

**COCONINO COMMUNITY COLLEGE  
DISTRICT GOVERNING BOARD**

**RETREAT**

**JUNE 6, 2024**



**COCONINO COMMUNITY COLLEGE  
MINUTES OF A RETREAT  
OF THE  
DISTRICT GOVERNING BOARD  
JUNE 6, 2024**

A Retreat of the Coconino Community College District Governing Board was held at 2378 N Cypress Point Dr, Flagstaff, AZ, 86004. Board Chair Joey Smith called the meeting to order on June 6, 2024, at 8:38 am.

PRESENT: Patricia Garcia  
Patrick Hurley  
Joey Smith  
Nat White  
ABSENT: Eric Eikenberry

Also Present: Dr. Eric Heiser, Dr. Mary Spilde, Mr. Keith Becker, and Ms. Kirsten Mead.

Reports, summaries, background material, and other documents referred to in these minutes can be found in the June 6, 2024, documents file.

**A. 2024/2025 Board Meeting Dates – Dr. Eric Heiser**

- **Change the August Board Meeting for the Arizona Association of Community College Trustees (AACCT) Conflict**

Dr. Heiser explained that the August District Governing Board Meeting conflicted with the two-day AACCT All Arizona Trustee Retreat and suggested the Board look at other dates. The Board agreed that the meeting will be moved to August 28<sup>th</sup>, 2024.

- **September 18, 2024, Board Meeting – Dr. Eric Heiser**

Dr. Heiser told the Board that he will be unavailable for the September 18, 2024, Board meeting. Because the meeting is scheduled as a joint meeting of the District Governing Board with the Foundation Board, the Board reached a consensus to leave the meeting as scheduled. Of note:

- Move the Board meeting to Fourth Street
- Dr. Sandra Hinski and Dr. Jami Van Ess to lead the meeting
- Arrange for the Board to tour Fourth Street and see a demonstration of the fire truck simulator

**B. Consideration of Board Meetings During Regular Business Hours (Staff Request) – Dr. Heiser**

Dr. Heiser informed the Board that several staff members have expressed interest in holding Board meetings during regular business hours rather than at the end of the day. However, the Board emphasized the importance of holding meetings at 4:00 p.m. to accommodate greater community participation and align with the Board members' personal work schedules.

**C. CCC Facility Rentals to the Public and the Arizona Gift Clause – Dr. Heiser**

Dr. Heiser addressed staff concerns regarding the clarity and enforcement of the College's Facility Rental policy, particularly concerning the Arizona Gift Clause. He identified several issues with the current policy:

- The phrase "Everyone in the community is a partner" has been misinterpreted, leading to a general misunderstanding of what a community partner is

- Allowing free use of College facilities without ensuring alignment with the College's mission could potentially violate the Arizona Gift Clause
- The current insurance coverage requirements for renters may be inadequate to cover damages or liabilities arising from non-college events

#### **Event Concerns:**

- **Carnivals:** Should be discontinued due to high liability risks
- **Resource-Intensive Events:** Some events have required more resources than anticipated, including additional security and IT staff, placing a strain on College resources
- **Property Damages:** An event involving multiple vendors caused damage to College buildings and parking areas
- **Undercharging:** The College is undercharging for many events compared to Flagstaff market rates, leading to unrecovered costs in security, facilities, and IT services (including staff time)
- **Police Presence:** Events requiring police involvement may need to be reported under the Clery Act, even if unrelated to official College activities
- **Consistent and Fair Charging:** It's essential to charge events fairly and consistently to avoid potential violations of the Arizona Gift Clause
- **Non-Profit Expectations:** Some non-profits argue that as taxpayers and users of public spaces, they should not be charged for facility use

#### **Board Discussion:**

- The Board recognized the importance of making College facilities accessible to the community while also ensuring the need to recoup associated expenses
- The Board agreed that uncompensated use of College resources could be considered a "gift" and emphasized the importance of complying with the Arizona Gift Clause
- While acknowledging the positive optics of offering free or low-cost facility use, the Board highlighted the importance of appropriately pricing events to ensure the College covers its costs
- Concerns were raised about pricing events in a way that could discourage community use of the facilities
- The Board discussed the need to balance the College's role as an educational institution with market rates to avoid undercutting private-sector venues
- The Board suggested seeking legal advice to determine if setting rates too low could expose the College to Gift Clause violations
- The importance of maintaining a welcoming, consistent, fair, and accessible environment for the community was emphasized
- The Board also noted the need to address political campaigning in the updated procedures

