

Navajo County Community College District Governing Board Study Session Minutes

May 19, 2009 – 9:30 a.m.

2251 Navajo Boulevard, Holbrook, Arizona, 86025

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

Staff Present: President, Dr. Jeanne Swarhout; Vice President, Blaine Hatch; Vice President, Mark Vest; Director of Information Services, John Velat; Recording Secretary to the Board, Russell Dickerson.

1. Truth in Taxation – Vice President Hatch

Mr. Hatch notified Board members that there was a change to the Truth in Taxation materials presented in the Board packet. A figure change was necessary due to a last minute valuation adjustment at the State level. Mr. Hatch informed Board members that Truth in Taxation notices were published, as required by State statute, in the Holbrook Tribune and the White Mountain Independent newspapers. Mr. Hatch explained that the notices were descriptive of what would happen if there no increases in valuation with regard to property taxes. The college is proposing the maximum tax levy which is \$113.52 for a \$100,000 home. Mr. Hatch added that in addition to the Truth in Taxation notices, the college was also required to issue a press release containing the schedule for the Truth in Taxation and proposed budget public hearings. Mr. Hatch noted that the press release, which was sent out to all media in the college service area, highlighted the same information as the Truth in Taxation notices. However, because it was a press release, the college was able to give more information regarding the overall tax levy decrease which is due to the elimination of the secondary property tax. Responding to a Board question, Mr. Hatch explained that no other changes have occurred in the materials as discussed briefly at the April meeting.

2. Property Tax – Vice President Hatch

Mr. Hatch notified Board members that the property tax cover sheet and recommendation had been updated. The revisions were necessary due to a letter from the Property Tax Oversight Commission indicating an adjustment in valuation of centrally valued property for class 5 railroad properties. Mr. Hatch explained that this adjustment reduces the maximum tax levy by \$6,700 which represents less than one tenth of a percent change.

Mr. Hatch explained that for several years, the college has recommended that primary property taxes be levied at the maximum rate, 2% over current levels plus any change due to new construction valuation. Mr. Hatch added that the net change including both of those factors is a decrease from our current rate of 3.1%. Due to the elimination of the general obligation bond payments, the total rate will decrease from \$1.3548 to \$1.1352 which represents the maximum tax levy and an overall reduction of 16.2% to taxes levied on county property owners. Mr. Hatch added that the proposed 2009-2010 budget has been built around the proposed tax levy and that staff recommends that the Board approve the property tax levy totaling \$11,337,976.

3. Proposed 2009-2010 Budget – Vice President Hatch

Mr. Hatch informed Board members that there have been no changes to the budget documents that were reviewed in the April study session and discussed in the April Board meeting. Mr. Hatch added that the budget documents have been published, as required by State statute, in the Holbrook Tribune newspaper. Mr. Hatch commented that the proposed budget reflects the hard work performed by staff to formulate a workable budget. Mr. Hatch added that budget reductions were sought in almost every area including a Board approved salary freeze for 2009-2010. Mr. Hatch noted that there is a close connection between the proposed budget and the strategic plan and as the budget was developed, staff paid close attention to how reductions would impact the strategic plan and the ability of the college to move forward.

Mr. Hatch reported that he had not received any additional information regarding State funding. Mr. Hatch commented that the budget has been built in such a way as to accommodate somewhat of a range of impacts based on State aid levels. Addressing expenditures, Mr. Hatch explained that the budget focuses on the most likely, least



amount of State aid that the college may receive. Mr. Hatch reminded Board members that following the public hearing on the proposed budget, budget amounts can be reduced but not increased. Responding to a Board question, Mr. Hatch reported that he had not received any phone calls from the public regarding the proposed budget.

4. Request to Approve Pavement Improvement Contract – Vice President Hatch

Mr. Hatch reviewed the staff recommendation to award a contract for pavement improvements to ACE Asphalt of Arizona for an amount just under \$134,000. The contract will include multiple projects at all NPC campus and center locations where the college owns, or is responsible for facilities. Mr. Hatch added that the contract does not include pavement improvements at the Silver Creek Campus which were approved separately at the April Board meeting. Mr. Hatch explained that the college worked through the Mohave Educational Services Cooperative to obtain contracts. Mr. Hatch added that ACE Asphalt has a contract with the Cooperative that has gone through the public bidding process and following a review of current market pricing, staff recognized that the pricing for the contract is comparable, if not lower, for the proposed pavement improvements. Mr. Hatch provided a location by location breakdown of proposed pavement improvements and added that the proposed improvements will allow college parking areas to be maintained at a level that will maximize their lives.

