

**BOARD OF SUPERVISORS**  
**GILA COUNTY, ARIZONA**

Date: August 20, 2004

**JOSÉ M. SANCHEZ**  
Chairman

**JOHN F. NELSON**  
Clerk of the Board

**RONALD A. CHRISTENSEN**  
Vice-Chairman

By: Marilyn Brewer  
Deputy Clerk

**CRUZ SALAS**  
Member

Majestic Mountain Inn  
Payson, Arizona

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PRESENT: José M. Sanchez, Chairman; Ronald A. Christensen, Vice-Chairman; Cruz Salas, Member; John F. Nelson, County Manager/Clerk; Steve Besich, Deputy County Manager; Lionel Martinez, Legislative Liaison; Jo Johnson, District Services Coordinator.

PRESENT from Gila County Provisional Community College District: Dr. Peter Kettner, Chairman-District 2; Robert Ashford, Member-District 4; Melvin Van Vorst, Member-District 1; Dorothy Yancy, Member-District 3; and, Dr. Barbara Ganz, President.

OTHERS PRESENT: Michael Pastor and Sylvia Kuras, Gila County Provisional Community College District Board Candidates.

The Gila County Board of Supervisors met with the Gila County Provisional Community College District Board in a Work Session at 10:00 a.m. this date. Because a flag was not available, the Pledge of Allegiance was not given.

Chairman Sanchez asked Vice-Chairman Christensen to chair today's meeting because the meeting location is within Vice-Chairman Christensen's Supervisorial District.

Chairman Christensen asked each person present to introduce themselves for the record.

Steve Besich stated that the purpose of this meeting is to discuss the provisional community college district, the history of how it began, and to speak on some of the symbiosis that has been generated between the Gila County Provisional Community College District Governing Board, hereinafter referred to as "GCPCCD Board", and the Gila County Board of Supervisors, hereinafter referred to as "BOS," and how with this new provisional college district, both Boards have tried to maximize the use of available dollars, avoid duplications and; therefore, direct more dollars going into the classroom instead of to the administrative side. Briefly on the old system, the BOS contracted with Eastern Arizona College (EAC), and EAC provided activities and services. EAC was basically funded with property tax, State aide, fees, tuition, some miscellaneous foundation money and grants. The obligation to the BOS was to levy a secondary tax which started at \$.38 and was around \$.60 in 2001, generating approximately \$2.2 million. In addition, the BOS had to come up with another \$1 million for out-of-county tuition. The legislative reason for having out-of-county tuition was because unorganized districts (Gila, Greenlee, Apache, and Santa Cruz) needed to contribute dollars for their students that were going to other organized community college districts which were being funded by the property tax payers in those counties. This system caused Gila County taxpayers to be taxed twice. The BOS wanted this changed. Santa Cruz County, prior to 6 or 8 years ago, had been working with the State to create a provisional community college district. The premise was that if their taxpayers wanted to vote to have a provisional community college district, there should not be artificial benchmarks that precluded them from doing it. A lot had to do with the total assessed value and the number of people over the age of 15; basically each year that number grows which forced these four counties into a position where they were never going to attain the benchmark data that would allow them to become full-fledged, organized districts. Santa Cruz and Gila County Supervisors began working with the State Community College Board to seek remedies to eliminate some of this

taxation, but the bottom line was if these four counties wanted to eliminate the \$1 million in out-of-county tuition, the counties would need to support a provisional community college district concept in the beginning. In regard to the provisional concept, what Gila County agreed to in order to eliminate this \$1 million out-of-county tuition, was, as follows: 1) Gila County would have to contract with an organized community college district; 2) no degrees or certifications would be given; they would have to come from the contracted district that had the accreditation, 3) there would be no State equalization, which is basically a subsidy to four of the other eleven organized districts that don't meet the qualifications for being a district and, 4) approval by a vote of the people, plus a tax rate. What Gila County would receive in return was the following: 1) the County would be entitled to State aide for capital outlay; 2) the out-of-county tuition would be eliminated; and, 3) the County would receive workforce money which came from a one-eighth of a cent privilege transaction tax passed to provide funds for both K-12 and some of the community colleges, with each receiving \$200,000 plus a percentage based on the FTSE (Full Time Student Equivalency). Mr. Besich stated, *"As all this was coming to form, the State Community College Board was eliminated by the Legislature leaving a void in how community colleges, much less new provisional community college districts, would operate. Gila County was particularly affected because all discussions and transitions, from the old system to the new system, was under the guidance of the State Community College Board. When the void was created, Maricopa Community College District stepped up and tried to get the other counties' work force money and any other federal dollars. A bill was passed and thereby created a combination of the elimination of the State Board, the Board that was created, and the impact that the other organized districts had on the Legislature, which basically took Gila County from knowing what the Board of Supervisors had agreed to, to being squeezed into a corner, with the idea that if squeezed hard enough, Gila County would quietly go away. But Gila County didn't go away and began to question why the State was still taking Gila County's*

