

DRAFT MINUTES
(Subject to approval at next Regular Governing Board meeting)
COCHISE COUNTY COMMUNITY COLLEGE DISTRICT GOVERNING BOARD
REGULAR MEETING

Tuesday, January 12, 2016
Sierra Vista Campus
6:00 p.m.

1. GENERAL FUNCTIONS

1.01 Call to Order

Mr. DiPeso called the meeting to order at 6 p.m.

Board Members Present:

Mr. David DiPeso
Mr. Dennis Nelson
Mr. Danny Ortega
Mrs. Jane Strain

Board Member(s) Absent:

Mr. Tim Quinn

1.02 Pledge of Allegiance

1.03 Adoption of Agenda

Dr. Rottweiler stated Item 1.04.4 Refresher on Open Meeting Law should be pulled from the agenda as Mr. Britt Hanson, attorney for the Board, had a family issue come up preventing him from joining us tonight. This item will be placed on a future agenda. Item 1.06.3 Senate Report – there will be no Senate Report as the Senate did not meet in December. Item 3.01.5 indicates a resignation – this should be a retirement. With the exception of these changes, the agenda was adopted as published.

1.04 Governing Board Organization/Orientation for 2016

1.04.1 Election of Board Chair

Mr. DiPeso opened the floor for nominations for Governing Board Chair. Mrs. Strain nominated Mr. Dennis Nelson to serve as the Board Chair. Mrs. Strain moved and Mr. Ortega seconded the motion to elect Mr. Dennis Nelson as Cochise County Community College District Governing Board Chair for 2016. There was no further discussion by the Board. The Board unanimously approved. MOTION CARRIED. Mr. Nelson abstained from voting.

1.04.2 Election of Board Secretary

Mr. DiPeso opened the floor for nominations for Governing Board Secretary. Mr. Nelson nominated Mr. David DiPeso to serve as the Board Secretary. Mr. Nelson moved and Mr. Ortega seconded the motion to elect Mr. David DiPeso as Cochise County Community College District Governing Board Secretary for 2016. There was

no further discussion by the Board. The Board unanimously approved. MOTION CARRIED. Mr. DiPeso abstained from voting.

1.04.3 Appointment of Arizona Association of District Governing Boards (AADGB) Representative and Alternate Representative

Mr. DiPeso appointed Mrs. Strain as the representative to the Arizona Association of District Governing Boards.

Dr. Rottweiler expressed his appreciation to Mr. DiPeso as outgoing Board Chair, and added he looks forward to working with Mr. Nelson as we move forward.

(Mr. DiPeso inadvertently failed to appoint an alternate AADGB representative. This item will appear on the February 2, 2016 Governing Board meeting agenda.)

1.04.4 Refresher on Open Meeting Law

This item was pulled during the Adoption of the Agenda. The Refresher on Open Meeting Law may be scheduled for a future date.

1.05 Citizen's Interim

There were no requests to address the Board.

1.06 Standing Reports

1.06.1 Representative to the Arizona Association of District Governing Boards (AADGB)

An AADGB report was not provided as a meeting was not held in December. The next meeting of the AADGB is scheduled to take place in March 2016.

1.06.2 Representative to the Association of Community College Trustees (ACCT)

Mrs. Strain stated that she will be traveling to Washington, DC on February 6th to attend the ACCT National Legislative Summit. She will arrive early to attend the Member Communications and Education Committee, where she serves as the Pacific Region Chair; they will discuss internal education and membership topics. She will return on Thursday, February 11th.

1.06.3 Senate

A Senate report was not provided as a Senate meeting was not held in December.

1.06.4 Student Government Association (SGA)

Veronica Hill, SGA Social Events Coordinator, provided the report. She stated they are excited to begin the 2016 Spring semester. Thus far, they have held their SGA Meet and Greet, where they made pancakes for faculty, staff, and students who dropped by. Next week, they will observe Martin Luther King, Jr. Day with a community service day, where those who usually attend on campus as well as

community members are invited to participate in activities such as knitting caps for infants and sending 'thank you' notes to the troops. They will also be showing an informational video on recognizing and preventing violence on campus. In the upcoming months, they look forward to holding Club Fairs and Grocery Bingo; new this semester they will have a Fat Tuesday 50-Foot Hotdog! Ms. Hill thanked the Board and stated they look forward to seeing them in the Spring.

1.06.5 College President

Dr. Rottweiler thanked the students and stated he appreciates their leadership. There has been a significant increase in student activity on both campuses and across the district. Student engagement is a key indicator of student success; therefore, he is appreciative of them picking up that portion.

