Agenda Item 9.C.2.: Approval to Contract Engineering Services for NATC – Vice President Hatch

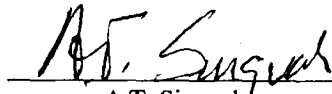
Vice President Hatch presented Staff's recommendation for the approval of contracts for engineering services from Ironside Engineering & Development, Inc. for the fire training tower apron, utilities, parking area, and fire apparatus bay at a total price not to exceed \$30,000.

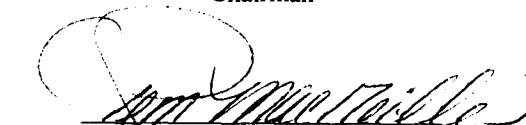
The options that were discussed at the Legislative hearings last week, specifically for Community Colleges, included a rollback of the million dollars given to NPC for the NATC project, in addition to rolling back NPC's regular capital state aid, all of which was distributed in July. NPC has received a request to report the status of NPC's capital state aid, approximately \$500,000. Dr. Swarthout stated that Senator Flake's office has requested a report from NATC. Mr. Hatch stated that it is possible that the State could require the return of all capital aid funds, including the NATC allocation, without regard to current expenditure or encumbrance status. Mr. Hatch stated that the acquisition of the concrete apron, the apparatus bay, and the utilities for the training tower, if approved, would use up the remainder of the NATC funds.

Study Session ended: 10:55a.m.

Respectfully submitted,


Brandy Shumway
Recording Secretary to the Board


A.T. Siquah
Chairman


Kem MacNeille
Secretary to the Board

