

Navajo County Community College District Governing Board Study Session Minutes

September 21, 2010

2251 East Navajo Boulevard, Holbrook, Arizona, 86025

Governing Board Members Present: Bill Jeffers, Ginny Handorf, E.L. Parsons, Daniel Peaches and A.T. Siquah.

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

Reports:

1. Agenda Item 7.A.: Request to Approve Intergovernmental Agreement with the Governor's Office of Economic Recovery – Vice President Hatch

Mr. Hatch reported that the proposed intergovernmental agreement (IGA) is the third such agreement with the Governor's Office of Economic Recovery under which the college would receive state fiscal stabilization funds and are a result of having to expend funds previously set aside for administrative costs. Mr. Hatch anticipates that the third and final disbursement to the college will total \$14,596.93 for a grand total of \$1,737,540 from this funding source. Responding to a question from Chairman Jeffers, Mr. Hatch explained that this disbursement, like all previously received disbursements, will be applied to faculty salaries as allowed under funding regulations.

2. Agenda Item 7.B.: Request to Approve Navajo Nation First Things First Grantee Agreement – Vice President Vest

Mr. Vest reported that approval of the proposed grantee agreement will allow the college to expand early childhood development services in the Ft. Defiance and Chinle areas of the Navajo Nation by helping child care providers move through the CDA licensing process. Mr. Vest added that continued funding will depend on the ballot initiative to be decided in November. Responding to a Board question, Mr. Vest explained that the Ft. Defiance and Chinle cohorts will each consist of 15 students and the programs will be overseen by Claude Endfield. Mr. Vest added that necessary additional adjunct faculty will be made fully aware of the grant contingent natures of the positions during the interview process.

3. Agenda Item 7.C: Request to Approve Vocational Skills Training Services Contract with the White Mountain Apache Tribe – Vice President Vest

Mr. Vest reported that the proposed contract is an ongoing annual arrangement between NPC and the White Mountain Apache Tribe to provide construction trades technology training at the Whiteriver Center, as well as at other sites within the Whiteriver community. Mr. Vest reported that the contract is no different from previous agreements, totals \$89,732.60, and involves the training of 18 students. Responding to a Board question, Mr. Vest confirmed that Workforce Investment Act funds are used by the White Mountain Apache Tribe. Dr. Swarhout added that the program completion rate is approximately 80% and that the community benefits from the construction of tribal housing by students.

4. Agenda Item 7.D: Request to Approve Intergovernmental Agreement with the Maricopa County Community College District – Vice President Vest

Mr. Vest explained that agreements exist between all Arizona community college districts that allow high schools to contact a community college in another service area to provide dual enrollment program offerings provided the high school's local community college district does not offer the desired program and grants permission to the outside area community college district to offer the educational services. Mr. Vest reported that Scottsdale Community College, operated by Maricopa County Community College District, has been contacted to offer Culinary Arts courses through dual enrollment within NPC's service district. Mr. Vest added that NPC does not offer a Culinary Arts program and that staff recommends approval of the IGA allowing Scottsdale Community College to offer dual enrollment Culinary Arts courses at Blue Ridge High School.



5. Agenda Item 7.E: Request to Approve Renewal of Networking Equipment Maintenance Agreement – Director Bishop

Mr. Bishop provided Board members with three price quotes for Cisco Smartnet network infrastructure maintenance and recommended the college renew the existing maintenance agreement through World Wide Technologies in the amount of \$53,765.08. Additionally, Mr. Bishop recommended that staff be authorized to renew future annual maintenance agreements without bringing them to the Board provided the cost of renewal does not exceed 110% of the current bid brought forth for consideration. Responding to Board questions, Mr. Bishop explained that seeking the ability to renew maintenance agreements with costs up to 110% of the amount proposed allows his department to budget adequately to cover future costs of maintaining and replacing aging equipment. Mr. Bishop added that future maintenance renewal agreements will continue to go through the bidding process to ensure that the college receives competitive quotes. With regard to the secondary recommendation, Board members expressed concern over allowing agreement renewals, with unlimited annual increases of up to 10%, to be entered into without Board review.

6. Agenda Item 7.F: Request to Consider Possible Amendments to Lease of Fitness Center Equipment by the NPC Foundation – Vice President Hatch

Mr. Hatch reported that the college has been contacted by Lance Chugg, NPC Foundation Executive Director, and that the Foundation has requested changes to the previously approved fitness center equipment lease. Mr. Hatch explained that the Foundation would like an extension, beyond the already past August deadline, of the timeline to reopen the fitness center, as well as a decrease from the agreed upon 40 operating hours per week, for 44 weeks per year, operating schedule. Mr. Chugg explained that the Foundation attorney has indicated that a statement from the college, stating that it would not find the Foundation in default with regard to the newly proposed reopening date and decrease in operating hours, would, in lieu of formal contract amendments, suffice and allow the Foundation to proceed with reopening the fitness center. Mr. Chugg explained that he had originally requested that the new reopening date be October 1, 2010 but, due to the time past since that initial request, the Foundation now requests that the reopening date be November 1, 2010. Mr. Chugg added that he anticipates the actual reopening to occur closer to October 1, 2010 but that a November reopening date would allow for all necessary approvals and logistics to occur. With regard to the requested decrease in operating hours, Mr. Chugg explained that the identified sub lessee, the City of Holbrook, is concerned that there may not be the demand necessary to justify operating the fitness center for 40 hours per week, thereby placing an undue financial burden upon the City. Mr. Chugg added that the City has proposed that the fitness center initially, and until actual demand can be assessed, operate 30 hours per week utilizing a split schedule similar to how the College operated. Mr. Chugg explained that moving ahead with the plans in place would allow the Foundation to meet its project goals of continuing to make fitness center equipment available to the residents of Holbrook as well as providing a funding source to benefit NPC students through scholarship opportunities.

