

**COCONINO COUNTY COMMUNITY COLLEGE
DISTRICT GOVERNING BOARD**

WORK SESSION

APRIL 29, 2014



**COCONINO COUNTY COMMUNITY COLLEGE
MINUTES OF A WORK SESSION
OF THE
DISTRICT GOVERNING BOARD
APRIL 29, 2014**

A Work Session of the Coconino County Community College District Governing Board was held at the Lone Tree campus in the Board Room at 2800 S. Lone Tree Road, Flagstaff, Arizona. Board Chair, Mr. Patrick Hurley, called the meeting to order at 4:00 p.m.

PRESENT: Patrick Hurley
Patricia Garcia
Gioia Goodrum
Lloyd Hammonds (iTV)
Nat White

Also present: Dr. Leah Bornstein, CCC President; Ms. Jami Van Ess, Dr. Russ Rothamer, Ms. Veronica Hipolito, Mr. Scott Talboom, Ms. Gayle Benton, Ms. Suzzanna Rodriguez, Mr. Jim Hunter, Mr. Joe Traino, Dr. Michael Merica, Mr. Brian Harris, Mr. Dan Vigil, Ms. Jane Ward, Mr. Dan Begay and Ms. Joan White, staff.

All lists, reports, summaries, background material, and other documents referred to in these minutes can be found in the April 29, 2014 Documents File.

INFORMATION/DISCUSSION

A. CampusWorks – Mr. Joe Traino/Ms. Jami Van Ess

Ms. Van Ess explained that this will be the final year of the 2012-2015 three-year contract with CampusWorks, Inc. (CWI). The history of how CWI was chosen to provide Information Technology Services leadership for the College is contained in the information item as well as a brief budget analysis, accomplishments and scope of work.

Mr. Joe Traino reviewed the Scope of Work document for 2012-2015.

- Mr. Traino explained that during this last year of the CWI contract the 1.5 FTE is being reduced to 1.25 FTE and he will be helping the College transition to an internal chief technology officer (CTO). There will be a six month process of recruiting and hiring a CTO with overlap from Mr. Traino. The goal is to get started with this process in December or earlier.
- The hours for the 1.25 FTE can be distributed at the determination of Ms. Van Ess and Mr. Traino based on the needs of the College.
- The scope of work is 1.0 FTE for the Chief Technology Officer (Mr. Traino) which includes the normal day to day CTO responsibilities plus requirements of transitioning to the new CTO as well as developing documentation for the transition.
- In addition to the 1.0 FTE, there is a .25 FTE for Banner subject matter experts. The three projects to be finished this year: Banner Security Audit, Document Imaging, and Electronic Web Time Entry.

- The .25 FTE for the Database Administrator will be reduced to .125 FTE for the final year. The process of transitioning the responsibilities of the CampusWorks Database Administrator to an internal staff member is in process. That staff member is Mr. Daniel Vigil.
- The IT Department has a total of 17 employees including Mr. Traino. Sixteen of these employees are paid by the College and one (Mr. Traino) is paid by the CWI contract. The .5 FTE is composed of rotating subject matter experts from the CWI contract who are not on site. They visit the campus approximately once a month.
- Mr. Hurley is not yet convinced that it is in the best interests of the College to transition to an internal CTO but seriously considers what will realize the best return on the dollar for the College and Dr. White agreed with Mr. Hurley. It's possible that a recommendation may be made by the Board after all considerations to continue on a contract basis with CWI.
- Dr. White asked Mr. Traino for his opinion on the level of the College's Information Technology department. Mr. Traino thinks that the College has the right staff in place and it will be critical to recruit someone who has the same philosophy on moving the College forward and is a very good fit.
- Mr. Traino explained that the technology industry is changing so quickly that it's extremely difficult for internal staff to remain competitive and stay up to date.
- CWI currently provides services for a number of colleges and is constantly adding institutions to their client base. Mr. Traino will research just how many colleges are currently being served by CWI.
- There are many different options on having contracted services to assist the IT Department.

Accomplishments Document:

- Mr. Traino pointed out the items that were above and beyond the contract scope of work and he gave credit to his staff for being able to accomplish a tremendous amount of work in the last three years.

Technology Savings Document:

- Mr. Traino commented on this document (actually created by Mr. David Hakanson, the first CTO from CampusWorks) which shows the savings realized by the numerous efficiency measures implemented actually paid for the cost of the CWI contract.
- Significant savings comes from the purchasing power realized through consortiums.

Mr. Hurley commented that the CWI contract will be an action item on the May meeting agenda. The Board would like to see a recommendation from staff that would include cost comparison of continuing with CWI or in house and pros and cons in terms of the technology benefits to the College in meeting our long-term needs.

Ms. Van Ess encouraged the Board to forward any questions on CWI to Dr. Bornstein before the May 27th Board meeting so she can obtain answers for them as Mr. Traino will not be present at the May meeting.

B. FY2015 Budget and Property Tax Information – Ms. Jami Van Ess

Ms. Van Ess presented the PowerPoint with explanations on the General Fund, Restricted Fund, Auxiliary Fund, Plant Fund, Retirement of Indebtedness, All Funds Summary, Timeline and Truth-in-Taxation Handout.