He began his report with a legislative update. He stated education, from K-12 through the universities, was a key point in the governor's State of the State address. There was some mention of the community colleges, but clearly not as much as he would like. The key thing we need to be aware of comes out on Friday when the governor issues his budget proposal. All indications are that we should be secure for our formula-based funding. While there is no desire to remove any funding from the community colleges, there also is no desire to restore lost funding. Pima and Maricopa community colleges were not included in the formulas this year, so it doesn't appear any of their operating dollars will be restored. Dr. Rottweiler stated that, for us, it is a decline; we'll see an increase in our equalization funding, but we will see a decrease in our M&O funding based upon the decrease we've had in our student enrollment. We've been doing quite a bit of analysis on that as it relates to expenditure limitation. We've seen about a third of our loss of enrollment over the last three years from an all-time high in 2012-2013 – although most of that is predictable, it's not the traditional student body population – the bulk of our decline has come out of the Department of Corrections as we've changed some of our operating procedures there, and, obviously, the drawdown with our MOS programming at Fort Huachuca. None of it is unexpected, but it's always a concern when you see a decline, and it costs us resources as a result.

Regarding the Expenditure Limitations Study Committee, Dr. Rottweiler stated we do have some bills that are set to be dropped over the next week, which will try to do a combination of things – they will try to provide some expenditure limitation relief by weighting some of the FTSE for our Career and Technical Education programs, as well as looking at the enterprise modes and trying to exclude some of those things out. We were hopeful that we would be able to get that in cooperation and support from ATRA; however, that doesn't appear to be the case. ATRA has dropped its own bill on how the expenditure limitation FTSE estimate is arrived at. Therefore, we may find ourselves a little bit at some loggerheads with ATRA related to that. We are hopeful we can work together to get something that works for the colleges as well as for ATRA. Dr. Rottweiler shared that ATRA appears to be attempting to try to visit many of the community college Boards, to get on their agenda to provide a presentation about expenditure limitation and the bill they're proposing. To-date, they have made a request to Maricopa, who has put them on hold for at least a month. They do appear on the Santa Cruz County Provisional Community College District (SCCPCCD) Governing Board meeting agenda for Thursday, January 14th. Dr. Rottweiler stated we have staff that will be attending that meeting, which is being held in Nogales. Mr. Nelson inquired if any of the college's Board members have

been asked to attend. Dr. Rottweiler replied that no, we have not been asked – no request has come through to us. Mrs. Strain inquired if ATRA understands that SCCPCCD is a provisional community college. Dr. Rottweiler replied that he doesn't know, but it doesn't have much bearing on them as they are still held under expenditure limitation. In discussion with Kristen Boilini and Michael Racy, there is some concern that Santa Cruz has some lobbying things that may be closely tied to ATRA, so we're not sure what's going on. We will know much more on Thursday, and he will brief the Board if anything comes of that which they need to be aware of. As it relates to legislative matters, he will know a lot more on Thursday as he will travel to Phoenix for the first AC4 meeting, they will begin to discuss their legislative agenda. Clearly, high on the list will be matters related to expenditure limitation; depending on what comes out of the governor's budget, they think everything else will be secure. They are already seeing some bills being dropped about guns on campuses, which is nothing new. Dr. Rottweiler stated the Board, as duly elected Governing Board members, should retain the right to make decisions around guns on campus; this has been our stance over the last couple of years, and he believes it should remain as such.

Related to master facilities, Dr. Rottweiler shared that our Downtown Center construction is ahead of schedule. He provided the Board with pictures showing the progress. Framing is well underway and sheetrock is being hung. He added he would welcome the opportunity to provide Board members with a tour of the facility and requested they contact him, Vice President Schiers, or Frank Dykstra if they would be interested in doing so, either individually or as a group.

Dr. Rottweiler stated we are now two weeks into our change on the Douglas campus from a two-way loop to a one-way loop. It is apparently going very well. It clearly makes the road much wider. Students have responded very positively, and security has been great.

In his general comments, Dr. Rottweiler included the following:

- As reported to the Board last month related to the Higher Learning Commission (HLC) recommendations, Dr. Rottweiler stated he has seen the final report. HLC has requested we not make a full publicizing of the report until after February when the Institutional Actions Committee (IAC) takes final action. He did share that, from the discussion with the liaison at the HLC, we should be very proud of the report. We have received questions from the newspaper and others; if Board members are approached, they can relate that the president says the report is very favorable – you won't see any public recognition of that report until after the IAC has taken final action. We have said we're supportive of the recommendations; therefore, it should go through on a consent agenda, but they asked that we wait for that.
- There is a lot of work being done across the county in the area of economic development, one of which is around the Cybersecurity Workforce Development Committee that Dr. Rottweiler has been asked to sit on. They had their first meeting in Sierra Vista, and discussions took place related to some areas they think they might be able to leverage to bring in some spin-off companies (based upon some things at Fort Huachuca). They would like to tie some things into the county that aren't defense related. Clearly, Cochise College would play a prominent role in that.