The Board requested that Procedure 120 be revised and presented to the Board for review. The revisions should address the following:

- Maintaining a welcoming environment for the community
- Ensuring fair and consistent charging practices
- Updating insurance requirements to protect the College adequately
- Ensuring compliance with the Arizona Gift Clause

- Covering costs associated with security, facilities, and IT services
- Potentially charging for the real costs incurred by the College
- Allowing genuine College-sponsored events that benefit the institution to be held at no cost

**D. Coconino County Treasurer – CCC Investment Portfolio – Sarah Benatar**

Ms. Sarah Benatar from the Coconino County Treasurer's Office provided an overview of the College's investment strategy. For more detailed information, please refer to the June 6, 2024, documents file.

**Board Discussion:**

- **Pooled Investment Portfolio:** The College participates in a pooled investment portfolio alongside other entities, including the County and schools throughout Coconino County
- **Banking Services:** The County offers free banking services as the servicing bank for the region, benefiting various county organizations such as fire departments and schools, many of which have transitioned their payroll processing to the County
- **Support from the Treasurer's Office:** The Treasurer's Office provides several advantages to the College, including enhanced technology for fraud prevention
- **Investment Philosophy:** The portfolio prioritizes liquidity and adheres to a conservative investment approach, avoiding the pursuit of high yields
- **Investment Portfolio Composition:** The portfolio is primarily composed of bonds, T-Bills, and money markets, in compliance with state law, which prohibits the County from trading in the stock market
- **FY24 Return:** The portfolio achieved an approximate return of 4.8% for Fiscal Year 2024
- **College Contributions to Investment Accounts:**
  - Funds are typically transferred into the investment accounts at the end of the fiscal year
  - In the previous fiscal year, \$2 million was allocated after accounting for a \$5 million contingency and the Board's required savings
  - The Board discussed the possibility of raising the contingency reserve, which could allow for greater allocation of funds toward current needs and improve accessibility compared to investments
- **Property Tax Oversight Commission Escrow Account (PTOC):** The Board inquired about the location of the PTOC escrow account and noted that it is not held at the Treasurer's Office
- **Banking Benefits:** The Board recognized the benefits of utilizing the Treasurer's Office for the College's banking needs

**ADJOURNMENT**

Chair Smith adjourned the Board Retreat at 10:45 am to enter a Special Meeting of the District Governing Board.

**RECONVENED**

Chair Smith reconvened the Board Retreat in open session at 2:37 pm.

## **CCC Vision for the Future – Dr. Heiser**

### **Tax Reset Monies/PTOC Update:**

Dr. Heiser provided the Board with an update on the ongoing Property Tax Oversight Commission (PTOC) issues, which are currently in the appeal process. The College's attorney, Nathan Schott, is actively pursuing the appeal, with a 30-day window from the signed order of the denied objection to file in tax court. In parallel, Dr. Heiser has been collaborating with the College's lobbyist to seek a legislative fix that clarifies the law's terminology and legislative intent. He assured the Board that updates on the clarification process will be provided regularly. Additionally, Dr. Heiser will work with Dr. Jami Van Ess to explore adding the escrow funds to the investment portfolio while the appeal is underway.

The Board discussed:

- **Presentation of Legislative Intent:** The clarified legislative intent will be presented to the Property Tax Oversight Commission (PTOC) as supporting evidence
- **Effective Advocacy:** Attorney Nathan Schott and Alan McGuire provided a solid and persuasive presentation to the PTOC
- **Impact of PTOC Decision:** The PTOC's decision will lead to a three-year withholding of funds from the property tax override, negatively affecting the College's financial resources

