

## MINUTES

### COCHISE COUNTY COMMUNITY COLLEGE DISTRICT GOVERNING BOARD SPECIAL BUDGET WORK SESSION

Tuesday, April 9, 2019  
Sierra Vista Campus  
5:00 p.m.

#### 1. GENERAL FUNCTIONS

##### 1.01 Call to Order

Mr. Quinn called the meeting to order at 5:00 p.m.

##### **Board Members Present:**

Mr. David DiPeso  
Mr. Don Hudgins  
Mr. Dennis Nelson  
Mr. Tim Quinn

##### **Board Members Absent:**

Mrs. Jane Strain

#### 2. NEW BUSINESS

##### 2.01 Presentation and Discussion of the FY20 Budget

Mr. Quinn began the meeting noting no action would be taken during the work session.

Dr. Rottweiler provided Board members with handouts consisting of the PowerPoint presentation, FY 2019/20 Budget & Expenditure Summary, and the FY20 Preliminary Budget Review – Including Additional Funding Requests. Dr. Rottweiler informed the Board the presentation he would be sharing was presented to employees during Employee Open Forums held on both the Douglas and Sierra Vista Campuses on April 8, 2019, also noting the forums were also recorded.

Dr. Rottweiler stated the FY20 budget discussion for the work session would only include the differences from last year's budget and this year's budget. He also noted the college and college budget are all mission-driven. Budget development decisions were directly out of the college's mission: Providing accessible educational opportunities that are responsive to a diverse population and lead to constructive citizenship, meaningful careers and lifelong learning.

The budget process also followed strategic priorities:

- Competitive Advantages
- Excellence
- "Everything Speaks"

- Student Success/Completion
  - “Change the Numbers”
  - Degree/Certificate Expansion
- Institutional Effectiveness
  - Technology Plan
  - Program Review

Budget principles in the development process:

- Student-Centered
- Data Driven
- Employee Friendly
- Technologically Enhanced
- Future Focused

Budget drivers in the development process:

- Employee Compensation and Benefits
  - Retention, Recruitment, and Adjustments
  - Prop 206 – minimum wage increases
  - Anticipated Changes to Fair Labor Standards Act (FLSA)
- Program Review
  - Development
  - Enhancement
  - Instructional Quality
- “Change the Numbers”
  - Student Access/Recruitment
  - Success/Completion
  - Complete College America/Pathways
- Effective and efficient Organization

Employee Compensation Plan - \$590,000

- Benefited Administrative Staff, Administrative Support, Classified Staff, Faculty (Coaches and Adult Ed), and Professional Staff
  - All eligible staff to receive a 2% increase; decrease from 3.75% last year
    - Combination of base and structure adjustments as determined by employee category/model
- Associate Faculty
  - Increase base rate from \$725 to \$732 per equated unit
- Salary Adjustments (Individual)
  - Minimum Wage Impacts (Prop 206)
    - Minimum Wage by January 1, 2020, needs to be \$12.00 per hour
    - 9% increase will be needed in 2020 to meet min. wage requirement
  - Salary Study and Compression Analysis Adjustments
    - Remove CS04 from Classified Staff schedule and make adjustments to impacted staff
    - Removing Administrative Support (AS05, AS06, and AS07) – four employees will be affected by the adjustment

Employee Benefits - \$60,000

- Health/Dental/Vision Insurance – No changes in medical, dental, or vision premiums
  - Continue to provide \$600/month for medical/dental coverage
  - Continue to provide \$250 (\$125 in September and \$125 in February) towards health savings account for eligible employees

- Minimal benefits changes
  - ER co-pay increases from \$100 to \$250
  - Urgent Care co-pay decrease from \$50 to \$35
  - TeleDoc co-pay after two free visits decreases from \$45 to \$35
- Arizona State Retirement System (ASRS)
  - Retirement rate increase from 11.64% to 11.94% (.3%)
  - Long Term Disability rates to increase from .16% to .17%

Strategic Initiatives – Staffing - \$520,463

- Student worker wage adjustment
- Instructor Art
- Instructor HVAC
- Director Small UAS (partnership with Cochise Technology District (CTED))
- Instructor Welding
- Instructor Medical Assistant/Program Coordinator
- Assistant Dean of Workforce Development
- Grants Manager
- Academic/Career Advisor (Transfer Focus)
- Construction/Project Manager (Anticipated Motorplex .49)
- Director Police Academy/Instructor AJS (move from 9 months to 11 months)
- College Navigator (end of one-time grant funding)
- Director of Agriculture (move from 9 months to 11 months)
- A contract for American Sign Language Services

Strategic Initiatives – Ongoing - \$447,392

- Guaranteed Scholarship Funding
- Automotive Facility Rental Increase
- Customer Relation Management (CRM) Software
- Increase costs to the college
  - Property and Liability Insurance
  - Utilities
  - Food Service
  - Security
- Departmental Budget Increases
  - Police Academy
  - Library Services
  - Student Activities
  - Student Success
  - Enrollment Management