- Last Friday, the college hosted senior leadership from Fort Huachuca. It was a wonderful event, and it was great to host them on our campus. Dr. Rottweiler thanked those who participated, as well as the staff. He has heard nothing but positive comments about our food service, how the campus looks, and the whole feel they had coming onto our campus.
- Yesterday, he had the opportunity to participate in a video production; the City of Sierra Vista is trying to do some things around economic development, creating some short videos. They requested the college participate, so it was his pleasure to accommodate them and talk about the exciting things happening in Cochise County, and Sierra Vista in particular, and about the things the college can do for new business and existing businesses.

Dr. Rottweiler then provided the Board with information on upcoming events, which include:

- ViCAP, which will be one of our tenants at the new Downtown Center, will be holding their annual dinner on the Sierra Vista campus on January 21st, and has asked him to be their keynote speaker. It will be his pleasure to do that and talk about the Downtown Center and the things that are happening.
- The Sierra Vista Economic Leadership Forum will hold its second meeting on January 22nd. He is an active participant in that, as well.
- He reminded the Board that the February Governing Board meeting will be held a week earlier – February 2nd. Accommodations are made in February, and sometimes in October, for ACCT meetings.
- On February 7th, at the request of the Douglas mayor, Dr. Rottweiler will participate with him on a congressional visit from Congresswoman Martha McSally and other members of congress. He believes it will be a unique opportunity to have them in our area to discuss border security. He will also try to broaden discussions to include what role the college can play in border security, while recognizing we need to not only secure the border but make the border as transparent as possible, as our economic futures, as well as our educational futures, are tied to both sides of the border. He looks forward to working with Mayor Ortega and sharing that opportunity.
- He made the Board aware that the Nursing accreditation visit will take place February 9 – 11, 2016.
- He made the Board aware that the Sierra Vista Unified School District will be holding its State of the District Breakfast on February 19th. The college has reserved a table, and Board members are welcome to attend.

1.06.6 Monthly Financial Report – December 2015

The Financial Report for December 2015 was presented and accepted as submitted.

Mr. Nelson inquired about the amount of money in the Miscellaneous category of the report. Dr. Rottweiler stated that, as reported last month, this money came from the sale of planes. He added that, with the sale of the mine in the Dragoons, the college

is due about \$500,000 in past due taxes, which should be available after January 20th.

2. INFORMATION ITEMS

2.01 Communications

- Dr. Rottweiler received a letter of thanks from Ana Urquijo, Douglas Rotary President, for the support Cochise College, staff, and students provided during their October 3, 2015 Fly-in.
- Dr. Rottweiler received a letter from Richard Stavneak, Director of the Joint Committee on Capital Review (JCCR), informing him that the Committee gave a favorable review to Cochise County Community College District's \$15,201,800 bond project.

2.02 Administrative Services Report

LaMont Schiers, Vice President for Administrative Affairs, provided a PowerPoint presentation of the 2015 Administration Overview. He stated he will be speaking on the Audit Review (which was just concluded this morning with the Auditor General's office. This is a state statute which requires us to be audited by their operation, annually), the CAFR, Monthly Financial Reports, as well as some exciting things happening with auxiliary services. He reviewed the audit, stating the process is broken down into two parts – the way we run our finances and the federal awards. There are three types of findings; a deficiency (mainly a discussion point), a significant deficiency (which is usually recorded), and a material weakness (a gross error, something that is very negligent and serious in nature, and is reported publicly). In his research of single audits, he stated the district has never received a material weakness finding. Since 2006, we have usually had a finding of some sort. Last year, we had a finding in regards to our financial aid reporting. In that process, we are to report the status of a student – if there are any changes, if they graduate, change instructional location, etc.; these changes need to be reported within 30 days. Last year it was determined we were not meeting that timeframe, which resulted in a finding. All of this culminates into one location – the National Student Loan Data System (NSLDS). Auditors look at this register to see if our records match those records. Unfortunately, much to our frustration, that was the finding again for this year. Up until this past year, we used a third party, the National Clearinghouse. Our staff would upload all student information, and the National Clearinghouse would update the national register. As it turns out, they were not updating information within that 30-day window, as required. Through some tough experiences, we found out the information we were uploading often was not uploaded correctly, or their uploaded files were outdated and it wiped out everything we had entered. Our director of financial aid has been working directly with NSLDS, and we're bypassing the Clearinghouse. This way, we can make sure that any student status information is accurate within 30 days. However, the bottom line is, we're responsible for the data, and it wasn't accurate.

Dr. Rottweiler added that well over half the institutions in the U.S. have been using the National Clearinghouse. What was happening was, things would be submitted to them and then when we would have to add within 30 to 60 days, they were not uploading any of the changes. This caused the vast majority of colleges and universities to fall behind. We have been aware of this issue for the last six months, and have a TIGER Team working on this. We are well out in front of everyone on this. The real frustration is, we get the audit finding, but it's really an issue between the Department of Education, NSLDS, and the

Clearinghouse. All the community colleges in Arizona are in the same situation, and it's a real frustration. Frankly, this is not our responsibility, but we've been told we need to solve it. We're well out in front of it, and we will continue to make progress. Unfortunately, it did end up as a significant deficiency, is significant enough to be considered by the governing board, and is why it's being presented tonight.