### **Discussion on Deploying the Remaining Tax Reset Funds – Dr. Eric Heiser**

- **Final Year of Tax Reset:** July 1, 2024, marks the final year of the three-year property tax reset. The College must strategically plan how to deploy the remaining funds.
- **Space Limitations and New Positions:** The College has approved 11-12 new positions; however, space constraints are a significant challenge. The College must explore short-term and long-term solutions to accommodate these new roles.
- **Strategic Focus:** Dr. Heiser highlighted the importance of a 3-, 5-, and 7-year strategic focus due to the space limitations. This includes considering temporary measures like building cubicles and repurposing non-office spaces while seeking ways to increase capital for future expansion.
- **Planning for the Future:**
  - **Planning:** Emphasized the importance of planning with the new base budget in mind. The Board should engage with the community, demonstrating how the tax reset benefits the College and the local area.
  - **Strategic Budgeting:** The College should adopt a different budget mindset, incorporating strategic discussions that align with long-term goals.
- **Budget Considerations:**
  - **Budget Addition:** Approximately \$1.5 million is being added to the budget
  - **New Programs:** There is interest in seeing new programs developed in response to the final year of the tax reset
- **Long-Term Planning:** Due to limited resources, the college has historically focused on short-term spending. However, this is an opportunity to think long-term for the first time since its inception.
- **Investment in Upgrades:**
  - **Technology and Infrastructure:** Upgrading technology and other areas that have been neglected for years to bring the College up to date and prepare for future needs.

- **Program Audits:** Departments should conduct audits to identify areas that require updates or replacements, particularly where they have been “making do” with outdated resources.
- **One-Time Funding:** It was suggested that 20% of the remaining funds be allocated to ongoing updates to ensure the College remains competitive and well-equipped.

The Board will consider recommending funding for several key areas, including a one-time allocation for equipment purchases and new program development. Additionally, they are reviewing a potential compensation increase tied to the Consumer Price Index (CPI) plus a maximum of 5%, representing approximately 9% of the budget. However, this is intended for budgeting purposes and is not guaranteed. The Board is also evaluating funding for market rate increases, housing stipends, and a yearly allocation toward capital improvements and deferred maintenance. Before making final decisions on the allocation percentage for each item, the Board has requested preliminary recommendations, considering setting aside funds for contingency purposes.

### **CCC Workforce & Economic Development – Dr. Heiser**

The new Provost will be charged with re-establishing the College as a workforce and economic development leader, with a particular focus on customized training. Currently, workforce training efforts are managed by Ms. Kay Leum (Extended Learning), Dr. Mark Maciha (Career and Technical Education), and Mr. Rusty Tweed (Community Education). However, the increasing demand for customized training necessitates additional staff dedicated to this area.

In addition, the College is exploring the possibility of becoming the new headquarters for the Economic Collaborative of Northern Arizona (ECoNA). ECoNA, which receives funding from key stakeholders, including the county, city, hospital, College, and NAU, faces reduced contributions from some of its funders. This situation presents a strategic opportunity for the College to take a more prominent role in workforce and economic development by stepping in and allowing its staff to lead these critical initiatives.

The Board discussed:

- **Location:** ECoNA would remain at the Ice House, benefiting from a favorable rent rate
- **Leadership Role:** Gail Jackson would assume the role of Associate Provost of Workforce and Economic Development, with the college covering her salary and benefits
- **Rent Funding:** ECoNA dues would be allocated to cover the rent at the Ice House
- **Mutual Benefits:** The partnership between the College and ECoNA would yield significant advantages for both entities
- **Collaboration:** ECoNA would collaborate closely with the College’s Small Business Development Center (SBDC)
- **Impact on Existing Roles:** Ms. Leum, Dr. Maciha, and Mr. Tweed’s responsibilities would be integrated under the ECoNA umbrella
- **Compliance:** Steps would be taken to ensure that having ECoNA’s CEO as a College employee does not violate Arizona Gift Law
- **Reporting Structure:** The reporting line would include oversight by the Foundation
- **Board Consensus:** The Board agreed that Dr. Heiser should continue to explore the potential integration of ECoNA into the College

### **Workforce Housing Update and Possible Solutions – Dr. Heiser**

Dr. Heiser has initiated a collaboration with leaders from NAU, FUSD, and CCC to explore solutions for affordable housing for College employees. As part of this effort, the College will conduct an all-employee survey to assess interest in workforce housing. The survey will also gauge specific preferences, such as whether employees would be willing to commit to a three-to-five-year tenure at the College in exchange for access to workforce housing.

