

MINUTES

COCHISE COUNTY COMMUNITY COLLEGE DISTRICT GOVERNING BOARD WORK SESSION

Tuesday, February 19, 2019
Sierra Vista Campus
4:00 p.m.

1. GENERAL FUNCTIONS

1.01 Call to Order

Mr. Quinn called the meeting to order at 4:08 p.m.

Board Members Present:

Mr. David DiPeso
Mr. Don Hudgins
Mr. Dennis Nelson
Mr. Tim Quinn
Mrs. Jane Strain

2. NEW BUSINESS

Mr. Quinn noted that no Board action would be taken during the work session.

Dr. Rottweiler encouraged Board members to have an engaging open discussion providing guidance and direction to administration.

2.01 Discussion of the Master Site Plan Vision

Benson Center Site Plan - Visions are limited as the future of a possible 28,000 home development in Benson is still unknown.

Site plan suggestions included:

- Keep the great view from the lobby windows
- Community Focus Group discussions will not be held until after Board and administration input
- Include Utility corridors on the site map
- Prioritize project options with a reverse timeline for the length of time to build; two or three courses of action based on priority such as adding additional classrooms and addressing second and third order effects.
- Future considerations for selling current foundation-owned land and purchasing a bigger piece of property or purchasing adjacent property of the center if the Benson community grows

Downtown Center Site Plan – how to best utilize the space available; discussion points included:

- Lots of white space for future growth – vacant developed space and shell space
- Leased space to AZ@Work, DAV, and ViCap will continue
- Current space is adequate for current programs in the building

- No recommendations at this time, but if needed:
 - The administration could move from Sierra Vista Campus (SVC) to allow for more classroom space
 - Faculty Resource Center could move to SVC closer to the majority of faculty
- Based on program review, considerations may be made to move the Electronics Program according to need
- No changes to Life-long learning classes or programs
- If hospitals want programs incorporated into the nursing program, they should be asked to front some of the costs to support the program
 - Additional Certification
 - Surgical Tech Program
 - Cath Lab Tech
 - Physician Assistant – would require a statutory change

Sierra Vista Campus Site Plan discussion points:

- Motor Plex is placed in the same location on all option plans; administration would like to move forward contracting to begin the initial design of the building with the \$250K allocated funds.
- Site Plan preferences with no plan to build as no money is available:
 - Mr. Nelson – Infill by Program – Option A; Retain all three option site plans for future prioritization
 - Mr. Hudgins – Create a Street Front – Option B
 - Mr. Quinn – Option B with the PAC location on Option A plan; and put the outside road from Option C site plan all on the B site plan
 - Mr. DiPeso – Option B, but wants the PAC and Gym locations swap for PAC to be closer to parking and easier accessibility; also wants the road from C and put on plan B
 - Mrs. Strain – Option B

Mr. Nelson led a brief discussion about the future of Fort Huachuca and student soldiers; no significant increase or decrease is anticipated per Mr. Quinn. Dr. Rottweiler informed the Board he would be traveling to Washington D.C. with the Huachuca 50 to discuss the educational program Cochise College provides to soldiers.

Mrs. Strain led a discussion regarding possible concerns regarding the loss of community visibility if the college moves the automotive program from its current location in the Lawley owned building to a new facility built on the Sierra Vista Campus. Dr. Rottweiler assured Mrs. Strain and Board members that with the increase of the lease agreement for the current auto plex, it is in the best interest of the college to put resources to a new facility versus lease agreements for a facility that does not fit the full needs of the program for the college.

Responding to Mr. Quinn, Dr. Rottweiler confirmed administration would come back to the Board with costs for moving the automotive program to the campus and the amount of the increasing lease agreements for a discussion of lease costs versus planning and building cost of a Motor Plex. Also confirmed was to have all three Sierra Vista Site Plan options included in the Master Facilities Plan and ask for Option B, Create a Street Front to include the road going behind the Motor Plex building, and swap the gym and PAC placements.