*out-of-county tuition which would continue for two more years. For the past year, Gila County officials have continued fighting, beginning with the State Treasurer, the State Board, the Legislature, the Budget Committee, the Attorney General and finally the Governor, where they were advised by the Governor's legal counsel that Gila County was going to have to keep paying this out-of-county tuition totaling \$2 million. Still hoping to prevail through the Attorney General's Office, the Gila County Attorney, along with an outside law firm, crafted a legal opinion to the Arizona Attorney General stating that the out-of-county tuition should have been stopped last June 30, 2003, and that the State also owed Gila County these back funds totaling \$1 million in reimbursement. The Attorney General ruled in Gila County's favor, and as of August 17, 2004, Gila County was supposed to be reimbursed for \$500,000 from the State, along with the State Treasurer putting the other colleges, who received the other \$500,000, on notice that these funds will have to be paid back to Gila County. Gila County administrators, in contact with the Arizona Department of Revenue, now have a schedule for Gila County's reimbursement within 13 months, and are further negotiating on how the other college districts will work out repayment to Gila County. Next year, for the 2005 budget, GCPCCD will be included. For this year, \$325,000 of a direct appropriation will be received." John Nelson explained how, in the State budget, the State formula works for State aide to community colleges. He stated, "There is a base amount each community college gets, and every year on top of that, there is an incremental increase. That incremental increase per FTSE is never as much as the base originally was; it's always cut back. What the State law says is that the GCPCCD will get the FTSE times the incremental dollar value, which is going to put the GCPCCD way down per FTSE from every other community college. The value of a FTSE in the base is about \$1,200, but the incremental funding for this year will be \$927 per FTSE. Mr. Besich will attempt to correct this with the State to try and get the County program started out with a decent base." Mr. Besich stated the GCPCCD Board members as well as the BOS will both need to speak out on this issue. Mr. Nelson stated that the real*

property of the campuses of the community colleges was owned by the State College Board, and when it was disbanded, the real property was transferred to the provisional community college districts; however, for counties with unorganized campuses that had real property, the real property was transferred to that county. The statutes also provide that in the future if a provisional community college district is formed, the real property would be transferred to the provisional community college district. Currently, that transfer has not been made between Gila County and the GCPCCD. The statutes do not say when this must occur; only that it must be done. Mr. Besich stated, *“The real property has remained in Gila County’s name for the simple reason that the properties are included within Gila County’s master insurance pool for property casualty/liability insurance, which costs little to maintain under the County’s insurance coverage. Because they are under Gila County’s insurance pool, every six months a tour of the facilities is conducted to make sure there are no real significant issues. Mr. Nelson and the BOS are placed in the position at times, because of either real or perceived problems with the campuses, where the public contacts them. Because these campuses don’t belong to Gila County, even though they are in Gila County’s name, they are the responsibility of the GCPCCD Board.”* Mr. Nelson advised that he has no authority to do anything when contacted. He solicited a discussion with the GCPCCD Board to determine how future problems will be handled. Some of the questions, answers and items for further discussion were presented as follows:

- **What types of calls does the BOS receive?** Examples given by Mr. Nelson and Mr. Besich were calls in reference to the beautiful foliage at the college campus dying and a neighbor by the college calling because the gates at the Globe campus don’t close causing concern about motor-bike riding around the campus, as well as opportunities for vandalism.
- **Could a Memorandum of Understanding be written listing responsibilities of the GCPCCD Governing Board, without raising the**