Strategic Initiatives – One-time - \$164,500

- Security Camera Initiative Phase II
- Customer Relation Management (CRM) Software
- Academic Software

Strategic Initiatives – FY18/19 – one-time end of year funds or Auxiliary funds

- Fleet Vehicles (2)
- Technology Services – Banner 9 digital back up and performance assessment
- Automotive Technology - equipment
- Welding – Virtual Reality Welding Machine
- Culinary Arts – Pastry Dish Machine and Blast Chiller

- VR Cart (Library)
- 500 Red Folding Chairs

Strategic Initiatives – Facility Improvements - \$565,000

- Douglas Campus
  - Student Union Remodel
  - 700 Building Remodel
- Sierra Vista Campus
  - Projects pending Master Facilities Site Planning

The total for employee compensation and benefits and all strategic initiatives is \$2,347,355 in addition to what the college has in the budget.

Available resources and revenues:

Savings and Reallocations - \$1,147,787

- Reorganized/Vacant/Reduced Positions
- Reallocation of one-time allocations

Potential **New** Revenue - The 3-Legged Stool

- Tuition and Fees – Board approved a \$3 increase for in-state tuition during its March Board meeting for a potential revenue of \$190,000.
- State Aid – \$268,400 anticipated allocations coming from the state and is based on the Governor's approval of the proposed budget
- Property Taxes – Board statutorily has the authority to request an increase of up to 2% in property taxes; the college would have access to an additional \$452,854; with Board approval during a Truth in Taxation Hearing.
- Revenue Adjustments – (\$40,000) reduced bookstore commissions.

Administration's proposed budget is with the request that the Board approves a property tax increase.

Dr. Rottweiler shared a copy of the Truth in Taxation Hearing Notice of Tax Increase that would be published over the coming weeks. The notice notes the proposed increase would increase property taxes to \$245.16 per \$100,000 of assessed valuation. If the Board chose to do nothing, it would stay at \$240.35. The difference if the Board approves to increase property taxes would be about \$4.81 per \$100,000 of assessed valuation.

The proposed budget summary:

- Potential Resources for Allocation - \$2,347,355
- Proposed Expenditures - \$2,347,355

Proposed Projects from Fund Balance:

- Deferred Maintenance - \$714,000
  - Sierra Vista Campus roofing project – LCC & CTE
  - Downtown Center roofing project
  - Sierra Vista Campus roadways and parking lots
  - Douglas Campus – roadways and parking lots
  - Douglas Campus – Residence Halls HVAC Controls
- Cochise County Scholarship Guarantee - \$200,000; just a holding place; the College has asked the Foundation to fund the scholarship guarantee, but if it is incredibly successful and the college receives more students than the foundation has funds to

cover, the Board funds would be used until the student growth revenue comes back into the college.

- Motorplex – New Construction - TBD

FY2020 Budget Summary:

- Based on College Mission and Strategic Priorities
- Follows Budget Principles
- Conservative projections:
  - Revenue
    - Enrollment (flat)
    - Governor's/Legislative Budget
  - Expenses
- Addresses:
  - Employee Compensation and Benefits
  - Program Development, Enhancement, and Quality
  - The "Change the Numbers" Initiative
- Provides for:
  - Contingencies
  - Growth
  - Opportunities
- Balanced

Dr. Rottweiler concluded with Recommended Actions:

- Approved Tuition Increase at March 12, 2019 Board Meeting
- State Funding Allocation is pending and waiting for approval
- Recommended 2% Property Tax Increase – TNT Hearing on May 14, 2019
- Recommended FY'19 Budget Approval – Special Meeting June 11, 2019
  - Workforce Development Plan (Prop 301)
  - Compensation Plan
  - New, reclassified, and adjusted positions as presented
  - Strategic Initiative Plan

Questions and comments:

Mr. Hudgins asked if state funding were restored, could less property tax be requested. Dr. Rottweiler replied yes, the Board could consider reducing the property tax rate if the state funding was allocated and was ongoing.

Addressing budget requests that were not approved to be included in the FY20 budget, Dr. Rottweiler noted if additional state funding were to be added to the college budget, the additional items would be considered for approval.

Mr. DiPeso led a brief discussion regarding funds for deferred maintenance and the proposed Motorplex. Dr. Rottweiler noted \$625K is budgeted each year in a Board contingency account for emergencies and if those funds are not utilized, they go into the fund balance for deferred maintenance and building of future facilities.

Mr. Quinn led a discussion regarding Equalization funding, in which Dr. Rottweiler explained equalization funding is based on an averaged assessed evaluation for community colleges that have a population under 750,000; additional \$336,900 for Cochise College.

**3. ADJOURNMENT**

Mr. Quinn adjourned the meeting at 5:55 p.m.

Respectfully Submitted:

---

Crystal Wheeler, Executive Assistant to the President

---

Mr. David DiPeso, on behalf of Mrs. Jane Strain, Secretary of the Governing Board