

Navajo County Community College District Truth in Taxation Public Hearing Minutes

May 20, 2014 – 10:00 a.m.
Painted Desert Campus, Tiponi Community Center
2251 East Navajo Boulevard, Holbrook, Arizona

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; Information Services Director Eric Bishop; Institutional Effectiveness Director Dr. Leslie Wasson; Recording Secretary to the Board Lisa Jayne.

Others Present: Ann Hess, Everett Robinson, Autom Christensen, Jake Hinton, Tom Nagle, Peggy Belknap, Stuart Bishop, Kenny Keith, Margaret White, Maderia Ellison, Sharon Hokanson, Kathleen Ritz, Jenny Shumway, Rickey Jackson, Brad Farber, Beulah Bob-Pennypacker, Jeremy Raisor.

Agenda Item 1: Call to Order

Chair Handorf called the meeting to order at 10:00 a.m.

Agenda Item 2: Truth in Taxation Publication

Vice President Hatch stated the College plans to increase primary property taxes to the maximum levy. There are several requirements, including the public hearing, that have been completed which includes publication of the Truth in Taxation notices. The notice was published three times in two newspapers of general circulation throughout the County. By statute, the College is only required to publish it twice in one newspaper, but because of the large area of the district it's important to get the information out as much as possible. Also, a news release was issued, which is different than the Truth in Taxation notice. The news release provided additional information about the background related to purposes for the property tax increase. All media was issued the news release and it was published in several of them. The news release points out there is tremendous benefit in education to the economic health of communities, and one of NPC's important goals is to serve communities by providing education which is investing in people, and classrooms and in equipment. The College also has a save approach rather than a buy now pay later approach, so the College has no long-term financing as large projects are paid for by money saved over time. By not financing, the College saves 50% of the total cost.

Agenda Item 3: Request of Proposed 2014-2015 Primary Property Tax – Vice President Hatch

The College is requesting a 4% increase which totals an increase of primary property taxes of just over \$545,000. Truth in Taxation requirements asks the College to compare impact on a home that is assessed at \$100,000. This change would take the tax from \$159.65 to \$166.10, or a \$6.45 per year increase in primary property taxes. This is the maximum allowable primary property tax under a proposition approved by voters in 2006. Last year the College did not go to



the maximum rate although 2% was allowed. All of this information was posted on the NPC website right after the last meeting in April.

Vice President Hatch reviewed the history of NPC's tax levy with the Board and the public, showing that the tax levy since 2006 has been assessed at the max levy except for last year. Prior to 2006 the College was below the max levy. The Truth in Taxation rate is based on the premise that there's a constant assessed valuation increase, and so the Truth in Taxation states that when assessed valuation is going up the rate can go down and still reach an increased levy amount. The opposite happens when assessed valuation starts going down, and that's what's happened since 2010/2011. In each of these years, the assessed valuation in Navajo County has gone down, and as a result, the rate which is required to obtain the same levy needs to go up. The 4% TNT rate is different than the percentage increase and the actual rate.

There is an impact property tax levy has on state funding, which is called equalization aid, the purpose of which is to equalize the availability of property tax money in the disparate counties throughout Arizona. Some counties have more ability to assess property taxes, some, like Navajo County, have less. State taxes do provide just over \$5.5 million of state equalization aid. Conversations in the past with the legislature and the governor's office is that in order to retain equalization funding, they expect local property tax payers to make the maximum possible contribution in property taxes so that equalization is a true equalization and allows the College to receive benefit from all the taxpayers of Arizona.

Compared to other community colleges, in regards to rate, NPC is just below average. And like the other equalization colleges in the state, NPC does not levy a secondary tax. All non-equalization schools, besides Mohave, do levy a secondary tax.

Mr. Lucero asked if there was a graph showing where the College sits in total evaluation compared to the other 14 districts. Vice President Hatch stated that information could be obtained. In general, the three equalization schools are at the very bottom. Graham County has almost no assessed valuation, as the district consists predominantly of public lands. Being an equalization school places the College below average of the eight rural counties. Mr. Lucero asked if the NPC district would be 13th or 14th. Vice President Hatch stated NPC is lower than Cochise and higher than Graham, so next to last.

Chair Handorf asked if there had been any phone calls or letters from the public about the levy increase. Vice President Hatch stated he received one phone call prior to the publications after the last board meeting. This caller expressed a general concern about taxes and the increase in taxes. Also, a call late last week that he was not able to connect with but left messages about the waste of funds as a result of the mailing of schedules. Yesterday someone requested the email address of Lisa Jayne so the Board could receive some comments but she never received anything. Also, there was a call late yesterday from an individual who is present today.

Mr. Lucero asked if the notice that went out to the paper included the actual rate. Vice President Hatch stated it includes the actual rate and reviewed the TNT notice. The news release also states \$166.10 on \$100,000 valuation. Mr. Lucero said it did not state that the actual rate is more



than 4%. Vice President Hatch stated the budget is published concurrently with the notice and the budget shows that information on property taxes does show the actual changes not the TNT changes in the primary property tax rate.

Agenda Item 4: Call for Public Comment

Kathleen Ritz from Taylor addressed the Board and stated that Taylor’s job market is contracting, therefore household budgets are contracting. Government and taxing entities should contract also but they don’t. Taxes go up. She asked why it was not possible for the college to contract along with the taxpayers.

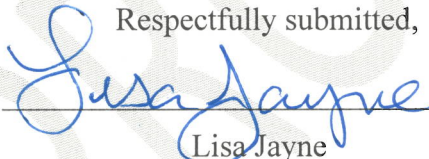
Brad Farber from Shumway addressed the Board and stated that until the county and cities are not derelict in their duties, the taxpayers cannot budget what taxing entities are doing. Retirees do not have the kind of money to handle the increase. He cannot recommend to other families to move here because of the tax increases.

Mr. Lucero stated he received several calls from people that were against a levy increase.

Agenda Item 5: Adjournment

The meeting was adjourned at 11:25a.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