Dr. Fick stated he's worked with the TIGER team, IT, financial aid, and registration, trying to arrive at ways to get our data systems to interface properly with NSLDS. Often, we don't know what's happening on the other side, and we are limited in the type of information we can get from them. That makes trying to fix it very difficult. In addition, this year, instead of just reporting financial aid students, we were asked to report all students, which meant they now went back 20 – 30 years, and we had to correct all data on students who had nothing to do with financial aid for several decades. This has been a major task.

Mr. Schiers, on a positive note, stated the auditors did compliment the district in regards to the controls we have in place, and how well the audit process went this past year. It's hard to be scolded for something you have no control over. He stated those frustrations were shared, and he has the opportunity next week to respond to this finding. He will make sure he captures some of the frustrations that we've experienced this past year.

Dr. Fick stated there is a potential hit coming two or three months down the road because if we don't get everything fixed by March, then we're going into a different level of expectations from the federal government, and they will come in and do a special audit at that point. Dr. Rottweiler shared his thoughts on this, and stated he just wanted the Board to be aware as it was an audit finding, so that they knew it was there. He assured them we are on top of the situation.

Mr. Nelson inquired where the material weakness findings are publicly reported. Mr. Schiers stated the Auditor General's office issues a single audit report, which can be found on the website, and this is considered a public document.

Mr. Schiers then directed the Board's attention to the Comprehensive Annual Financial Report (CAFR) for the past year, stating he would review some specifics of the report. The Table of Contents includes the introductory section, a financial section, and a statistical section, with the financial section containing the 'meat and potatoes'.

He began by reviewing some changes that took place from a federal directive (GASB 68). We now have to show on our books, all of our retirees, current retirement plans, and all financial obligations that pertain to our retirement plan. He wanted the Board to be aware (as shown on page 18) of a narrative about GASB 68. Last year, we had a net position of \$58M; this year it has dropped to \$33M. This is just on paper, but it shows we are covering all of our retirement (GASB 68) ruling requirements as far as our long-term liabilities. Dr. Rottweiler stated we don't control our retirement; we're part of the Arizona State Retirement System. The employee sends their portion, the college matches it, and it's sent to Phoenix, and it's all managed and taken care of there. We have no liabilities/responsibilities because all the resources are there. This GASB 68 has required us to somehow show it on our books, so ASRS provided our portion of it and we reported it. There has been no change in our financial standing other than this GASB 68 report. When the Board sees the net position going from \$58.8M down to \$33.5M, it is simply reporting per GASB 68. Nothing has changed at the college.

Page 59 of the CAFR (the Statistical section) shows a ten-year running history. Mr. Schiers stated the change in our net position for FY'15 increased by over \$7M. Our gains include unspent dollars, which will move into our fund balance. Also this year, the gift of the hospital property we received from the Legacy Foundation was appraised at approximately \$4.5M. Another key point is we have zero enterprise expenses (under operating expenses), and he reviewed the drop in those expenses from previous years. He stated this occurred mainly by bringing A'viand's on staff as our food service provider. They are running an operation that is much more economically effective than our previous contractor. He then pointed out that we have two sections on revenues – operating revenues (part of the bond issues) and non-operating revenues (which is our property tax and state allocations). Mr. Schiers encouraged the Board to review the changes over the past ten years, as provided in the chart on page 59 of the CAFR. Dr. Rottweiler stated that, next year, based upon our Downtown Center, half of which will be financed and half will from the college, they will see a decrease, as well as in future years.

Mr. Schiers then directed the Board's attention to page 61. He reviewed the college's expense by use – which included salaries and benefits at 61.6%, contracted services at 7.2%, supplies and materials at 5.7%, subscriptions, dues, insurance costs and rentals at 2.8%, utilities and communication costs at 2.8%, travel at 1%, non-capitalized equipment at 0.3%, Scholarships at 9.3%, depreciation at 7.1%, and miscellaneous at 0.2%. Dr. Rottweiler wanted the Board to have this information, and stated the CAFR comes out each year, they can review and compare, and can be prepared to address any questions around how much money we spend in a given area. Mr. Schiers added that the costs are broken down by function, use, and categories.

On page 63, as related to expenditure limitation, Mr. Schiers stated we have not come close to the cap for that limit. Last year, we had an unused spending capacity of \$35.7M. Due to our enrollment numbers, that capacity was \$62M, and expenses that qualified for this calculation was \$26M, which left a residual of \$35M. Dr. Rottweiler added that, what this really shows is that, we are the most underfunded community college in the state of Arizona. However, we have sister schools that have zero capacity – they would like to expend more than they have the capacity to spend. We have no issue at Cochise College, and we don't project any issue happening related to expenditure limitation.

