

Navajo County Community College District Governing Board Special Meeting Minutes

May 17, 2011 – 11:00 a.m.

2251 East Navajo Boulevard, Holbrook, Arizona, 86025

Governing Board Member Present: Bill Jeffers, Ginny Handorf, Louella Nahsonhoya, E.L. Parsons and Daniel Peaches.

Staff Present: President, Dr. Jeanne Swarouth; Vice President, Blaine Hatch; Vice President, Mark Vest; Information Services Director, Eric Bishop; Recording Secretary to the Board, Russell Dickerson.

Agenda Item 1: Call to Order

Chairman Jeffers called the special meeting to order at 12:03 p.m.

Agenda Item 2: Request to Approve the 2011-2012 Property Tax Increase – Vice President Hatch

Mr. Hatch presented the staff recommendation to approve the 2011-2012 primary property tax levy of \$12,710,760 which is derived from a rate of \$1.2387 per \$100 of net assessed valuation as discussed in study session, the truth in taxation public hearing and previous meetings. Mr. Hatch confirmed that the college has met all tax increase publication requirements. Ms. Handorf moved to approve the 2011-2012 primary property tax increase as presented and discussed. Chairman Jeffers seconded the motion and called for discussion.

Ms. Handorf stated that as long as she been on the Board, it has never voted to increase taxes simply “because it can.” Ms. Handorf stressed that the college can *only* increase taxes by 2% and stated that consistent, small tax increases are why the college has been able to weather recent funding reductions. Ms. Handorf stated her belief that anyone who works with a government budget realizes that entities budget for what they hope to receive and expend and added that unbudgeted expenditures are prohibited. Ms. Handorf added that traditionally, budget levels are set higher than what they are expected to be so that an entity may take advantage of unexpected windfalls such as grant opportunities or additional funding. Ms. Handorf explained that the tax increase will allow the college to move forward and serve its communities despite current and expected future cuts in funding. Ms. Handorf stated that the recent elimination of the secondary property tax decreased everyone’s college-related tax burden and added that the college does not want to go out to bond to raise large amounts of project-specific funding that would increase the taxpayer burden by adding a secondary property tax. Ms. Handorf stated that in order to be conservative, the college must provide for savings. Ms. Handorf acknowledged that some take issue with the way tax information is presented under truth in taxation requirements and stated that the additional \$2.43 tax per \$100,000 assessed valuation is certainly not a ridiculous amount of money to keep the college going. Ms. Handorf pointed out that the NPC service area covers approximately 22,000 square miles, roughly the size of West Virginia which has approximately 20 community colleges, and added that the college provides educational opportunities inexpensively and is always at or near the bottom of the list of tuition rates. Ms. Handorf explained that while NPC prepares transfer students at a much reduced cost, it is not a junior college, rather a community college that grants certificate and Associate’s degrees that students can show employers, provides skilled work force development and gives back to the taxpayer by providing community education courses and access to the Arts such as art shows, symphony concerts and musical and theatrical productions. Ms. Handorf explained that the tax levy increase will allow the college to continue to move forward and offer educational opportunities.

Mr. Parsons stated that unlike other entities like Pinetop which is closing a school, or the towns of Pinetop-Lakeside and Snowflake that are imposing lay-offs, and the County which implemented a 2% pay reduction, the college is not in the financial position to follow as faculty and staff have received a 4% pay increases with no lay-



offs and facility closures. Mr. Parsons stated that county taxpayers cannot afford to continue to subsidize things that are not needed and added that foregoing the \$700,000 increase in taxes will not affect the college budget bottom line as far as hurting employees or forcing changes to classes offered by the college. Mr. Parsons reiterated his position that the college is increasing taxes simply because it can and stated that it is not right for the college to carry \$7 million in taxes and unfair for taxpayers. Mr. Parsons stated that the community college is for the benefit of students yet increases in tuition are hurting the taxpayers who pay \$13 million annually to support the college. Mr. Parsons stated that currently governments are simply not looking for ways to cut costs. Mr. Parsons stated that he doubts the college will be able to spend the \$4 million of capital funds and suggested that the designation of an additional \$2 million for capital funds is simply a way to justify a stockpile of funding. Mr. Parsons reiterated his position that the college is increasing taxes because it can and added that he will not support the increase in taxes. Mr. Parsons stated that the college needs to examine how it budgets and conserves and added that without an increase in taxes, the primary property tax rate would still be \$1.13 per \$100 of assessed valuation. Mr. Parsons stated that the 9.5% increase in the tax rate will generate \$700,000 in additional money that the college does not need.

Chairman Jeffers thanked members of the public who addressed the Board and noted that no one stated that the college is not doing a good job. Chairman Jeffers stated that the college is respected in the community because it has had a good Board, good administration and good faculty. Chairman Jeffers stated that the Board has done a good job of being prudent and planning for the future, as does the budget. Chairman Jeffers stated that the college has two building projects that must be accomplished to satisfy the community needs and to offer the services the college provides. Chairman Jeffers stated that the budget, which includes, by citizen mandate, the ability to implement 2% tax increases, will allow the college to continue to plan for the future. Chairman Jeffers stated it ridiculous to believe that the college has not cut expenses as evidenced by unfilled administrator and faculty positions. Chairman Jeffers stated that he is opposed to going out to bond, as it is an expensive process. Chairman Jeffers stated that he is supportive of the budget presented by staff over the last few months as it is fair, provides for the future and guarantees the college will be able to provide services that students and taxpayers need. Chairman Jeffers stated that the college has been a very good conservator of taxpayer funds.

Roll call vote: Ms. Handorf, Ms. Nahsonhoya and Chairman Jeffers voted to approve the 2011-2012 property tax increase as presented. Mr. Parsons and Mr. Peaches voted against. ***The motion to approve the 2011-2012 property tax increase passed with three votes in favor and two against.***

Agenda Item 3: Request to Adopt the 2011-2012 Proposed Budget – Vice President Hatch

Mr. Hatch reported that the 2011-2012 proposed budget has been presented to the Board and a public hearing was held and the college has complied with all statutory regulations regarding approval of the budget. Mr. Hatch reported that the published and Board reviewed budget is very closely aligned with the Board approved 2010-2013 college strategic plan and was developed with extensive involvement of staff at administrative and departmental levels. Mr. Hatch presented the staff recommendation to adopt the 2011-2012 proposed budget as presented. Mr. Hatch reminded the Board that following adoption by the Board, the budget may be decreased, but not increased. Mr. Peaches moved that the Board adopt the 2011-2012 proposed budget as presented. Ms. Nahsonhoya seconded the motion. Ms. Handorf clarified that capital projects requested by staff and listed in the 2011-2012 budget will come back to the Board for individual analysis and approval. ***The motion to approve the 2011-2012 budget passed with four votes in favor, one against.***

Agenda Item 4: Adjournment

The special meeting was adjourned at 12:32 p.m. upon a motion by Mr. Parsons, a second by Mr. Peaches and a unanimous vote.



Russell Dickerson

Russell Dickerson
Recording Secretary to the Board

Bill Jeffers
Chairman

GINNY HANDORF

GINNY HANDORF
Secretary to the Board

APPROVED