5. Request to Approve Computer Lease – Director Velat

Mr. Velat reviewed the staff recommendation to approve the lease of 272 computers for an annual payment amount of \$170,948.16. Mr. Velat added that the proposed computer lease is part of a computer replacement plan that began in 2006 for the entire college computer inventory. Mr. Velat explained that the proposed lease computers are low energy consumption models that will use only 39% of the power of the computers to be replaced, saving the college approximately \$44,000 in electricity costs as well as savings in carbon dioxide emissions. Mr. Velat added that this cost savings is significant in that it pays for approximately one-third of the cost of the new computers.

Responding to a Board question, Mr. Velat confirmed that the inclusion of Macintosh computers is a change for the college. Mr. Velat explained that the use of Macintosh computers is in response to requests from faculty members to diversify their teaching capabilities regarding the Macintosh operating system and associated software. Mr. Velat noted that the Macintosh computers can also be used to run Microsoft Windows and will allow teaching flexibility when distributed throughout the district. Mr. Velat added that Macintosh computers are compatible with the college's PCs allowing for file transfers and that no additional software is required for their use as all the necessary applications fall under our existing campus use agreements. Responding to a Board question, Mr. Velat explained that the decision to include Macintosh computers is also in response to student demand to learn Macintosh specific applications and that almost all of the Macintosh computers will be deployed in classrooms. Mr. Velat added that the lease includes a full three years of maintenance as well as insurance for loss.

6. Request to Approve Video Equipment Purchase – Director Velat

Mr. Velat summarized the recommendation to approve the purchase of two Tandberg video end-point units for installation in the video classrooms at the Little Colorado Campus in the amount of \$80,495.52. Mr. Velat added that this purchase is part of a video equipment replacement cycle that was approved in the capital budget for 2008 and that this purchase addresses some of the priorities of strategic plan pillars three and six. Mr. Velat explained that the proposed purchase will replace nine year old equipment that has suffered quality and reliability issues.

7. Request to Reject Request for Proposals, Multimedia Conferencing System, AS#09-04 – Director Velat

Mr. Velat summarized the staff recommendation to reject all bids in the request for proposals for a multimedia conferencing system, AS#09-04. Mr. Velat explained that the college solicited bids for the replacement or augmentation of the central video processing system. Mr. Velat reported that six bids, averaging approximately \$400,000, were received. A committee, composed of Information Services staff, faculty and staff, heard four vendor presentations and evaluated the proposals and concluded that the very small increase in capacity, reliability and functionality did not justify the expense. Mr. Velat reported that the committee recommended the use of an Internet based technology to increase classroom capacity and this new technology will be used on a trial basis this summer



for staff meetings allowing an evaluation of performance. Mr. Velat added that in the next 12 to 18 months, there may be changes in the technology that will significantly reduce costs.

Responding to a Board question, Mr. Velat explained that the proposal was written to draw bids from alternative video technology businesses and the hope was that such a company would propose a novel solution that would provide lower cost and increased functionality. Mr. Velat added that those companies did not submit bids and that bids received were from the well established video conferencing companies. Mr. Velat explained that the multimedia conferencing system is a central unit that connects all of the college's video end-points. Mr. Velat added that such a unit was purchased three years ago for approximately \$250,000 and while somewhat dated in capability, continues to function well and is still supported. Mr. Velat noted that an imminent failure is not anticipated but to make significant improvements in capability or to add a backup system would be quite expensive. Mr. Velat added that it is important for the college to look for an alternative system that could be utilized to shoulder the communications load should the current system fail. Responding to a Board question, Mr. Velat explained that the system is critical to the day to day operations of the college and added that the last time it failed the college was without video classroom capability for three days. Mr. Velat reported that the last failure occurred in January 2009 and currently, should a catastrophic failure occur, the college could obtain a similar unit within 48 hours to augment capacity until the failed unit could be replaced. Mr. Velat reported that the college is looking for an alternative system to replace the current system that will offer significant savings and expand capacity which is currently limited to 16 classrooms.