**issue of ownership?** The County Administrators were not sure this could be done.

- **If the campuses were transferred to the GCPCCD Board, what would be the difference as far as costs?** Mr. Nelson stated because the County is in a self-insurance pool and is rated and pays for coverage based on its experience, adding these facilities doesn't do a lot to affect the County's experience, so the County premiums went up very little when adding these new buildings. However, if the GCPCCD Board were to take over ownership and purchase property casualty/liability insurance, it would be a significant cost. Another benefit in this relationship is if the County transfers the buildings to the GCPCCD, the maintenance personnel employed at the campuses would also have to be transferred, as well as the President and administrative staff. At that time, the GCPCCD Board would be in the position of having to develop its own payroll and finances, which the County currently handles; further, the GCPCCD Governing Board would have to purchase its own employee benefits, which for a small group, would increase the price.
- **If something happened at the college, would Gila County be liable?** Mr. Nelson stated that the County insurance pool would step in and defend or pay the claim. Some of the GCPCCD Board members commented that they saw no downside to this relationship, but rather an advantage to the college.
- Chairman Christensen suggested the possibility of the two Boards establishing a policy structure or protocol for how complaints should be addressed, so that the governing boards know the procedure that should be followed. If there was an assignment made as to who would handle a situation in a particular structure, then that assigned person could deal with the problem. Mr. Nelson stated that when constituents contact Board members, they want to speak to the person they voted for; they don't want to be referred to someone else. Mr. Nelson stated what needs to be focused on

is how this relationship between the Boards can handle issues in the least expensive but most effective manner for the taxpayer.

- Mr. Besich stated, *“Another important factor is that this provisional language sunsets in 2009. If this is not workable, the Legislature could just let it sunset and it would revert back to it being the responsibility of the Gila County BOS, requiring another election to pass a secondary tax and to move the taxes back from the primary side, creating many legal questions, and if the BOS was interested in maintaining those campuses, they would have to contract with a college and everything would revert. In the revision the BOS would need to get some type of language stating that Gila County has a tax rate and tax support, and the County is not going to pay out-of-county tuition again.”*
- Mr. Besich asked Mr. Nelson if it would be possible, since GCPCCD is a special taxing district and the BOS is a public entity, to accomplish some of these rules and responsibilities by entering into an Intergovernmental Agreement (IGA) that doesn’t fix the tax rate or budgets? Mr. Nelson stated that the responsibility for maintenance calls could be assigned to a designated person. He further stated that the BOS will not charge the GCPCCD to lease the buildings, with the provision that the GCPCCD not make any changes over \$5,000 without notifying the BOS. Chairman Christensen stated, *“There are many ways this could be accomplished by either committees being formed or assignments given that would address those particular issues as to how things should be structured. This present BOS could make a commitment to this structure; however, the present BOS can’t commit future Board actions.”* He advised that the two current Boards need to join in this effort, and new Board members must go through an orientation to explain current procedures that are in place. Mr. Besich advised that some of the issues currently being discussed should involve candidates for both Boards.
- Mr. Besich advised that some GCPCCD personnel and GCPCCD Board members feel that an assessment of the community is needed to determine

the public's expectations of the Gila County Provisional Community College District.

- Mr. Besich stated that another critical step is for the new GCPCCD Governing Board to create a good working relationship not only with the BOS, but with contracting entities such as the Pima County Community College District Governing Board and those Pima County Community College District staff members contracted to work on the campuses. He advised that a face-to-face meeting between elected officials provides an even greater opportunity to resolve issues and to develop trust and understanding.
  - Supervisor Salas stated there needs to be a memorandum of understanding outlining the relationships and responsibilities of the respective Boards. The community college district that contracts with the County must also be apprised of the relationship between the two Boards. He advised that once that is established, a protocol and procedures pertaining to the handling of complaint calls, etc. can be put into place.
  - Lionel Martinez stated that he strongly recommends that each Board member read the Arizona Revised Statutes pertaining to community college boards, beginning at Title 15, Chapter 12, Article 1, § 15-1401 through § 15-1491. (They Arizona Revised Statutes are available on the internet at <http://www.keytlaw.com/az/ars.htm> or at the State of Arizona website at <http://www.azleg.state.az.us/ArizonaRevisedStatutes.asp?Title=15>).
- Chairman Christensen stated that it is during the orientation process that Board members should become aware of obligations with respect to the law and the subsequent penalties of not following the law. He suggested that the person conducting the orientation should be someone who is well-versed in the applicable statutes.
- **Should orientation sessions be coming from the County School Superintendent's Office, or would it be the GCPCCD President's responsibility?** Mr. Besich advised there are a few professionals that could conduct the orientation sessions, one being Tim Delaney, who is an ex-Chief

Deputy Attorney General. He advised that Mr. Delaney is very knowledgeable of the Open Meeting Law, ethics, conflicts of interests, etc. and he would conduct the orientation for a nominal fee.