The Board discussed:

- **Land and Funding:** NAU and FUSD would provide the land, while the College would secure USDA funding
- **Housing Stipends:** Community colleges and universities are increasingly offering housing stipends to attract and retain employees who relocate
- **Ongoing Collaboration:** The group is actively meeting to develop practical, actionable solutions for affordable housing
- **Retention Strategy:** Housing stipends could significantly enhance employee retention efforts
- **Signing Bonus Consideration:** There is a possibility of offering a signing bonus instead of a stipend, contingent on a commitment beyond the bonus period
- **Research Assignment:** Dr. Flores-Church will explore the feasibility of a signing bonus distributed over 24 months
- **Board Consensus:** The Board agreed that the President should continue investigating these options

### **Out of County Tuition – Dr. Heiser**

Dr. Heiser introduced this topic during a regular Board meeting and was tasked with conducting a cost-benefit analysis, focusing on the Fire Science program and the NAU/CCC A++ program. Notably, the College is one of only two institutions in the state that still charges out-of-county tuition.

The Board discussed:

- **Student Enrollment Requirement:** If out-of-county tuition were eliminated, how many additional students would be needed to offset the loss of \$340,000 in revenue? The answer suggests more students than the College currently can accommodate.
- **State FTSE Impact:** Does the state Full-Time Student Equivalent (FTSE) funding provide enough offset for the loss of out-of-county tuition revenue? The financial benefit appears minimal.
- **Tuition Reduction:** Is it feasible for the College to reduce out-of-county tuition rates?
- **Impact on Enrollment:** Does out-of-county tuition deter potential students? Current data does not indicate a significant loss of students due to this factor.
- **Capacity for District Students:** If out-of-county tuition were adjusted, would the College be able to serve more students within our district?
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### **HLC Updates/Assurance Argument Status – Dr. Heiser**

Dr. Heiser provided an update on the Higher Learning Commission (HLC) status, announcing that the College is officially off any monitoring from HLC. However, there will be a mid-year check-in to demonstrate that the findings from four years ago have been fully addressed. This check-in process, which spans a year, is set to begin in June 2025. In preparation, the College is currently evaluating

program reviews, assessments, and non-academic program reviews, allowing time to refine these processes. A cultural shift is underway, emphasizing that this work should be ongoing annually, rather than every five years. It is crucial to begin collecting data immediately to align with this approach rather than delaying for another year.

#### **Facilities Master Plan, Next Steps for CCC – Dr. Heiser**

Dr. Heiser will send the Board the SPS+ Architect recommendation regarding the Capstone Easement. Until the easement is resolved, NAU will not square up the boundaries of the land lease.

#### **CLOSING REMARKS – Dr. Mary Spilde**

Dr. Spilde reviewed the day's discussions with the Board and the discussion points for tomorrow's meeting. The President's Evaluation policy and its components will be discussed tomorrow, and a document will be provided. Dr. Spilde thanked the board for their camaraderie and participation.

#### **FOLLOW UP**

- Need Attorney opinion on the facility rental 25% discount non-profit, education, or government legal or does it violate the gift clause
- Will facility rental incidents cause an increase in the Cleary Report reporting and insurance for these events
  - Have Ryan Bouwhuis contact the Trust for their perspective
- Are we insulated from the gift clause if our rates are too low? Need legal opinion.
- Make sure political campaigning is addressed in the procedure
- Board Direction: bring procedure 120 changes to the policy/procedure to the Board in August
  - Welcoming the community
  - Consistently fair in charging
  - Insurance requirements
  - Comply with the Arizona Gift Clause
  - Covering costs for security, facilities, and IT
  - May request payment for actual costs
  - Genuine College Events that benefit the College and we are a sponsor, can be free (the Pow Wow, for example)

#### **Adjournment**

There being no further business, Chair Smith adjourned day one of the Board Retreat at 5:29 pm.

#### **MINUTES PREPARED BY:**

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Ms. Kirsten Mead  
Board Recorder

#### **ATTEST and APPROVED:**

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Mr. Patrick Hurley  
Vice Chair/Secretary of the Board

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Mr. Joey Smith  
Board Chair