Referring to page 65, assessed valuation, tax rate, and levy history, Mr. Schiers stated he included numbers dating back to 2005-2006. He showed the individual homeowner tax rate for 2014-15 went from \$1.65 to over \$2. This year, that increased to \$2.17. Dr. Rottweiler provided the Board with a report providing the 2015-16 tax rates. Compared to other districts, we are roughly tied at third highest. He also pointed out the levy limit used and the amount of access the Board has to property taxes. We are taxing at the max of 100%; almost every district in the state is at 100%, with Maricopa being down a bit, and Santa Cruz being way down.

Mr. Schiers then moved on to the monthly financial report, which is included in the Board packet every month. He drew the Board's attention to the first page, which shows all of our revenue and expenditures, and stated it's more of a linear comparison. One of the financially healthy things about this district is, if you look at our revenues, they are always above the linear percentage, and our expenditures are below – we have unspent dollars at the end of every fiscal year. The Board can see how this is tracked over the course of year through the financial reports. A graph is also included in the report that shows our FTSE compared to the last three years. Unfortunately, our enrollments have dropped. Also included are payments over \$5,000 – just so the Board can see the major purchases made

every month. Dr. Rottweiler requested the Board let him know if there is anything they would like to see instead of the reports. No adjustments have been made over the last six to seven years, and if it's meeting their needs we will continue. However, if there is anything else they would like to see or different formatting of the current report, please let him know.

In a review of auxiliary services, Mr. Schiers stated that, two years ago we created the position of Events Coordinator. Jenn Wantz, who was the previous SGA Activities Coordinator for the Sierra Vista campus, took the position. She is our face with the community, inviting them to come use our amenities. While we didn't have information for the first half of 2015, over the period of July – December 2015 our bookings increased by 314% (from 65-305), the number of large groups increased by 116% (19 – 41), and the number of completed events increased by 126% (27 – 61). We are getting a lot more of our surrounding communities onto our campuses. Another key area is that we changed the software in regards to scheduling our classes and space, which has greatly reduced the man hours required to get information into the system.

Regarding Barnes & Noble (the college bookstore), although we've seen a decrease in enrollments, we continue to see a cash-flow through that partnership. They provide books, e-books, and rental capabilities, as well as other things for our students.

Again, Mr. Schiers acknowledged A'viands food service. During their initial start-up two years ago, we were prepared to take a loss of \$150,000 in their first year of operation. To their credit, the loss was only \$23,000. In year two, the losses were under \$2,500. We're projecting, for the current year, food services will be in the black for the first time in a long time.

Dr. Rottweiler stated that, as the events coordinator, Jenn Wantz has coordinated the entire district. He hopes this change has alleviated some of the concerns the Board was getting occasionally from people in the Benson area. We're not out marketing as a conference center, but we do want to fulfill our community college portion – being in the community, having facilities available, and helping to facilitate meetings, etc. This was one of our strategic initiatives a couple years ago. It has made our events much better! He added that there are rules and regulations in place around what can and can't be done on college property. Mr. Schiers clarified that every group that comes in has to sign a facility use agreement, agreeing to hold to our standards, and they are liable for any damages that occur with their event. Typically, we require a certificate of insurance.

Mr. Schiers shared the article in the Accolade related to the Downtown Center.

2.03 External Affairs Report

Denise Hoyos, Director of External Affairs/Executive Director of the Cochise College Foundation, reported on recent and upcoming activities of the Cochise College Foundation. She directed the Board's attention to the last page of the Accolade, a publication of the Cochise College Foundation, of which each Board member had been provided a copy. This page showed the 2014-2015 Annual Report, and Ms. Hoyos shared that the amount the Foundation has been able to provide to Cochise College is inching upward. In 2014-15, it was about \$600,000; one of their goals is to see that total increase. It compares favorably with other colleges in the state. The Foundation assets at the end of June 2014 totaled in excess of \$10,600,000, and we're currently closer to \$11M. The Cochise College Foundation holds the third highest amount of assets among community colleges in the state, behind Maricopa and Yavapai.

Ms. Hoyos stated that, of the \$600,000 the Foundation was able to provide last year, about half of that went to scholarships. In a PowerPoint presentation, a slide showed in excess of \$250,000 in scholarships was awarded. The annual report refers to \$229,000; that's because they were still paying out some of the scholarships after July 1st. She included a slide of student Blake Suarez (2014-15), the son of two Cochise College alumni, who is interested in entering the field of medicine. He was an All-Arizona Scholar, and because of that, he was one of many who received a cash scholarship from the Cochise College Foundation.