- **Whose responsibility it is to schedule these orientations; should it be the Board or Chairman of the Board who can delegate these duties to the President or somebody else?** Mr. Martinez stated: *“It is not the responsibility of the BOS; the GCPCCD is an entity unto itself, so the GCPCCD Board has a lot of authority as well as responsibility.”* Chairman Christensen stated that because the Gila County School Superintendent’s Office is in charge of the elective process for the schools and college districts, perhaps a contact might be processed through Armida Bittner, Gila County School Superintendent, to ensure that those functions are carried out.
- **Who is the attorney for the GCPCCD?** Chairman Christensen stated that the Gila County Attorney is the designated attorney for the GCPCCD. Mr. Van Vorst stated that Open Meeting Law and ethics training was provided to the Library Board in Pine by the Gila County Attorney’s Office.
- **If the GCPCCD Board were to hire someone to give them an orientation session on the Open Meeting Law, ethics, etc., are there other topics that new board members should be informed? Also, is there a place where the GCPCCD Board could obtain a full curriculum of required training such as that given by the Arizona School Boards’ Association to public school board members?** Ms. Yancy stated that because this Board is a provisional community college district board, the GCPCCD Board cannot belong to the Arizona State Association of Community Colleges. As a provisional community college district, there are no resources for this type of board. Mr. Besich stated that the GCPCCD Board could be trained through other sources for a lot less than the \$38,000 yearly membership fee to the State Association of Community Colleges. Barbara Ganz stated some training has been made available by the County Attorney’s Office, so there is a packet of information available on what was presented at a previous

GCPCCD Board meeting. Ms. Ganz further stated the State Association of Community College Trustees would not conduct training as an organization, but perhaps one Board member from another community college might be willing to talk to the Board members from Gila County. She advised that current GCPCCD Board members are also members of the National Organization for Community College Trustees and Board Members and training is available on their website. Training could also be provided by consultants and Ms. Ganz stated that another source for training is through national and regional conferences.

Mr. Besich referred to criticism given of the Gila County BOS for the difference between the provisional community college and the relationship with EAC, with the number one issue being the 55-years-of-age-and-over, free tuition classes no longer being offered. He stated: *“These classes were never ‘free.’ The property owners of Gila County were subsidizing those ‘free’ classes at the expense of the property tax payer and the State of Arizona, which was funding Sate aide and State aide per capital outlay. When we explained this to the Pima County Community College District, they advised what you want us to do is ‘unethical at best, and at worst it’s fraudulent.’ We’re not going to do it, and if you’re insisting on an arrangement like this, the Pima County Community College District is not going to contract with you. If you want to provide these types of services and activities, Pima will provide them for a fee. It can’t be done the other way because there is no benchmark for achievement. You’re enrolling students in the same class year after year, semester after semester, and in some cases five and six years in the same class, and these students never get a transcript or a grade because they are being dropped as soon as they are counted for FTSE, and then charging the County. This has been explained to the public for years that it never was free, and the new Board is going to have to understand that nothing is free.”*

In addressing agenda item 3, Mr. Besich stated it was intended that Marian Sheppard, Chief Deputy Clerk, would present the functions of the

Governing Board with regard to meetings, agendas and records retention. He advised that Ms. Sheppard is on vacation, and he suggested that if anyone has questions on any of the above-mentioned subjects, Ms. Sheppard can be contacted at (928) 402-8757 or Marilyn Brewer, Deputy Clerk, at (928) 402-8726. Mr. Besich suggested that someone on the GCPCCD staff should be responsible for working with Ms. Ganz on the issuance of meeting agendas, establishing a records retention and destruction schedule, etc. The question was asked if there is any organized training program that a staff member could attend or should the BOS Clerk be called when questions arise? Mr. Besich suggested that the GCPCCD staff meet in a half day session with Ms. Sheppard and Ms. Brewer to become familiar with State laws and requirements.

Chairman Christensen briefly recessed the meeting. The Board reconvened at 11:33 a.m.

