

Navajo County Community College District Governing Board Study Session Minutes

November 17, 2009

2251 Navajo Boulevard, Holbrook, Arizona, 86025

Governing Board Members Present: Bill Jeffers, E.L. Parsons and Daniel Peaches.

Staff Present: President, Dr. Jeanne Swarthout; Vice President, Blaine Hatch; Vice President, Mark Vest; Recording Secretary to the Board, Russell Dickerson.

Reports:

1. **Agenda Item 7.A.: Request to Approve Purchase of One Year of Networking Equipment Maintenance – President Swarthout**

Dr. Swarthout summarized the staff recommendation to purchase one year of maintenance for network equipment in the amount of \$52,810.27. Mira White, Information Services Manager, reported that her department has begun evaluating the longevity of current and future equipment through network audits that seek to address the overall stability of the network. Ms. White added that the college has had issues with faulty equipment and that network maintenance is essential for the replacement of equipment in a timely manner. Ms. White clarified that the maintenance purchase request is a renewal of network maintenance services the college currently uses and that the increase in cost is due to the multiple year nature of the proposed purchase.

2. **Study Session Agenda Item 2.: Budget Planning Update (Informational) – Vice President Hatch**

Mr. Hatch reported that the Governor has called for a fourth special legislative session. Mr. Hatch does not anticipate that the special session will affect community colleges as the legislature will likely focus on K12 schools, DES and other agency matters. Mr. Hatch anticipates that discussion of possible further budget cuts will occur early next year. Mr. Hatch reported that the State has continued to provide funding as expected. Mr. Hatch reported that he anticipates the Arizona State Retirement System will increase contribution rates for employers and employees. Mr. Hatch reported that Dr. Swarthout has assembled a college committee charged with examining how the college will address further budget cuts and that the committee will meet Friday. Mr. Hatch reminded Board members that the college has implemented many aspects of a tiered approach to reduce costs due to budget cuts. Mr. Hatch requested Board feedback on possible tier three measures that may include a reduction in service hours, the elimination of programs based upon enrollment and cost, possible service location closures, reorganization of college structure for improved efficiency and cost savings, reduction of janitorial services and the consolidation of center teaching schedules to gain maximum benefit of travel. Chairman Jeffers stressed the importance of providing services to students and that staff recommendations regarding further cost cutting measures will be addressed as they are brought before the Board. Dr. Swarthout noted that the college currently runs efficiently and that further budget cuts will force difficult decisions to be made. Mr. Hatch noted that a college budget reduction committee has been formed. It is a fairly large, broad based group that will generate recommendations that will have substantial institutional weight. Mr. Hatch provided additional October revenue information to Board members and noted that in October, the college received significant revenue despite property tax bills being mailed out late. Mr. Hatch reported that property tax receipts are at 34% through October and added that the college will need to collect about \$2 million in November to stay on target for the current year. Mr. Hatch reported that the continued tax revenue strategy for most community colleges will be to levy the maximum possible. Mr. Hatch expects that most community college staffs will recommend greater tuition and fee increases. Overall, Mr. Hatch recommends that the college proceed with the regular budget adoption plans and create a budget with some flexible components that can be adjusted, if necessary.

3. **Study Session Agenda Item 3.: ADEQ Update (Informational) – Vice President Hatch**

Mr. Hatch reported that in early August, the college submitted a petition to ADEQ to exempt the demolition debris at the Hermosa site. ADEQ had ninety days to respond to the petition and Mr. Hatch reported that a telephone conversation, initiated by ADEQ, was held on November 6, 2009. In that conversation, Amanda Stone, Solid Waste Program Director, speaking for ADEQ, indicated that ADEQ will deny the request for exemption based upon their



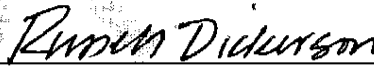
primary concern over gypsum containing materials that has the ability to emit gases. Mr. Hatch added that ADEQ was also concerned with possible asbestos in tile and electrical wiring materials. Mr. Hatch reported that ADEQ has offered to assist in covering the cost of addressing the violation by issuing violation notices to the building contractor and subcontractor as well as initiating contact with the Environmental Protection Agency to see if grant funds are available to assist with costs. Mr. Hatch reported that ADEQ offered two alternatives for site remediation that include a sorting process to remove certain materials and a cap and monitor approach. Mr. Hatch added that the college will receive an official letter from ADEQ and that the college's elected officials, who supported the college through the petition process, have been notified of ADEQ's decision not to issue an exemption. Mr. Hatch notified Board members that ADEQ updates will continue to be presented.

4. Study Session Agenda Item 4.: Update on NAVIT Request Concerning Property at SCC – Vice President Hatch

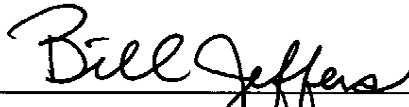
Mr. Hatch summarized a NAVIT proposal for the long term lease of NPC property at the Silver Creek Campus. NAVIT Superintendent Matt Weber expressed his appreciation for NPC and added that the lease will be a positive step in continuing the partnership. Mr. Weber noted that SCC is central to the NAVIT service district and that capital funding would be well spent by proceeding with the lease. Mr. Weber reported that he has not yet been contacted by a real estate attorney regarding whether a fifty year lease term is permitted by statute. Staff will begin the process of negotiating and developing the lease agreement.

Study session ended at 10:44 a.m.

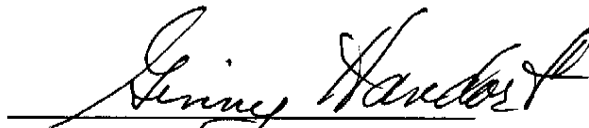
Respectfully submitted,



Russell Dickerson
Recording Secretary to the Board



Bill Jeffers
Chairman



Ginny Handorf
Secretary to the Board

