

Navajo County Community College District Governing Board Study Session Minutes

October 20, 2009 – 10:00 a.m.
1611 S. Main Street, Snowflake, Arizona, 86937

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

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

1. Request to Adopt the 2009-2012 NPC Strategic Plan – President Swarthout

Dr. Swarthout presented the 2009-2012 NPC Strategic Plan as reviewed by the college in visioning sessions and revised by the Strategic Planning and Accreditation Steering Committee (SPASC) and its subcommittees. Dr. Swarthout reminded the Board that an annual strategic plan report was submitted in May and changes to the strategic plan were discussed at the October 16, 2009 District Governing Board retreat. Dr. Swarthout reported that the plan has been moved forward, particularly in areas of accomplishment, and that strategic plan pillars were revised taking into account budget restrictions and budget decline. Dr. Swarthout added that the strategic plan will always be linked to the Higher Learning Commission accreditation criteria and components so that the college is continually working toward the next accreditation visit. Board members had no questions regarding the strategic plan following review and discussion at the Board retreat.

2. Request to Approve Dual Enrollment Intergovernmental Agreement (IGA) with Area High School Districts - Vice President Hatch

Mr. Hatch requested approval of dual enrollment IGAs with the Joseph City, Pinon, St. Johns, Sanders, Snowflake and Winslow school districts. In an effort to economize Board time, members were presented the Winslow IGA for review. Mr. Hatch explained that the dual enrollments are similar in basic format and are used throughout the state for dual enrollment agreements. Mr. Hatch added that the dual enrollment IGAs are the same as approved last year. Mr. Hatch reminded the Board that, as discussed at the Board retreat, dual enrollment delivery agreements will change beginning next year due to the upcoming 50% reduction in State aid for dual enrollment programs. Chairman Jeffers suggested that due to the routine nature of the agreements, future dual enrollment IGAs should be approved as part of the consent agenda.

3. Higher Learning Commission (HLC) Financial Ratios – Vice President Hatch

Mr. Hatch explained that in 2003, the college was required to begin to report financial indicators to the HLC. Mr. Hatch explained that the HLC uses financial indicators to track institutional financial health and that the HLC believes a well managed institution should use the mission to drive institutional activities. The HLC uses the following questions as a basis for determining institutional financial health: Are resources sufficient and flexible enough to support the mission? Are resources, including debt, managed strategically to advance the mission? Does asset performance and management support this strategic direction? Do operating results indicate the institution is living within available resources? Mr. Hatch noted that the HLC advises institutions to not focus primarily on the ratios themselves, rather to use them as planning tools. Mr. Hatch provided the Board with explanations of the Primary Reserve, Net Operating Revenue, Return on Net Assets and Viability ratios and the method used to calculate institutional Composite Financial Indicator information. Dr. Swarthout suggested that HLC financial ratio information could be presented to the Board as an annual report and that a reporting schedule will be determined. Responding to a suggestion from Chairman Jeffers, Mr. Hatch agreed that it may be helpful for the Board to see financial ratio information from other community colleges and that the information could be obtained and forwarded to the Board.



4. NAVIT Request Concerning Property at the Silver Creek Campus (SCC) – Vice President Hatch

Mr. Hatch summarized a previously received NAVIT proposal to relocate modular buildings to the Silver Creek Campus for use by NAVIT personnel. Mr. Hatch reported that NAVIT, working with the college architectural firm, received a cost estimate for the proposed modular building relocation and that it is close to the cost for new construction. As a result, NAVIT has requested that the college consider alternatives to relocating and renovating modular buildings including a possible sale of college property, construction of new NAVIT facilities and a long-term lease of those facilities by NAVIT. Mr. Hatch suggested to the Board that a long-term lease situation could be a less involved solution rather than an outright sale of college property. Mr. Hatch requested that the Board provide direction and emphasized that at this time, no Board action is requested.

NAVIT Superintendent Matt Weber addressed the Board and expressed appreciation for the strong working relationship between the college and NAVIT. Dr. Swarthout commented that having NAVIT at the Silver Creek Campus has been ideal for the educational partnership. Responding to a question from Chairman Jeffers, Mr. Weber explained that NAVIT would like approximately 3,000 square feet of working space and that the NAVIT board anticipates building costs in the \$400,000 to \$500,000 range. Mr. Weber stated that NAVIT would like to continue to be based at SCC as it is centrally located to the NAVIT service area. Concerning a potential property sale, Mr. Weber stated that one half or one acre of property would work well for the new facility and could be located by the new SCC parking lot by the Senior Center. Mr. Weber explained that such placement would allow easy access to the facility without interfering with the college's master facilities plan. Mr. Hatch explained that previously, a 30 year lease was offered to Northern Arizona University during the construction of the new Painted Desert Campus and that given the history between the two entities, a 30 year lease would be acceptable to the college. NAVIT currently pays the college \$500 per month for space at SCC. Mr. Weber expressed confidence that the NAVIT program is stable despite possible State budget reductions reported that NAVIT has, for the last three years, been operating at 91% of budget capacity and has strong legislative support. When asked by Chairman Jeffers, Board members did not express any concerns about proceeding with exploring a facilities arrangement with NAVIT. Chairman Jeffers expressed a preference for the college to explore a long-term lease at a nominal rate and suggested that should the NAVIT board want to pursue a property purchase, Mr. Weber would have to convince college staff of the merits of a property transfer.

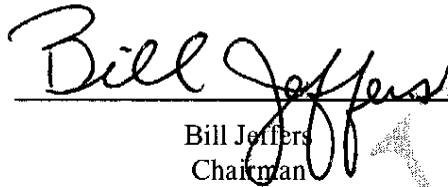
Chairman Jeffers adjourned the study session at 10:56 a.m.



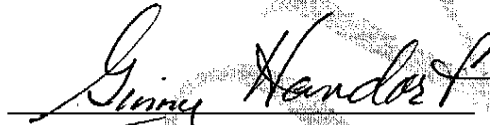
Respectfully submitted,



Russell Dickerson
Recording Secretary to the Board



Bill Jeffers
Chairman



Ginny Handorf
Secretary to the Board