Steve Besich spoke about quorums of the Board, particularly at functions other than meetings conducted by the Board. He stated that when more than two Board members are meeting over coffee, technically, the Open Meeting Law is being violated. He cited another example whereby a quorum of the Board meets after a meeting for refreshments, even if Board business isn't being discussed.

John Nelson addressed the items on budgets, tax rates and tax levies. He explained that the assessed value is the value of all property within the district, which for GCPCCD would include all of the property within Gila County. The tax levy is the total dollars that the college district needs to collect, which is determined by the elected College Board and is \$2.3 million for the GCPCCD's 2004-05 fiscal year budget. The tax rate is the tax levy divided by the assessed value. If, for instance, the tax levy is the same and the assessed value is reduced by half in a given year, the property tax rate would double. When looking at rules and regulations in law, if there will be an increase in taxes, it is not referring to the tax rate, but to the tax levy. Mr. Nelson advised that when the GCPCCD Board is looking at taxes, by policy the

Board should focus on the tax levy, which is determined by the elected Board. Every Board has a maximum amount that it can levy. That levy, from zero up to the established maximum, is at the total discretion of the Board. The GCPCCD Board has set its tentative annual budget which must be publicly noticed in the official County newspaper for two consecutive weeks prior to the meeting in which the budget will be adopted. Once the annual budget amount has been adopted, the amount may never be increased from the total budgeted amount. If the tax levy is being increased (not the tax rate), a second hearing notice must be published in the official County newspaper for two consecutive weeks prior to the hearing, which is called the Truth-In-Taxation Hearing Notice of Tax Increase. These two hearings can be held at the same Board meeting. This Truth-In-Taxation Notice must also be published as a one-quarter page newspaper ad. If the GCPCCD Board doesn't advertise this increase, then the amount of the increased levy must be set aside. Another important issue is that the GCPCCD Board has an expenditure limitation, which is how much money may be budgeted/spent per FTSE that comes into the system. Mr. Nelson advised that in a meeting with the State, the expenditure limitation was set for the start of the year; however, the GCPCCD Board will have an expenditure limitation problem for the end of the year. A 600 FTSE was used, but the budget is built on a 300 FTSE. The 600 FTSE was needed to cover the expenditure limitation, which gave the GCPCCD Board budget authority. At the end of the year, the Auditor General will inquire as to how much FTSE the GCPCCD had, and what the expenditure limitation was per FTSE. The GCPCCD Board will be in violation of the expenditure limitation law, if the Board has exceeded that amount. Mr. Nelson stated, *"The way things are going the GCPCCD Board will probably exceed that, which means expenditures will have to be reduced for next year, which will create a further problem. Gila County will continue to lobby the State Legislature to get this changed because provisional community college districts are not funded like a regular community college district."* The question was asked if the Board would

ever be able to increase the tax levy. Mr. Nelson replied that the Board has approved a \$4.3 million tax levy, and that amount increases every year by two percent, plus the amount of new construction in the County. He stated, *“It will go up each year, and the expenditure limitation will increase each year by the number of FTSE you increase, plus inflation.”*

Mr. Nelson addressed internal controls for small organizations. He advised that under the current contract with the GCPCCD Board, Gila County is charging the GCPCCD for the cost of employees that work for the GCPCCD, plus a ten percent administrative fee, and the balance of one-twelfth of the estimated taxes are transmitted to the GCPCCD to pay the other bills. Mr. Nelson stated, *“Many times in small organizations, there are internal control problems. The GCPCCD Board, with your fiduciary responsibilities, as well as the President, needs to be concerned with having proper internal controls. You need to have your policies, procedures, dual signatures, and everything else that goes along with that. If you don’t have these internal controls in place, you will have problems with the Auditor General, as well as a huge potential for public embarrassment.”* Some of the questions, answers and items for further discussion were presented as follows:

- **What is meant by internal controls?** Mr. Nelson stated that in defining internal controls, no one person should have access to funds or assets; there should be two responsible people required for the use or disposal of assets or funds.
- **Should there be a system for tracking funds?** Mr. Nelson stated there should be a system which is accomplished by having policies and procedures for expending funds and to ensure that they are expended for the purposes intended. In the Gila County system, dual signatures are required for all County warrants, and the same person who reconciles the accounts does not have access to the check stock.
- **Wouldn’t it be fitting, since the County is already doing the payroll for GCPCCD, that they also retain those funds and pay the GCPCCD’s**

**warrants out of the County checking account, and GCPCCD could have two signatures required for approval of payment and then send those warrants to Gila County, as it would prevent GCPCCD from having to add additional staff or risk a substandard audit?** John Nelson stated it could certainly be done, and he would look to the BOS for direction.

