

**COCONINO COMMUNITY COLLEGE  
DISTRICT GOVERNING BOARD**

**WORK SESSION**

**FEBRUARY 2, 2021**



**COCONINO COMMUNITY COLLEGE  
MINUTES OF A WORK SESSION  
OF THE  
DISTRICT GOVERNING BOARD  
FEBRUARY 2, 2021**

A Work Session of the Coconino Community College District Governing Board was held via interactive videoconferencing (Zoom). Board Chair, Dr. Nat White, called the meeting to order at 5:02 pm.

PRESENT: Eric Eikenberry  
Patricia Garcia  
Patrick Hurley  
Joseph R. Smith  
Nat White

ABSENT: None

Also Present: Dr. Colleen Smith, CCC President; Ms. April Sandoval, Mr. Brian Wilson, Mr. Dietrich Sauer, Ms. Isabella Zagare, Dr. Jami Van Ess, Ms. Kay Leum, Mr. Keith Becker, Dr. Lisa Blank, Dr. Nate Southerland, Ms. Randi Axler, Mr. Steve Peru, and Ms. Suzzanna Rodriguez.

Reports, summaries, background material, and other documents referred to in these minutes can be found in the February 2, 2021 documents file.

**Follow Up**

- Dr. Jami Van Ess will bring back at least three compensation options for the Board to consider. One option will be the compensation options used in the assumptions for the budget presented tonight. Other options will include variations on compensation and benefits.

**1. Discussion Item - How the Board Wants to Interact and be Addressed in Board Meetings**

Dr. White asked the Board to discuss how they would like to interact in meetings and how they like to be addressed (i.e., Nat instead of Nathaniel).

Mr. Smith feels more comfortable with an informal process. Mr. Eikenberry was supportive of using first names. Mr. Hurley was supportive of a hand raise and didn't mind using first names. He also mentioned that Zoom meetings and in-person meetings might have different protocols.

Dr. White asked Board members to review the Zoom protocols in the packet and confirm they were comfortable using them. Board members had no objections to using the protocols.

**2. Discussion Item - Committee Representatives**

The Board discussed proposed changes to committee representatives. Chair White suggested that Mr. Eric Eikenberry serve on the Foundation Board and Mr. Patrick Hurley continue with the Alliance to match their interests and areas of expertise better. Mr. Eikenberry and Mr. Hurley were supportive of the changes.

### **3. Information Item - Purpose and Structure of the Budget Retreat**

Dr. Smith reviewed the purpose and structure of the Budget Retreat and the previous practice of reviewing tonight's agenda items at several meetings over the Spring semester. In recent years, this format worked well for Board members. Dr. Smith encouraged the Board to ask questions and send her any questions or comments on the budget materials after the meeting.

### **4. Information Item – Budget Planning**

- i. Budget Status Report through December 2020**
- ii. Budget Guiding Principles**
- iii. Background and Trends**
- iv. Budget Assumptions and FY22 Outlook**
- v. Tuition and Fees**

Dr. Van Ess started by reviewing the budget status report and walked the Board through each line item. The report details expenses through December 31, 2020, which is 50% of the year. For additional details on this report, please see the February 2, 2021 documents file.

Questions and comments on the presentation included:

- The College's significant revenue sources come from tuition and fees, state appropriations, and property taxes.
- An explanation of the net increase or decrease in fund balance line in the report.
- The decrease in tuition and fees related to a decrease in enrollment.
- Review of enrollment numbers.
- If there are possibilities to recoup some of the lost enrollment through short-term classes or other scheduling
- Review of the other information in the board packet, including the Governor's budget proposal and a WICHE report concerning tuition and fees in the west.

Dr. Van Ess moved on to review the budget retreat presentation included in the meeting packet. Topics included: budget guiding principles and planning documents, background and trends, budget assumptions and FY22 forecast, tuition and fees, compensation, DGB direction, and next steps. For additional details on this report, please see the February 2, 2021, documents file.

Questions and discussion on the presentation included:

- How the items on the Strategic Vision 2030 slide were developed and what data is used to develop those measures.
- Whether the strategic plan's first goal was similar to an IEP as used in the K-12 school system.
- The slide on state aid history is in real dollars and has not been corrected for inflation.
- How the estimate for the current year's state funding was derived.
- A discussion on circumstances where funds could be moved between types of funds (i.e., auxiliary to the general fund, restricted funds like grants).
- How the funds from the CARES act come into the College and whether those funds have to be spent in a certain amount of time. The College is still waiting for more precise guidelines on the latest round of CARES funding. Those funds will not be included in any budget planning until those guidelines are released.
- How the 3% enrollment decline is calculated and if it's based on full-time student enrollment.

- What was included in the investment line, and how it is invested through the County Treasurer's office.
- Whether the set of assumptions presented would fit within the limits of the College's budget.
- The budget would be balanced if the current assumptions were included.

The Board expressed their gratitude and appreciation for how carefully Dr. Van Ess drafts and balances a budget.

Dr. Nat White completely agreed with a \$0 tuition increase this year due to the effect of job losses due to COVID-19. Dr. White did not have any other suggestions for compensation other than the options presented.