Douglas Campus Site Plan discussion points:

- Budgetary discussions:
 - Infrastructure is 55 years old needs approximately \$1.5M worth of improvements
 - Central Plant - \$981,663K estimate
 - Roadways - \$365K
 - Fire alarms and suppression - \$144K
 - Future new well if water table significantly drops
- Priority to Maintain/Right Size Plan Option – concentrate on the core programs, Aviation, Art, and main classrooms
 - Mr. Nelson suggested to mothball the 700 building, relocating the minimal staff using the building; right size the campus and cut costs but do not close campus
 - The \$1.5M does not include the cost of buildings being mothballed/dormant
 - Mr. Quinn - Protect what is important and preserve what is not; closing buildings still comes with expenses
 - Mr. Hudgins – Right size the campus and find aviation partnerships

Possible revenue/program discussions:

- VET Tech Program; could but Arizona does not require certification so not recommended
- Border Patrol training opportunities; college is meeting with CBP staff in March
- Law Enforcement; the college will right-size for the program growth
- Aviation partnership with commercial or international airlines
- Greater fidelity on what costs are to sustain, and what the plan is for moving things to a dormant status.
- Need programs unique enough to encourage students to travel to the Douglas Campus
- Charter High School

Mr. Hudgins led a discussion regarding the college aviation program partnering with commercial airlines. Dr. Fick noted some concerns to include: Southwest Airline does not partner with regionals; more infrastructure would be needed if partnering with a commercial airline; bigger runway; no airline or person has offered to help invest or pay, and the aviation program currently costs the college millions. Mr. Nelson also suggested partnering with international airlines, in which Dr. Rottweiler noted the college had run an initiative to partner with a Chinese company a couple of years ago, but the company wants flight training as cheap as possible; under the current model, the college would lose more money. The administration will continue to work budgetary needs of the aviation program and research ways the college could expand if that is the direction of the Board.

Mr. Nelson suggested the college administration have discussions with local legislators regarding the closing of the Douglas Campus. Dr. Rottweiler stated he is not making any recommendations to close the campus; he is just informing the Board of the costs to run the campus to include the cost of infrastructure improvements, which the administration requests to take \$1.5M from the fund balance to make the necessary improvements.

Dr. Fick discussed the increasing needs to support the Aviation program, such as 60 potential new students for the fall semester, which comes with the need to hire more faculty and no funds to support that need. The college is looking to have a fee model that will require aviation students to pay for the flight element of the program upfront. The college may have to get to another critical mass size to be of interest to a commercial airline to consider a

partnership with the college, to include a bigger runway. Mr. Nelson suggested administration or someone in the aviation program to review what commercial flight training costs and raise fees college closer to those prices.

Mr. DiPeso led a brief discussion regarding the expense of repairing the Douglas Campus Central Plant in comparison to moving the campus or some buildings to individual units.

2.02 Discussion of the FY20 Budget

Dr. Rottweiler provided a general overview of the FY20 Budget Development:

Costs for the college are currently rising 2% to 5% a year due to inflation, cost of doing business, resources, etc. Revenue is currently stuck at the 2% property tax plus new construction that is if the Board approves the 2% tax increase in May; state funding is unpredictable as currently formulated; and tuition is a small portion of the overall budget, about 22% of the college revenue.

Anticipated Available for FY20 - \$2,437,328 with approved TNT:

- Base Revenue Sources:
 - State - \$268,400 that is the Governor's Recommended Budget assuming legislative action
 - Local (Property Taxes) - \$781,141 with full TNT; New construction only \$328,317
 - Tuition - \$240,000 assumes \$3/credit increase
- New Revenue with 2% TNT - \$1,289,541 3.5%; without TNT - \$836,171K
- Savings - \$522,787; five positions not being filled
- Other Revenue Adjustments – (\$90,000); Textbooks and online instruction
- One Time FY19 redirected funds - \$715,000