Chairman Christensen stated that having a purchase order system with a paper trail is important because there is always the opportunity for people to abuse the system, so there must be a structure in place.

- **As far as acquisition, what is the limit set for receiving bids?** Mr. Nelson stated if it is for non-professional services and over \$25,000, it has to go out for sealed bid. If it's over \$10,000, it takes three written quotes, and if it's from \$5,000 up to \$10,000, it needs three verbal quotes, and under that it's at the discretion of the authorized person. In the County procedure, any purchase over \$5,000 requires a purchase order.
- **What is the procedure between the Gila County BOS and the GCPCCD Board for disbursing the college funds?** Mr. Nelson stated in the existing contract, all funds generated by the GCPCCD come to the County Treasurer. Gila County collects for the cost of the payroll for GCPCCD employees, as well as a 10% administrative fee, and the balance of one-twelfth of the estimated taxes is transmitted to the GCPCCD Board for payment of the college's expenses such as the Pima contract, utility bills, etc.
- **How are the mechanics of this handled; does the college (GCPCCD) submit a purchase order to Gila County or does the college (GCPCCD) handle all this themselves?** John Nelson stated that once the County collects for the costs of the payroll plus the 10% administrative fee, the remaining funds are transmitted to the GCPCCD, and the County is out and has no more involvement.
- **Mr. Martinez stated that the funding account that GCPCCD currently has will require a separate audit because it's out of Gila County, and he questioned if this checking account is a sole signature account.** Barbara

Ganz stated because there are only a few employees, one person prepares the documentation and writes the check, a second person signs the check, and a third person, Misty Albertsen, distributes the check or puts it in the mail.

- **Mr. Besich asked who actually approves the invoice for payment.** Ms. Ganz replied that she approves the invoices, then Virginia Baer does the documentation and writes the check. Checks are signed only by Ms. Ganz.

**Mr. Besich asked if the Governing Board reviews the invoices.** Barbara Ganz replied “no,” but said they had been talking about having a Board member provide the second signature on the checks. She questioned whether that person would be covered by liability insurance for any errors and omissions. Mr. Besich stated that when any funds are run outside of the Gila County’s Treasurer’s Office, there is a risk factor.

- **It was asked why the GCPCCD Board doesn’t approve invoices and expenditures similar to the school districts’ systems.** Ms. Ganz said that is being considered. Ms. Ganz advised that she has been in contact with the Auditor General’s Office, and with their assistance, this financial system is being created. She reiterated that GCPCCD Board review could be incorporated into the policy. Mr. Ashford stated: *“I still feel because of the small staff we have and for the liability involved, that all the monies be left with the County for dispersal. Invoices should be approved by Barbara Ganz and also be approved by one or two of the Board members, I would suspect two (Board members), before some type of warrant is prepared to send to the County for payment.”* Mr. Besich advised that another benefit of channeling monies through the Gila County Treasurer is because County taxes come in twice a year, and the current BOS is willing to “float” the GCPCCD’s tax flow. He stated, *“With these accounts on the outside, Virginia Baer and Ms. Ganz have to wait until cash is actually on hand to pay the bills.”* Mr. Besich suggested that the GCPCCD Board create a subcommittee consisting of two Board members, one Supervisor and Mr. Nelson to develop procedures so

that everyone knows how the GCPCCD Board is going to do business and the cost of doing that business.

Chairman Christensen recessed the meeting at 12:10 p.m. for lunch. The meeting reconvened at 1:22 p.m.