Chairman Jeffers stated that he was very disappointed that the Foundation did not get the fitness center reopened according to the terms of the fitness center equipment lease agreement. Mr. Chugg explained that the Foundation encountered delays while attempting to locate a physical therapist to establish a practice and oversee operation of the fitness center in Holbrook. Responding to a Board question, Mr. Chugg confirmed that the City would use its own facility and utilize the former Holbrook Library building. Chairman Jeffers asked why the Board should extend special consideration to the Foundation, which is in default of the original agreement, instead of transferring the equipment directly to the City, with no expectation of payment from a partner that is able to quickly reopen the fitness center. Mr. Chugg suggested that should the college simply give the equipment to the City, it would effectively forego the opportunity to raise money for student scholarships and added that he hopes the college will give the Foundation the opportunity to implement the plan it has worked out with the City. Chairman Jeffers countered that the Foundation, through its failure to reopen the fitness center in accordance with the terms of the lease agreement, despite having a facility that could easily accommodate the fitness center, would effectively forego the opportunity to raise scholarship funds. Chairman Jeffers added that the Foundation's exploration of various operating options should have been secondary to the Foundation's commitment to have the fitness center reopened, as agreed upon. Ms. Handorf stated that when the matter originally came before the Board, she viewed the potential generation of scholarship funds as paramount and regarded the availability of fitness center equipment to Holbrook area users as an opportune ancillary benefit. Responding to a Board question, Mr. Chugg explained that the City plans to operate the fitness center in the former Holbrook Library building, supplementing the lease equipment with



equipment used by first responders, implement a split schedule with morning and afternoon/evening hours that may utilize volunteer staff to defray costs and charge membership fees in much the same manner as the college did.

7. Agenda Item 7.G: Request to Approve Audit Engagement – Vice President Hatch

Mr. Hatch presented the audit engagement letter for the year ending June 2010 and reported that Heinfield, Meech & Co. has performed financial audits of the college for the last four audit cycles. Mr. Hatch reported that due to staffing issues, he anticipates the audit will be completed by the March 31, 2011 deadline, instead of early as has been the case in recent audit cycles. Responding to a Board question, Mr. Hatch stated that he expects that this will be the final year that Heinfield, Meech & Co. prepares the audit for the college in accordance with accepted accounting practices. Mr. Hatch explained that the true auditor of the college is the Auditor General's Office of the State of Arizona which contracts out many of its audits, particularly those for community colleges, to private auditing firms. Mr. Hatch added that from a timing perspective, the private audit firm has been able to work closely with the college to complete the audit process. Mr. Hatch anticipates that auditing contract services will go out for bid soon and should provide the college an opportunity to change accounting firms. Responding to a Board question, Mr. Hatch explained that because the Office of the Auditor General is ultimately responsible for the audit, it covers the cost of the primary audit cost of approximately \$40,000 and the college is only responsible for costs related to the audit of the annual expenditure limitation report that total approximately \$14,000.

8. Study Session Agenda Item 8.: Procedure-Weapons on Campus (Informational) –President Swarthout

Dr. Swarthout informed the Board that the college has revised Procedure 2560, Weapons on Campus, and it is now consistent with state statute changes that went into effect July 1, 2010. Dr. Swarthout reported that the procedure was reviewed by college legal counsel and the Office of the Attorney General to ensure that community colleges were still in the position to take a particular stance regarding weapons on campus. Dr. Swarthout reported that NPC will continue to have a no weapons on campus procedure in force.

9. Study Session Agenda Item 9.: Four Year College Update (Informational) –President Swarthout

Dr. Swarthout reported that the four year college movement based in Show Low, Arizona continues to be problematic from her perspective. Dr. Swarthout reported that the College Community Advisory Board, formed by Show Low realtors, is apparently no longer meeting and that she no longer receives information or meeting invitations. Dr. Swarthout reported that the realtors continue to make presentations to city councils and are making commitments to the public that she is uncomfortable with. Mr. Parsons suggested that the Board consider crafting a resolution stating the position of the college with regard to the four year college movement. Dr. Swarthout agreed that a Board resolution is a good idea and added that the universities have been reluctant to have these discussions without NPC involvement and have essentially acknowledged that a four year institution will not be possible without NPC and two plus two, or similar articulation arrangements. Dr. Swarthout volunteered to assist with a resolution and reported that the four year college movement is on the upcoming Board retreat agenda. Dr. Swarthout suggested that a press release go out should the Board approve a resolution at the November meeting.

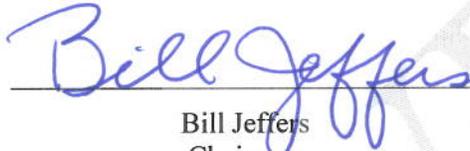
Study session ended at 10:38 a.m.



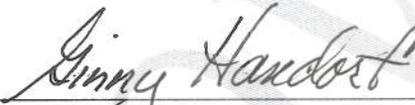
Respectfully submitted,



Russell Dickerson
Recording Secretary to the Board



Bill Jeffers
Chairman



Ginny Handorf
Secretary to the Board

APPROVED