8. Request to Approve White Mountain Apache Tribe Contract for Construction Technology Skills Training – President Swarthout

Dr. Swarthout summarized the recommendation to approve a contract with the White Mountain Apache Tribe for the 2009-2010 academic year in the amount of \$83,199.60. Dr. Swarthout noted that this is a standard annual contract that the college enters into and the associated costs are primarily related to a dedicated faculty member who teaches in Whiteriver. Responding to a Board question, Dr. Swarthout explained that the students learn construction trade skills by building on site tribal housing and classroom instruction takes place at the Whiteriver Center. Dr. Swarthout added that the program is funded through tribal workforce development money and that the contract is dependent on funding.

9. Request to Accept the Annual Strategic Planning Report – President Swarthout

Dr. Swarthout presented a bullet form report of the college's accomplishments as related to the strategic plan. Dr. Swarthout noted that there are clearly areas within the strategic plan where the college has not been able to make significant progress, largely due to the loss of capital funding from the State. Dr. Swarthout added that the college did complete a master facilities plan this year but due to associated costs, has been put on hold. Dr. Swarthout explained that due to funding issues, the college has not been able to move forward in some areas and has shifted time and resources toward maintaining current facilities.

Dr. Swarthout reported that Information Services has made great gains in making improvements to the college's technology infrastructure. Dr. Swarthout also noted improved strength in planning and accountability due to improvements in accounting practices including better tracking of college assets and liabilities. Dr. Swarthout added that the marketing department has moved forward substantially and that the college, as a whole, has continued to move forward despite State funding uncertainties.

Responding to a Board question, Dr. Swarthout explained that existing classroom capacity depends on which campus is being looked at as well as the time of day. Dr. Swarthout reported that some campuses and centers are under size pressure particularly in the mornings and evenings and that occupation of space by NAVIT students has a significant impact upon the morning timeslots at White Mountain Campus and Silver Creek Campus. Dr. Swarthout added that the biggest capacity issues arise in the Career and Technical Education division that require expensive equipment and specialized facilities for new programs.



Dr. Swarhout noted that generally, there is classroom capacity within the district and informed Board members that the college is at maximum capacity for audio and video classes as those classes are usually full. Dr. Swarhout offered that the college will have to be creative in solving capacity problems at some campuses and that solutions may include encouraging students to take afternoon classes and the expansion of online course offerings. Mr. Velat added that a third video classroom could be created utilizing the large number of computers the college currently owns. Mr. Velat explained that this technology, currently used for video relay interpreting, could be expanded to include class content accessible in college computer labs and eventually on off-site, student owned computers. Dr. Swarhout added that getting college faculty and students accustomed to new technology options would allow the college to expand offerings without being concerned about physical capacity constraints.

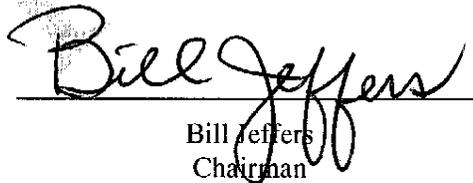
10. Board Feedback on the Higher Learning Commission Self-Study Draft – Donna Ashcraft

Ms. Ashcraft asked Board members if they had questions or concerns on the self-study draft. Ms. Handorf noted that there is a mathematical error in the information related to State budget cuts. Ms. Handorf commented that the self-study was fascinating to read and that she learned a great deal about the college. Ms. Handorf added that the self-study is very detailed, spoke directly to the HLC criteria, effectively addressed areas of improvement and clearly reflects the hard work of those who contributed. Ms. Ashcraft notified Board members that the draft had been sent to the college as a whole for comment with a deadline of May 20, 2009. Ms. Ashcraft reported that the draft will be forwarded to the marketing department next week for a final proof reading and insertion of colored pages, student photographs and quotes and chapter dividers. Ms. Ashcraft anticipates the self-study will be completed by July 1, 2009.

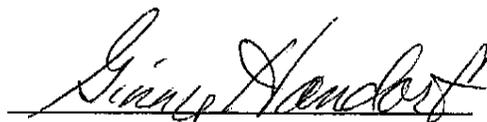
Respectfully submitted,



Russell Dickerson
Recording Secretary to the Board



Bill Jeffers
Chairman



Ginny Handorf
Secretary to the Board

