



Yavapai College District Governing Board

Board Budget Workshop Approved Minutes of Budget Workshop Tuesday, May 19, 2015 10:30 AM

Prescott Campus - Building 32, Room 119
1100 E. Sheldon Street
Prescott, Arizona

District Governing Board meeting recordings may be viewed on CableOne Access 13 or the Yavapai College Website. CableOne Access 13 records all regular board meetings for subsequent broadcast and the schedule is available on the Access 13 website at <http://www.access13.org>. The District Governing Board agenda, packet materials, handouts, and minutes are on file in the District Office and posted on the College website along with regular board meeting recordings posted approximately 12 days after each meeting at <http://www.yc.edu/v5content/district-governing-board/>.

Members Present:

Dr. Patricia McCarver, Chair Mr. Steve Irwin, Secretary
Ms. Deb McCasland, Board Member Mr. Albert Filardo, Board Member
Mr. Ray Sigafoos, Board Member

Administration Present:

Dr. Penelope H. Wills, President Lynne Adams, Board Attorney
Other staff attending are on file in the District Office

1. CALL TO ORDER - HEADING

2. Call to Order – PROCEDURAL

Chair McCarver called the Yavapai College District Governing Board meeting to order at 10:30 a.m.

3. Adoption of Agenda – DECISION

Member Sigafoos moved, seconded by Member Filardo, to adopt the agenda as written. Motion carried unanimously

4. POLICY - HEADING

5. Review of Yavapai College FY 2015-2016 Preliminary Budget - INFORMATION AND/OR DISCUSSION

Dr. Clint Ewell, Vice President for Finance and Administrative Services, reviewed the Annual Budget process for the FY 2015-2016 (see attached Budget Workshop PowerPoint and Budget Workshop Book).

- January Environmental Scan & Assumptions
 - o Member McCasland requested to review information on number of classes cancelled by campus/site.
 - o Chair McCarver ask for clarification regarding Property Tax Levy vs. Inflation. Dr. Ewell reviewed *the Property Tax in Arizona* power point highlighting that taxpayers may see adjustments in assessed value and/or percentage of tax rate. The County Assessor makes adjustments to property value or tax percentage in order for the tax levy to remain unchanged regardless of economic changes. Yavapai College's collected tax levy amount remains the same unless the College votes for an increase. The College may receive a property tax funding increase if new construction increases in the county.
 - o Chair McCarver requested a review of Restricted Revenue. Dr. Ewell highlighted State support that is at risk.
- February Capital Budget
 - o Member McCasland requested clarification on what part of the Campus Master Plan was included in the FY 2015-2016 Budget approval. Dr. Ewell referred the Board to review the Preliminary Budget, Five-Year Capital Improvement Plan, page 25. The Board legally is approving only one year of capital improvement for FY 2015-2016, but to maintain fiscal responsibility and stewardship, Administration provides a five year plan to show project progression into future years.
 - o Member McCasland asked if the Board has the authority to remove items from the budget, but not to add items. Legal Counsel clarified that once the budget is approved and published for public review, the Board would then only be able to remove items and not add items. Chair McCarver reminded the Board that now is the time to make adjustments to the budget, because the Board is obligated to approve a budget to meet the June deadline.
 - o Chair McCarver stated that capital improvement is different from capital (facilities) maintenance. Dr. Ewell clarified that building 15 is combination of improvement and maintenance. Building 15 is due for deferred maintenance under the Facilities Maintenance Plan, which was developed to comply with the Board's policy to maintain College facilities.
 - o Member McCasland requested more information before approving the capital improvement/maintenance of building 15, such as how was the plan developed, how it fits with courses offered, and how instruction benefits from these changes. She stated that this is nice to have, but not necessary for quality education. Dr. Blacklaw stated that the new program curriculum was presented from Dr. Ralston, Dean of Arts and Humanities, at the February District Governing Board meeting and staff included a synopsis of how capital funding fits with the Board Ends Statements (refer to page 26).
 - o Member Filardo suggested a strategic plan for the building 15 renovation that includes affordable and accessible quality education for all in Yavapai County. He would support funding that demonstrates these qualities.
 - o Member Sigafoos reminded the Board that the Art Program is the fourth largest program at the College and

understands the need for improvements and maintenance of building 15.

- March Revenue Proposals
 - o Member Filardo asked to review the synopsis of no property tax increase and postponing the capital expense for one year. Dr. Ewell reminded the Board that the capital plan is a one-time expense and postponing this expense would only cover recurring expenses for one year.
- April Preliminary Budget
 - o Member McCasland suggests that the Board evaluate the College’s reserve requirements and consider using to cover costs rather than approving a property tax increase. Dr. Ewell and staff would not recommend reducing these reserves as that would not be fiscally prudent. Dr. Ewell also reminded the Board that reserves are one-time monies and would not continue for recurring costs; fiscal stewardship requires that the College maintains these reserves and meets industry reserve standards; and meet cash flow challenges of how the County Assessor distributes property tax funds.
 - o Dr. Ewell reviewed Revenue Risks and highlighted SB1476: 1% Cap Overview which limits the State paying up to \$1M per county, and requires other “qualifying” local jurisdictions to pay the balance. The College is anticipating this bill to effect the FY 2016-2017 Budget.
 - o Member McCasland asked Governor Ducey if he planned to reduce the funding to Yavapai College in the future. The Governor responded with a no and expects funding to continue as he took the heavy hit this year. Dr. Wills is hearing a different message from legislative members.
 - o The Board reviewed the costs associated with each Critical New Initiative. Member Filardo clarified that the property tax would cover the new initiatives.
- Other Requested Data
 - o Dr. Ewell clarified that the Board’s approval of the budget would then require administration to allocate monies to meet Board Ends. Chair McCarver confirmed that the Board approves the total amount of the budget which includes tuition/fees and property tax adjustments, provides direction of large capital investments, and communicates what the Board wants to achieve at what cost. She also reminded the Board that specific details, projects, and programs will be determined under operations by the President and staff.

Dr. McCarver directed the Board members to provide input for the President and staff regarding adjustments to the FY 2015-2016 Budget Proposal at the Regular Board meeting later today. She also reminded the members that by Arizona State statutes, the College’s budget must be approved at the June District Governing Board meeting.

6. SHORT RECESS – PROCEDURAL

No recess was taken.

7. POLICY (CONTINUED) – HEADING

8. Continued Review of Yavapai College FY 2015-2016 Preliminary Budget - INFORMATION AND/OR DISCUSSION

9. ADJOURNMENT OF BUDGET WORKSHOP - PROCEDURAL

Member Sigafos moved, seconded by Member Filardo to adjourn the meeting. Motion carried unanimously.

Special meeting adjourned at 12:23 p.m.

Respectfully submitted:

_____/S/_____
Ms. Karen Jones, Recording Secretary

Date: June 9, 2015

_____/S/_____
Dr. Patricia McCarver, Chair

_____/S/_____
Mr. Steve Irwin, Secretary

*Board agenda, packet materials, handouts from meeting are on file in the District Office and posted on the College website: www2.yc.edu.
The mission of Yavapai College is to provide cost-effective, convenient learning opportunities for the diverse populations of Yavapai County.*