Another slide showed Mr. George Bugen, whom Ms. Hoyos stated she included in the report for several reasons – about \$1M of the contribution he made several years ago will be used to support the Downtown Center this year. Mr. Bugen is now an honorary member of the Cochise College Foundation Board. Also, as some may have read in the newspaper, a previous Cochise College employee, Sheila DeVoe Heidman, was added to the Foundation Board. The Foundation also named George Hooper, who had been on the Board for quite some time, as Board member emeritus. Referring back to Mr. Bugen, Ms. Hoyos stated his contribution is a bit unusual in that, in the past, donors have primarily wanted to support scholarships. We're seeing a little bit more people who are interested in supporting the college in other ways. A scholarship helps one person – a contribution and support of capital helps everyone who uses an item. The other half of the \$600,000 that the Foundation spent last year went to areas such as improvements in the library that were made last year (\$100,000), received from long-time, ongoing contributions from the Steele Foundation. The Foundation also supports the tutors and mentors on the Douglas campus, and a USAFunds grant supports a financial mentoring program that's offered through the Financial Aid office.

Ms. Hoyos spent a bit of time on income contributions to the Foundation last year, which totaled \$2.3M; if you include investment gains, it is in excess of \$2.5M. Close to \$1.4M came from one person, who left an investment portfolio with the Foundation when they passed away. That is slated for a scholarship endowment for students graduating from Douglas High School. We won't see the first of those awards for about another year as they weren't received until June.

Ms. Hoyos added that the Foundation agreed to fund the President's Scholarship Program, which is an effort to attract high achieving students graduating from Cochise County high schools. They need to have come to the college with a 3.25 high school GPA, and then maintain at least a 3.0 GPA and be enrolled full-time. A small group at the college have worked together to select those students, and then divided them up so they can mentor them. This has been a learning experience for everyone – everything from attracting applicants, finding the right applicants to figuring out what will keep them going, and what their understanding is of their responsibility once they receive a scholarship.

Projects for this year include continuing to tell the story of the Downtown Center, which began in the Accolade. They are also working on a tuition-related proposal that they anticipate will position the college to better recruit Cochise County high school graduating seniors. She will provide additional information on this at a later date.

Ms. Hoyos turned the time over to Robyn Martin, who joined the college in April 2015 as the Director of Marketing and Communications. She came to us from the Marriott Hotels here in Sierra Vista, and had just completed a Master's in marketing when the position was offered. Ms. Hoyos stated that Ms. Martin's familiarity with newer media and marketing methods, along with her connections with Fort Huachuca, has really been an asset.

Ms. Martin provided the Board with a couple Cochise College marketing gifts – a cell phone screen cleaner and a stylus. She began her report by providing a PowerPoint presentation and stating that they started a new advertising campaign in July 2015, focusing around the word ‘possible’ – I am possible at Cochise College. They are trying to reach students to find out what their potential is, what is their possible, and how Cochise College can help them to achieve their possible. The first ad was located outside the movie theater at the Sierra Vista Mall. Other ads include the newspaper; once or twice a month we have a slot on Wednesdays, which features different students within the campaign telling their story, little testimonials, challenges, etc. Other ads will focus on our affordability, with graphics showing how students can save with us, the value they will get by doing two years with us and transferring to the four-year universities. One slide showed a half-page back to school tabloid ad that was in the newspaper. They also featured a story about our paramedicine program. Ms. Martin added we have a good relationship with the Herald.

Ms. Martin stated we are working with the Centers and the other campuses on different campaigns we are doing with this ad campaign. The Willcox and Benson Centers have been working on flyers that focus on some workshops they are doing, and we developed a template for them to use. In addition, we placed an ad in the Fort Huachuca printed directory, and it will appear on their mobile site as well.

Currently, the radio campaign is focusing on enrollment, reminding students that enrollment time is open. Ms. Martin played the radio ad, and stated the ad is aired in Sierra Vista on KZMK, KKYZ, and KNXN. She stated we had Cox Media come this summer to film professional footage of the campus with students, to do a video for our website, plus some other internet ads we’re doing. We also have two ads currently at Cinemark Movie Theater at the Sierra Vista Mall, and at the Uptown 3 Theater. She stated she was informed that the Douglas theater may also become involved at some point. Ms. Martin then played a 2-minute ad that runs on our website and our YouTube channel. Ms. Martin stated the comments in the video are the student’s own words; everything the Board saw in the testimonials are what the students presented to them – they were not scripted.

Ms. Martin reviewed the current ad schedule; in addition to the print ads that have previously been spoken about – Cox Media has produced the videos for us, and we also have space on the internet. We also have, through the online subscription area of the Sierra Vista Herald, monthly internet ads. In November, we began doing internet and mobile ads with KOLD. From mid-November through mid-December, we had 101,000 impressions, which means the ad popped up onto 100,000 screens. We had 63 clicks; once it popped up on a screen, 63 people actually clicked on it. Based on the information provided to us, we were 120% over the national average. Our ads are doing very well, which shows us it’s working! In another new area, we ran mobile banner ads during the month of December. For two weeks, she geotargeted the Sierra Vista and Douglas campuses, and over the winter break she did the Town of Sierra Vista and the Town of Douglas. In that one month, we got 120,000 impressions, which is just for smart phones. This was very successful, it’s eye-opening, and it gives us a lot of options for very specific targets and campaigns.