Mr. Martinez spoke on the agenda item "Where Do We Go from Here?" Mr. Martinez provided some recommendations for the GCPCCD Governing Board to consider. He first recommended conducting a feasibility study to give the Board some specific direction in terms of becoming an accredited community college, costs of same, and some insight into what the populous of Gila County is looking for in terms of education. He stated, *"Even though money is tight, with the sunset in 2009, the strongest position the GCPCCD can be in is to have more students taking classes, and the feasibility study should provide a good road map. Another recommendation is to create partnerships and opportunities. We need to be reminded that Pima Community College District does not need us; we need them. They are the only ones that stepped forward and worked with the County to develop a contract to provide educational services. At times that relationship has been tenuous. The current contract with Pima is a one-year contract with four yearly extensions, and either party may end the contract with a ninety-day notice. The relationship with Pima needs to be strengthened so that each year that contract process is seamless."* It was asked who should be the party to strengthen the relationship with Pima; is this a role for the GCPCCD Board? Mr. Martinez stated he believes it is a responsibility of the GCPCCD Board, with either or both Boards meeting, or Chairman meeting with Chairman. Supervisor Sanchez asked what the current negotiated contract figure is with the Pima County Community College District? Barbara Ganz replied, *"There are two parts to the contract: 1) a fixed price, and 2) a variable component which is based on the amount of tuition that is paid from students in Gila County to Pima for their classes, so it depends on the number of students registered each semester, and the amount of money paid for adjunct faculty, and it is hoped those two will offset each other. A ballpark figure is \$1.3 million."*

*There is a section in the contract on prorating fees for adjunct faculty, whereby the adjunct faculties' salary is prorated for classes that have fewer than 17 students.*" Ms. Ganz also spoke on a new partnership with the Rio Salado College to provide a nursing program through GCPCCD. She advised that all of the nursing courses will be conducted on-line. She further advised that the clinical and hands-on experience will be given at the three hospitals in Gila County, and the portion of the program that GCPCCD will provide is all of the prerequisite courses. Mr. Martinez also encouraged the GCPCCD Board to develop a strategic plan, a vision statement, a mission statement, and then set goals and objectives. She stated, *"This gives the community and the President the direction the Board wants to go. The feasibility study will help develop the vision and mission statements and in setting goals."* Ms. Ganz advised that a vision and mission statement already exist, but a community assessment needs to be done, and she advised that a research person is needed in order for this effort to be accomplished.

Moving on to current problem areas, Mr. Martinez stated that some of the problems are as follows: 1) the perception that GCPCCD doesn't care nor do they offer good programs; 2) GCPCCD needs to look at renting or buying facilities to run the fitness programs that would generate FTSE; 3) GCPCCD needs to have a positive presence in the community to offset those negative groups. He advised that some of these items are already being addressed by the GCPCCD staff and Board. Mr. Besich suggested developing a partnership with someone who could bring more students into the college or hire the right person as an employee, perhaps on a one-year contract. Chairman Christensen asked if the college hired their own person, how this would affect the expenditure limitation. Mr. Nelson stated when Gila County passed the provisional community college district, of the \$1 million dollar out-of-county tuition savings, \$250,000 per year for the first four years was committed to the GCPCCD. He stated, *"There is \$500,000 available that has been appropriated by the BOS for community college issues, and as the GCPCCD Board sees fit to*

*hire personnel, or whatever the Board chooses to do with these funds, as long as the County has legal authority to spend money in that area, it would be outside the expenditure limitation.”* Mr. Sanchez stated that he believes it would be a big plus to the GCPCCD to reopen the Wellness Center. Ms. Ganz believes that two primary targets for remediation should be the Wellness Center, as well as the Occupational Center in Miami, Arizona. Robert Ashford suggested instead of buying equipment for the Wellness Center, perhaps the Board should look at a lease or lease/purchase agreement for a 5-year period. There was discussion on possibly developing partnerships with other health centers, or perhaps utilizing senior centers for senior programs. Mr. Besich stated, *“We need to assess the communities to determine what they need, and then we can figure out ways to finance it, but we need to develop what the community will support.”* Ms. Ganz stated she has started working on the feasibility study and she would like to see if at some future time the GCPCCD could become a fully organized community college. She stated, *“If that is not feasible we need to know that, so when 2009 rolls around, we’ll have some options and know the direction in which to go.”* Chairman Christensen stated, *“In the 16 years I’ve been involved, every time Gila County approached the population that would qualify us, the Legislature would change the law, so if the goal is to pursue a fully organized college, a lot of work at the Legislature will need to be done in order to change the system for Gila County.”* Mr. Martinez commented that perhaps part of the vision statement should address becoming a fully accredited community college. Dr. Kettner advised that a feasibility study is very critical at this point. Supervisor Salas questioned Ms. Ganz as to whether or not Gila County has the population and the students to support a community college district. He stated that many members of the community feel the County doesn’t, and he doesn’t know how to answer those people. Ms. Ganz stated, *“In looking at graduation rates the way they are calculated in Arizona, meaning who starts in the freshman year and who ends in the senior year, it is not just calculated on who graduates, so if you look at Gila County, we have the lowest graduation rates*