Anticipated Initiatives/Needs for FY20 - \$2,496,734

- Staffing Adjustments
 - Compensation - \$620,000 – 2% and ASRS mandated increase (\$60K)
 - Staffing Initiatives - \$500,000 – currently requests are \$832K
 - Staffing related expenses - \$20,000
- Capital Projects
 - Douglas Campus Remodel/Deferred Maintenance Projects - \$600K annual need for 3-4 years; does not include the \$1.5M needed now for maintenance
 - FY20 One-time initiatives - \$250K
 - Security Camera initiative - \$100K
- Ongoing Initiatives from FY19 - \$406,734
 - Director of Ag Natural Resources - \$16,734
 - Police Academy - \$40K
 - Guaranteed Scholarship - \$40K
 - Rent increase for Auto plex - \$15K
- Estimated Increases
 - Insurance - \$20K (est. 2.5% increase)
 - Software - \$50K (est. 6% increase)
 - Utilities - \$40K
 - G4S (Security) Contract Adjustment - \$150K (new minimum wage increase)
 - Food Service - \$35K (new minimum wage increase)

The current proposal is negative \$59,406K but will be balanced when the proposal comes before the Board at its April budget work session. The administration will provide a specific prioritized list of funding requests within the proposed budget and the requests below the budget funding line.

Mr. Nelson led a discussion asking about the college's fund balance, in which Dr. Rottweiler shared the fund balance allocations are as follows:

- Plant Funds Allocated:
 - Unexpended Plant Fund 2019 - \$4.74M for Motor Plex
 - Retirement of Indebtedness - \$6.3M fund balance for the Board to use if they chose to call the bond early in July 1, 2026, for payoff at \$8.635M a savings of \$1.3M; currently the college pays \$2.5M out of budget for debt services; unspent monies at the end of the fiscal year goes to the two accounts.
- Total All Funds - \$10.6M is the true balance for financial stability

Dr. Rottweiler noted the college's fund balance is well within the recommended for public entities and is the smallest as a percentage of the budget out of all the Arizona community colleges.

Equalization Funding for FY20 - \$6,185,100 – funding is provided by the state to institutions in areas that have under \$100M in assessed value, due to limited population growth.

The administration's current budget proposal includes the Board approving a 2% property tax increase. Dr. Rottweiler informed the Board if a property tax increase were not approved, some of the projects would be removed from the proposal. As the state provides the college equalization, it is the college's responsibility to ask taxpayers also to help fund the college.

Per Mr. Quinn's request, Dr. Rottweiler provided the top three reasons to justify needing the tax revenue:

- Costs are going up 2-5% - the only access to increasing revenue is tuition and property tax; Half of revenue comes from property tax; State funding is going down
- Equalization continuation
- If the college loses funding, programs will need to close

Mr. Quinn led a discussion regarding the prioritization of the \$2.5M list of staffing requests, initiatives, must-haves, needs, and wants, based on impact to students, which would be provided to the Board during the April Board Work Session.

Dr. Rottweiler reminded the Board that the college had reduced staffing, reorganized administration, among other reductions to cut costs through recent years when the college was losing state funding over six years from 2012 – 2018.

2.03 Discussion of a Board Self-Assessment and Policies

Three Board Policies will be brought to the Board for review and comment during their monthly meetings beginning in March. The policies will be brought back the following month for approval.

The Mission, Vision, and Values Board Policies will go through a college-wide process before they are brought before the Board.

A Board Self-Assessment will be considered as an agenda item for a summer Board Retreat.

2.04 Discussion of Future Work Sessions and Retreats

A proposed work session and retreat schedule was provided to the Board for consideration:

- February – Preliminary Budget
- April – Presentation of proposed budget funding requests; prior to the regular meeting
- July – Possible Summer Retreat
- October – Possible Fall Work Session

3. ADJOURNMENT

Mr. Quinn adjourned the meeting at 7:25 p.m.

Respectfully Submitted:

Crystal Wheeler, Executive Assistant, Office of the President

Mrs. Jane Strain, Secretary of the Governing Board