Future initiatives include sending direct mail to all juniors and seniors in the county, and increasing digital marketing. We will also do a redesign of the website this year, hoping to launch in December 2016.

Mr. DiPeso inquired if there is a way to track which ads bring in the most students for enrollment. Ms. Martin stated she doesn’t have any data at this point. She is currently trying to formulate the data, and figure out what areas are/are not working. She can then work with

Student Services to develop a survey or a component to inquire how the student heard about Cochise College. She has a separate campaign on Aviation, reaching out to Tucson, where she is doing geotargeting on mobile devices around high schools that have Aviation programs. She can do the same thing in Phoenix. If this proves successful, we can put more money into it and expand on those.

There was discussion around the budget for marketing and the cost of attending Cochise College in comparison to other colleges, as displayed in one of the slides. Mr. Nelson inquired about a scholarship donation for kids coming out of Douglas being restricted funds – he wanted to know what the ratio is between the scholarships for unrestricted funds to restricted funds. Ms. Hoyos stated almost everything they have is restricted - she couldn't provide a percentage.

3. NEW BUSINESS

3.01 Consent Agenda *

The following items were approved:

- 3.01.1 * Classified; Appointment (*Ana Rivera, Department Assistant, Library Services, Douglas Campus*)
- 3.01.2 * Classified; Appointment (*Crystal Wheeler, Executive Administrative Assistant to Vice President for Administrative Affairs*)
- 3.01.3 * Classified; Resignation (*David Garcia, Grounds Technician II, Douglas Campus*)
- 3.01.4 * Classified; Resignation (*Cora Kramm, Maintenance Technician II/Customer Services Assistant, Benson Center*)
- 3.01.5 * Administrative Support; **Retirement** (*Shelli Echave, Director of Administrative Computing, District-wide*)
- 3.01.6 * Administrative Support; Resignation (*Lourdes Estrada, Director of Procurement, District-wide*)
- 3.01.7 * Curriculum Changes
- 3.01.8 * Acceptance of Minutes for December 8, 2015 – Regular Meeting

Mr. Ortega moved and Mrs. Strain seconded a motion to approve the Consent Agenda. There was no further discussion by the Board. The Board unanimously approved. MOTION CARRIED.

LaMont Schiers, Vice President for Administrative Affairs, introduced Crystal Wheeler.

3.02 Resolution – Authorizing the Execution and Delivery of the Sale of Revenue Bonds, Series 2016A; Approving a Continuing Disclosure Undertaking; Delegating Authority to Set Final Terms; Approving the Sale of the Obligations to RBC Capital Markets L.L.C.; and Authorizing the Taking of All Other Actions Necessary to Complete the Transaction Contemplated by this Resolution

Dr. Rottweiler introduced Tim Stratton, Legal Counsel from Gust Rosenfeld, and Nick Dodd and Loren Morales, Bond Counsel, from RBC Capital, who were present to address any questions or concerns the Board may have. Mr. Stratton stated there are two resolutions before the Board this evening that would authorize the college to move forward with two separate transactions, the first being the 'new' money for the construction project that would authorize bonds in the amount of \$8M. The legal documentation would authorize the college to move forward without further Board action, but it does put the responsibility for closing the bond sale with Mr. Schiers and his team, subject to Board Chair signature on the

legal documents at an appropriate point in time. The resolution is required under state law, they have the authority to issue revenue bonds, and would be payable out of the revenues in the district. They would be sold to RBC Capital Markets and the amount would be capped at \$8M.

Mr. Dodd then addressed the Board and provided information on how he is involved in the process, stating they are the intermediary between the college and the investors who have the money and want to invest – they facilitate/broker that transaction. They are heavily regulated; this is a public securities offering (he likened it to an IPO for a private company). These are tax exempt bonds, so it is a fairly regulated process, and he and Mr. Stratton will assist the college through the process. Mr. Nelson inquired how they are paid; Mr. Dodd stated it's a negotiated rate out of the sale of the bonds, and will be finalized prior to the bond sale. There was discussion around bond insurance and credit ratings.

Mr. Nelson moved and Mr. Ortega seconded a motion to approve the resolution to issue Revenue Bonds not to exceed \$8M to assist with the financing of the Downtown Center Renovation Project. There was no further discussion by the Board. The Board unanimously approved. MOTION CARRIED.