- General Fund FY15 Revenues:
 - Tuition and Fees, \$7,383,000, a -0.8% decrease from FY14
 - State Appropriations, \$1,775,800, a -14.6% decrease from FY14 (STEM funds now in Restricted Fund)
 - Property Taxes, (maximizing as allowed) \$7,243,260, a 2.9% increase from FY14
 - Grants & Contracts, \$328,200, a 7.3% increase from FY14 (TAACCCT indirects)
 - Investment Income, \$120,000, a -14.5% decrease from FY14 (low interest rates)
 - Other Income, \$419,800, a -7.8% decrease from FY14 (less outside rentals)
 - Total Revenues: \$17,270,060, a 1.1% decrease from FY14
 - Transfer Out, \$412,713
 - Total Revenues and Transfers \$16,857,347, a -1.1% decrease from FY14
- General Fund FY15 Expenditures by Program:
 - Instruction, \$5,646,397, a -15.6% decrease from FY14 (Fin. Austerity Plan cuts)
 - Public Service, \$56,703, a 1.8% increase from FY14
 - Academic Support, \$2,086,709, a 1.3% increase from FY14
 - Student Services, \$1,941,636, a 3.6% increase from FY14
 - Institutional Support, \$4,097,818, a -12.6% decrease from FY14 (Community Education issues taken out)
 - Facilities Operation & Maintenance, \$1,773,962, a 3.4% increase from FY14
 - Scholarships & Grants, \$152,900, a -2% decrease from FY14 (Fin. Austerity Plan)
 - Contingency, \$2,101,222, a 110.1% increase from FY14 (one-time addition efficiency projects to rebuild)
 - Total Expenditures by Program: \$17,857,347, a -2.1% decrease from FY14
- Expenditures by Object:
 - Personnel Services, \$11,207,565, a -7.0% decrease from FY14 (Fin. Austerity Plan)
 - Contractual Services, \$1,631,815, a -14.1% decrease from FY14 (Community Education)
 - Supplies, \$888,665, a -28.8% decrease from FY14 (STEM now in Restricted)
 - Fixed Charges, \$860,295, a 8.8% increase from FY14 (Maintenance Agreements)
 - Utilities, \$590,535, a 2.4% increase from FY14
 - Travel, \$156,550, a -7.8% decrease from FY14 (Fin. Austerity Plan)
 - Scholarships, \$152,900, a -2% decrease from FY14
 - Miscellaneous/Other, \$267,800, a -25% decrease from FY14 (\$100,000 in Equipment moved to Supplies)
 - Total Expenditures by Object including \$2,101,222 Contingency is \$17,857,347
 - Last year, there was a Carry Forward line with \$1,000,000 in the Revenues which balanced with the expenses. What you couldn't see was that \$1,000,000 was actually coming from the fund balance or Reserves. If this \$1,000,000 were spent, then we would be spending more money than was being brought in.
- Restricted Funds:

- Restricted Funds are \$8,520,629, a 27.2% increase from FY14 (STEM funds, TAACCCT Grant and ADE). The Transfers In is \$37,913 which comes to \$8,558,542
- Grant Revenue Summary – breakdown of amount received from each grant totaling \$8,520,629
- Restricted Funds Expenditures by Program and Object – totals \$8,558,542
- Auxiliary Funds Revenues/Expenditures:
 - Total Revenues and Transfers In \$41,400
 - Total Expenditures \$41,400
- Plant Funds Revenues/Expenditures:
 - Total Revenues and Transfers is \$381,900, a 12.2% increase from FY14
 - Total Expenditures \$319,500 in projects are planned (deferred maintenance projects at Fourth Street and Lone Tree Campuses) and several Capital projects are planned at Lone Tree
- Retirement of Indebtedness Fund:
 - This is where we levy a secondary tax from the property tax in order to pay the principle and interest on our bond. The total Revenues and Transfers are \$1,988,539, Expenditures are \$2,045,539, leaving the negative \$57,000.
- All Funds Revenues/Expenses:
 - Total All Funds Revenues and Transfers \$27,827,728
 - Total All Funds Expenditures by Object, \$28,822,328 (net change in fund balance (\$994,600))

Timeline:

April 29, 2014 DGB provided with TNT and preliminary budget for review

May 4, 2014 First publication of notice for budget (online) and TNT hearings

May 18, 2014 Second publication of notice for budget (newspaper) and TNT hearings

May 27, 2014 DGB holds TNT hearing, a budget hearing, and a special meeting at which it must adopt the budget for the ensuing fiscal year by roll call vote.

Ms. Van Ess reviewed the following: The Truth in Taxation Hearing Notice of Tax Increase, the supplemental document explaining the increase, the 2014 Levy Limit Worksheet from the County and the Truth in Taxation Analysis.

The tax rate is going up because the assessed values went down. By maximizing the 2% that we are allowed, the tax rate will be going up to \$47.88 from \$46.95.

Ms. Garcia asked that a notice be added to the explanation page and also to the agenda for the May 27th Board meeting that the Lone Tree Board Room will provide iTV connectivity to the Page Campus where the Board will be holding the meeting and the public is invited to join through this technology means.

Motion was made by Ms. Goodrum and seconded by Dr. White to adjourn the Work Session. The motion was approved.

The Work Session adjourned at 5:11 p.m.

MINUTES PREPARED BY:

Joan White
Board Recorder

ATTEST:

Patricia Garcia
Vice Chair/Secretary of the Board

APPROVED:

Patrick Hurley
Board Chair