*in the State of Arizona, and that is a very important statistic when you're speaking about supporting a community college.... We need to do something in partnership with K-12 to change that and to address the drop-out rate; however, we need to look at the typical population of the community college as not just high school graduates immediately out of high school that are 18-20 years old. A typical community college student is from about 16 to 75 years or older. So if you're talking about that specific population, Gila County does have the population to support a community college. But there needs to be specific workforce programs and programs that respond to the businesses and industries of our community."* Mr. Besich stated: *"If we have declining enrollments in the southern end of the County, declining graduation rates and increasing pregnancy rates causing drop-out rates, we don't have the students. Until we do this detailed fiscal analysis and tie all the pieces together, we're just kind of reaching here and there."* Mr. Pastor stated, *"With 7-8 high schools in Gila County, the students are there, but no one at the college is doing any recruiting."* He advised that dual-credit college courses used to be offered in conjunction with the high school and he suggested making a concerted effort to recruit students. Ms. Ganz advised that the GCPCCD needs to recruit staff members that possess a master's degree, as well as receive support from the Superintendents at the schools.

In other issues of mutual concern, Mr. Besich stated, *"This year and next year are going to be critical, because there are people actively organizing to torpedo equalization. There's a strong push not to form a community college, and there's an attempt to get rid of the four provisional districts. As the strategic planning and some fiscal analysis are done, the Boards need to add in some scenarios."* Chairman Christensen stated that the Boards need to evaluate and pursue better options because there is not "quick fix". He stated, *"The more pressure we put on, the better advantage it will be to us, as fast as we can, and we need to seek some alliances for support because we're looking at a legislature that's basically made up from Maricopa County."* Mr. Besich stated that in the

near future, options will be presented to both Boards and he cautioned that the pros and cons of each option must be carefully considered. Supervisor Sanchez asked about “Friends of the Foundation.” Ms. Ganz replied that the Friends of the Foundation are a 501C non-profit organization that is an arm of the college that can raise money for scholarships and advocate for positive things for the college and community.

Chairman Christensen briefly recessed the meeting. He reconvened the meeting at 2:40 p.m.

In deciding an agenda for the next meeting, Mr. Besich recommended the following items:

- Draft an MOU or IGA;
- prepare questions for the fiscal analysis;
- locate an individual who handles the community assessment tools; and
- discuss global options.

Supervisor Salas stated he feels the GCPCCD Board should meet first and discuss all the options and ideas expressed at this meeting. He advised that the core staff group (Mr. Besich, Mr. Martinez, Mr. Nelson, Ms Ganz and Dr. Kettner) could do the leg work, and Ms. Ganz could have today’s presentation sheets reduced and printed and given to the GCPCCD Board to see if it is interested in some of the proposed options. Supervisor Salas stated, *“With regard to the finances, the GCPCCD Board was given an option for help from the County. Now that the GCPCCD has a budget, the GCPCCD Board needs a structure, and I am not sure the GCPCCD is properly set up to manage that budget, so that needs to be accomplished as soon as possible, in order to approve invoices for payment, and to determine what the County’s role will be.”* Dr. Kettner agreed with Supervisor Salas’s concerns regarding financial issues; however, he added that the facilities issue and personnel issues also need to be addressed so that a framework exists. Mr. Besich requested that as suggestions or questions arise over the next month, the GCPCCD Board should

funnel its questions/concerns to Ms. Ganz. He further advised that any BOS questions/concerns should be submitted to Mr. Nelson, Mr. Martinez or him.

Another work session with both Boards was tentatively scheduled for September 14, 2004, at 2:00 p.m. at the Gila County BOS Auditorium, Globe, Arizona. The GCPCCD Board tentatively set a work session for September 2, 2004, at 9:00 a.m. in Payson, Arizona.

As a County Attorney did not attend today's meeting, an executive session was not held.

There being no further business, the meeting was adjourned at 2:55 p.m.

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Ronald Christensen, Acting Chairman

ATTEST:

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John F. Nelson, County Manager/Clerk