3.03 Resolution – Authorizing the Refinancing of Existing Obligations of the District in Order to Achieve Debt Service Savings with the Issuance of Revenue Refunding Bonds, Series 2016B

Mr. Stratton stated this resolution is almost identical to the 'new' money resolution, except that it deals with the refunding opportunity that's presented itself on the outstanding revenue bond and pledged revenue obligation of the district. There are two series of bonds that are outstanding from 2008; one was originally in the principle amount of \$10,595,000 and the other one was \$15M. The amount remaining on each of those, respectively, is \$9.86M and \$9.16M. As part of their analysis, RBC has identified a savings opportunity that exists in so much as the district were to move forward and lock in the historically low interests we're experiencing today, to set up an escrow account in the short term to provide for the payment of those bonds. If the Board approves the action, the savings materialize and we move forward with the transaction, legally what will happen is that the college will issue these 2016 refunding revenue bonds. Bond money from this issue would go into an escrow account, which would be held by a third-party bank for the benefit of the owners of the two bond issues. When the payments on those bonds come due, or the bonds are callable, subject to a mandatory redemption at that point, then the trustee would take care of making the bond payments to those investors. Those investors would be, in essence, wiped out. The new bonds would be outstanding at the low interest rate, and the college would receive the financial benefit of having cut their interest rate payments on those bond issues. Mr. Stratton stated he did want to take some time to go over the resolution and to assure the Board that this resolution just authorizes the college staff to move forward with the refunding plan - if the savings targets are not met, then nothing happens.

Mr. Dodd provided the Board with information on what this means regarding savings to the college. Currently, rates are very favorable. The college is getting close to the call date (the end of 2018), and we'll be able to take the proceeds from the refunding bond, pay off the old bonds to that call date, and replace it with the lower debt service/interest rate savings. Mr. Dodd stated the savings, as currently estimated, is about 6%, which is a completely subjective number. Ultimately, with the Board's approval, Dr. Rottweiler and Mr. Schiers would make the determination whether or not those savings levels are at a level they are comfortable with to do the refinancing. Mr. Dodd is estimating a 3% interest rate on the

'new' money. He added that the college has been very proactive, has gone through the rating process, and we should have confirmation of rating by the end of the week. He is hoping to have qualification with all three bond insurance companies by the end of this week, and look to have the official statement (offering document) printed, hopefully, by the end of next week. We could be in the market as soon as the following week. Dr. Rottweiler stated that part of the reason we've been so aggressive on this is that it appears right after the holidays, there isn't a lot of movement, so the supply-demand looks like it could potentially be in our favor. Mr. Ortega inquired if the rates would be the same on both bonds. Mr. Dodd stated it would be close, but it's slightly different as there is a three year difference in the final maturity.

Mr. Ortega moved and Mr. Nelson seconded a motion to approve the resolution to refinance existing debt service from Series 2008 Revenue Bonds and Pledged Revenue Obligations. There was no further discussion by the Board. The Board unanimously approved. MOTION CARRIED.

4. COMMENTS FROM GOVERNING BOARD MEMBERS

Mr. DiPeso turned the floor over to Governing Board members for comments.

- Mrs. Strain inquired about rescheduling the Refresher on Open Meeting Law. Dr. Rottweiler stated he will make sure this gets done. He asked that Board members inform him of any particular areas they would like Mr. Hanson to address, or, if they would prefer to bypass a year, he would be happy to do that as well. Mrs. Strain stated her concern would be to reschedule the refresher for a time when Mr. Quinn could be in attendance. Dr. Rottweiler stated that, as Mr. Quinn is currently the Chair of Fort Huachuca Accommodation Schools, he has probably been briefed a number of times. Dr. Rottweiler would prefer the refresher not be rescheduled for February as that meeting will be held at the Willcox Center. If the Board is comfortable for a year, that would be fine. There is no state requirement; he just tries to schedule it for the January Board meeting. Mr. Nelson stated that if there hasn't been any changes in the law during the past year, then he doesn't see a need for a refresher. Dr. Rottweiler will speak with Mr. Hanson.
- Mrs. Strain stated she will do a follow-up on the GISS.
- Mr. Ortega stated the Marketing presentation was interesting.
- Mr. Nelson thanked Mr. DiPeso for his service as Board Chair, and he looks forward to being the Chair in the upcoming year.
- Mr. Nelson stated the financial presentation was very good; he appreciated the update. He also enjoyed the Foundation and Marketing presentations.
- Mr. DiPeso stated he enjoyed being the Board Chair for the past two years; it was a great experience. He is sure Mr. Nelson will do a great job and added that he thinks it's a good idea to rotate Chairs to give everyone a chance to have that experience.
- Mr. DiPeso stated it was a good meeting, with good financial, Foundation, and Marketing information.

5. ADJOURNMENT

Mr. DiPeso adjourned the meeting at 8 p.m.

Cochise College Regular Governing Board meeting
Tuesday, January 12, 2016

Respectfully Submitted:

Loretta Mountjoy, Executive Assistant to the President

Mrs. Jane Strain, Secretary of the Governing Board