Mr. Joseph Smith echoed Dr. White's comments. He felt that given everything that has happened over the past year, he supported doing whatever we can to support our staff and students if it was feasible. If the College could provide the suggested salary increase without a tuition increase.

Mr. Patrick Hurley asked if anyone had been laid off. There have been no layoffs at the College, but some positions have been left vacant or had their hours reduced. The budget was built to keep all positions in place and keep from laying anyone off next year. Mr. Hurley was supportive of no tuition increase but also wants to see no increase in compensation. He supported covering the increased medical benefits costs but did not think the College was able to give a cost of living or any percentage raise.

Mr. Eric Eikenberry felt that the best way to thank employees was to pay them. Given the turmoil and adaptability the employees have had to go through over the past year, he was supportive of any option that allowed the Board to extend some thank you for the trouble employees have had to endure. Mr. Eikenberry was also supportive of the change to lab loading hours for faculty.

Mr. Hurley stated that the budget was based on assumptions, and no one knows what the economy will do in the next year. He felt that it was essential to keep faculty and staff employed and continue that in the next year. Mr. Hurley pointed out factors such as the possibility of the assumptions being off, whether or not the College would be able to use CARES funding to replace lost revenue, the unpredictability of the economy, and possible changes to enrollment numbers as things that could force the College into the negative in the next year. He was also concerned that the College would have to use the contingency funds or reserves if any of those items happened. Mr. Hurley did not feel comfortable counting on the proposed revenues, even if Dr. Van Ess does such a great job creating very conservative estimates.

Ms. Patricia Garcia stated that she is a little more conservative and agreed with Mr. Hurley's comments. She does not think the state and national response for coronavirus will be robust, and there is no way to predict its effect on the economy and the College.

Dr. White stated that the revenue assumptions he's seen for the last twenty years have not only been conservative but almost right on the head, so he is confident in relying on them. Dr. White doesn't see a cost of living raise as an award for good work but part of the employer's responsibility to their employees. If this is a balanced budget with close assumptions for revenues, we aren't talking about the potential for a \$150,000 to \$200,000 budget deficit.

Mr. Eikenberry appreciated Mr. Hurley and Ms. Garcia's concerns and shared them as well.

Dr. Smith talked about the president's contingency fund and how it is being held to balance the budget when it would be used to fund innovation in a typical year. Dr. Smith is also working hard to try and get additional funding from the legislature. If that funding is successful, it will make a big difference to the College.

Dr. Van Ess talked about ways the College could respond to additional changes in revenue or expenses. There are several things the College has been doing this year, including pulling back on expenses, holding positions vacant, using contingency funds, holding travel funds, and using the one-time rural funding from the legislature. If enrollment goes down, the College may come back to the Board to ask to use carry-forward funds to help the College get through. Before that happens, the College would try to find savings, use up one-time monies, and then use reserves. Because the College's budget is so tight, these steps are very similar to many budget years at the College. The College has always had to be very conservative with funding, especially during state budget cuts or recessions. Dr. Smith and the staff are trying other ways to increase funding, like writing grants.

The Board discussed what would happen if the State were to appropriate additional funds for the College.

Mr. Hurley felt that while compensation increases are a very small part of the budget, holding fast this year will better position the College for the future during a time of a lot of unknowns.

The Board discussed out of county student enrollment and how it has remained steady over the past year. The College is conducting a tuition and fees survey and, on Dr. Michael Merica's recommendation, have split that survey into three groups to get feedback from in-district, out of district, and out of state students. The results of that survey will be shared at a future meeting.

There are currently two Board members leaning towards the assumptions as presented and two people who would like to look at a budget with no compensation increase. Dr. White suggested that the Board look at these two options in a concise format at the next meeting. The Board was supportive of including higher medical contributions in the budget with no compensation increase.

Mr. Hurley felt that by taking care of medical expenses, employees would be getting a cost of living increase.

Mr. Eikenberry mentioned that not all employees take advantage of the medical plan, so covering those costs may not be fair to everyone.

Mr. Hurley also suggested having a six-month waiting period for any compensation increase. This would allow time to see what happens with enrollment and make mid-year increases if the budget allows it. This approach would also allow time to see if there is any funding coming from the legislature.

The Board discussed how much the proposed compensation changes would cost and how some of those expenses were offset in the budget.

Mr. Hurley would like to see a compensation package that does not include increases in salaries.

Dr. Jami Van Ess will bring back at least three compensation options for the Board to consider. One option will be the compensation options used in the assumptions for the budget presented tonight. Other options will include variations on compensation and benefits.

Mr. Patrick Hurley asked for a little more guidance from Dr. Nate Southerland on what to read in the HLC Assurance Argument. Dr. Smith and Dr. Southerland have been talking about this document and have agreed that it would be better for the Board to wait until the project is more finished to make it a more positive experience for the Board.

The Board thanked Dr. Van Ess and her team for all of their work in putting together tonight's budget presentation.

ADJOURNMENT: The Work Session Adjourned at 8:18 pm.

**MINUTES PREPARED BY:**

---

Ms. April Sandoval  
Board Recorder

---

Mr. Joseph R. Smith  
Vice Chair/Secretary of the Board

---

Dr. Nat White  
Board Chair