

Navajo County Community College District 2012-2013 Proposed Budget Public Hearing Minutes

May 15, 2012 – 10:00 a.m.

2251 East Navajo Boulevard, Holbrook, Arizona, 86025

Governing Board Members Present: Bill Jeffers, Ginny Handorf, Louella Nahsonhoya, E.L. “Dusty” Parsons and Daniel Peaches.

Staff Present: President, Dr. 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, Kristin Thomas.

1. Call to Order

Chairman Jeffers called the 2012-2013 Proposed Budget public hearing to order at 10:25 a.m.

2. 2012-2013 Proposed Budget – Vice President Hatch

Mr. Hatch reported that following the April District Governing Board approval of the preliminary budget, the college posted budget information on the college website, published the proposed budget in the Holbrook Tribune-News and issued press releases and public notices of the budget hearing as required by state statute. Mr. Hatch reported that for the last few years, staff has had concerns over the amount of state aid allocated to NPC. Mr. Hatch reported that the college revenue comes from three sources, property taxes, state aid and tuition and fees. Mr. Hatch added that enrollment has declined as consistent with the national trend. Mr. Hatch reported that Schedule D of the 2012-13 published budget documents were altered to reflect the board decision to increase wages by six percent, however, the totals were not changed. No other alterations were made to the preliminary budget as presented during the April 17, 2012 District Governing Board meeting. Mr. Hatch reported that the college operates on a three-year rolling strategic plan that includes a multi-year capital funding approach.

Mr. Hatch presented a summary of the 2012-2013 proposed budget and reported:

- Expenditures are budgeted at \$24.2 million; which is an increase of 9.5% or approximately \$2.1 million over the current year general fund budget. Related to six new positions and program additions with a cumulative effect.
- The proposed budget for the unexpended plant fund totals approximately \$11.1 million, or \$6.7 million above current year levels. These major projects have been included in our capital plan and have been discussed extensively with the board. Mr. Hatch noted the three-year capital budget does include this same level of expenditures over the budget period as identified.
- The combined total for the general and unexpended plant funds is \$35.3 million; which is an increase of 33%, or about \$8.8 million over current year levels.
- The expenditures for FTSE are essentially flat with \$10,071 and \$10,049 in current year.
- The unexpended plant fund is an increase of approximately 130% based on the efforts to make major capital improvements.
- The maximum allowable primary property tax levy for fiscal year 2012-13 at \$13,167,562 which does align with the figure presented in the truth and taxation hearing. The additional primary tax levy is \$456,802 with no secondary tax levy for a total increase of 3.6% based on new construction and the maximum 2% levy.

Mr. Hatch presented four reasons to implement the maximum tax levy increase:



- The college, as a result of the 2006 voter approved referendum, lost property tax levy capacity. Failure to levy the maximum amount results in reduced equalization aid for the college.
- In 2012-2013, state aid will be reduced by approximately \$1.4 million. The expectation is that state aid will continue to trend downward.
- The college recognizes that students are not able to bear the entire financial burden of higher education and makes a conscientious attempt to keep tuition affordable.
- The college plans for equipment and capital needs in order to continue to move forward and provide services for students and communities need.

Chairman Jeffers reiterated that nothing has changed on the fiscal year 2012-13 budget with the exception of schedule D in respect to the salary adjustment based on the board decision during April 17 meeting. Mr. Hatch confirmed. Mr. Hatch reported that the college has identified approximately \$8.2 million in capital needs during 2012-2013 including a vocational skill center at both Holbrook and White Mountain campuses. Mr. Hatch reported that set aside capital funds will allow the college to complete projects without going out to bond and placing any additional burden upon county taxpayers. Mr. Parsons asked how much of the unexpended plant fund has been spent. Mr. Hatch responded that 90 percent will be spent by fiscal year end. Mr. Parsons requested breakdown of \$11.9 million. Mr. Hatch noted specific budget details according to the capital fund preliminary budget summary. Mr. Hatch explained that the capital budget was finalized following the preliminary budget analysis presented to the Board.

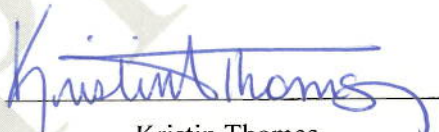
3. Invitation of Public Comment

Chairman Jeffers issued a call for public comment regarding the proposed 2012-2013 proposed budget. There was no comment from the public.

4. Adjournment

Mr. Peaches moved to adjourn the 2012-2013 proposed budget public hearing. Ms. Handorf seconded the motion to adjourn. *The vote was unanimous in the affirmative.*

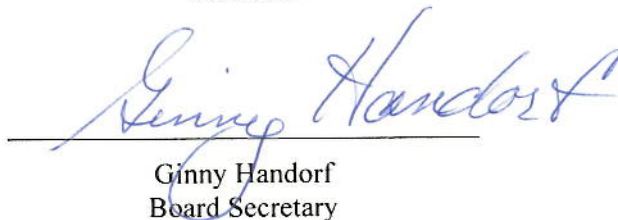
Respectfully submitted,



Kristin Thomas
Recording Secretary to the Board



Bill Jeffers
Chairman



Ginny Handorf
Board Secretary

