



SANTA CRUZ COUNTY PROVISIONAL COMMUNITY COLLEGE DISTRICT GOVERNING BOARD

SPECIAL Board Meeting Minutes

TUESDAY, APRIL 19, 2022
Santa Cruz Center Board Room
2021 North Grand Avenue
Nogales, AZ 85621

1. OPENING ITEMS

A. Call to Order:

Chairperson Marcelino Varona, Jr., called a Special Public Board Meeting of the Santa Cruz County Provisional Community College District Governing Board to order on Tuesday, April 19, 2022, at 4:00 p.m.

Pledge of Allegiance:

Mr. Roush led the Pledge of Allegiance.

Roll Call / In Attendance:

Present at the meeting were – Dr. Marcelino Varona, Jr.-Chairperson, Mr. John Fanning- Vice Board Member, Dr. Angela Meixell- Board Member, Ms. Liz Collier- Board Member, Mr. Greg Lucero- Board, Mrs. Georgina Tavera- Finance Manager, Mr. Bryan Nelson, and Mr. Ted Roush. Attorney Mr. David Pauole joined virtually.

B. Adoption of the Agenda:

Chairperson Varona entertained a motion to adopt the agenda of Tuesday, April 19, 2022, SCCPCCD Special Governing Board Meeting Agenda as recommended and presented. Dr. Meixell motioned to adopt the agenda as presented, seconded by Ms. Collier. Motion carried unanimously, 5-0.

<i>NAME</i>	<i>AYE</i>	<i>NAY</i>	<i>ABSTAIN</i>
Dr. Marcelino Varona, Jr.	X		
Mr. John Fanning	X		
Dr. Angela Meixell	X		
Ms. Liz Collier	X		
Mr. Greg Lucero	X		

C. Public Comment – Call to Audience

a. There was no call to the public.

2. STANDING REPORTS AND ACTION ITEMS

A. FY22-23 Budget

SCCPCCD Finance Manager provided a review and update of the proposed FY22-23 Budget

- Mrs. Tavera provided two sets of budget agendas;
- The first draft she presented included the property tax levy calculated with the county, the miscellaneous income forecasted 10% above from last year, and also the Pima IGA showing \$1,164,840 (Mr. Roush will discuss later);

- The Salaries and Benefits section did not change; Mrs. Tavera reviewed the sections saying that the vendor for the copier was approved by the Board, decreasing the cost; the IT upgrades were not included in this presentation (\$186,000). In the marketing area, it was analyzed by Ms. Collier (\$6,000); the lease was presented in the amount of \$328,428, increasing \$7,000 from last fiscal year; the building maintenance and repairs also increased to \$15,000;
- The expenditure limitation presented was \$1,175,815, (5-year average);
- Mr. Lucero asked about the lease; Mrs. Tavera said the auditors said donations could be accepted and carried over if not used;
- Chairperson Varona also asked about the expenditure limitations;
- Ms. Collier is planning to meet with Mr. Panousopoulos;
- Mrs. Tavera informed the Board about Mr. Roush meeting with other consulting services;
- Ms. Collier suggested going back and getting some sort of relief; she also asked how long was the voters process;
- Mr. Roush said that due to the current audit taking place, some of the numbers have not said what kind of carryover we might access; he said that something to consider was to re-characterize adding it would take a great deal of effort but could be worth the effort. Mr. Roush said expenses could be dropped and mentioned that last year to keep PCC at the staffing level, they cut \$300,000 but still did not get them where they needed to be; he suggested to fully explore what the auditors are doing now. He added that they had met with the lobbyist saying they had attached an addition to the bill to provide expenditure limitation relief; he explained that a community college district that exceeds its expenditure limitation without authorization will have an amount of its State aid withheld based on the percentage of the excess expenditure. He suggested using the formulas that it would not exceed 1% of the annual budget; at this time, we do not know if this is going to pass;
- Mr. Roush said the other path was the idea to reset the base number as Pima did; he added that the path you do not want is to consider becoming a tuition financial district and getting under the county's expenditure limitations (but had to look at all options);
- Open discussion took place;
- Ms. Collier asked about the "re-set" for the November ballot; she asked Attorney Pauole what the laws were about going back and resetting the expenditure limits; Mr. Pauole said it varied by county and suggested reaching out to the county elective officials;
- Chairperson Varona said this needed to get done before August 2nd; Mr. Lucero asked which ballot it should be under;
- Dr. Meixell said if Pima took over, it would be the same situation;
- Mr. Roush shared a scenario that if this entity disappeared and Pima took over with the amount of FTSE getting right now, it would push Pima over the expenditure limitation to try to cover this, therefore be a compelling argument to provide educational services to the students currently here;
- Ms. Collier said the message going out says taxes will not be increased and that this is money in the bank, asking permission to allow us to spend our own tax dollars;

- Mr. Pauole said it was Statute RS15-1471, saying this issue could be done in November (the first Tuesday after the first Monday in November); Chairperson Varona asked Mr. Pauole how much time he needed to get this together;
- Mr. Roush said if it did not pass, we could not proceed with the hiring process until the funding was secured and be a July topic. Mr. Roush said what was being suggested was to proceed with the budget that PCC has identified and move forward with that and have a budget, ready to be approved if necessary; he added that there could be other penalties due to exceeding expenditure limitations;
- Chairperson Varona said that the direction given to Mrs. Tavera was to develop a budget brought to the Board for approval that takes in the high end of the budget, and will approve it, pending the state legislature, which could happen before; approve the budget or wait for the November election. He will also contact Jennifer at the County and ask about the election process;
- Mr. Fanning provided the following recap:
 - Looking at the legislation
 - Going to the voters in November
 - Looking at adjusting our lease
 - Reduction of the Pima budget
 - Waiting on auditors about carryover
- Mrs. Tavera suggested meeting on the 2nd Tuesday on June 14th for the budget adoption; Chairperson Varona concurred and added to have the regular meeting after that week;
- Mr. Lucero also asked to keep in mind the election dates and the ballot language;
- Mr. Pauole clarified that by statute, there were two different things that could be done with the expenditure limitation: (1) Simply authorizing expenditures in excess of the limit of a period no less than two years but no more than seven years, going into effect in the fiscal year immediately following elections; and (2) Make a permanent change in the base limit that used to determine that expenditure limitation, this needs to be approved by the voters. He asked which one were they thinking of doing;
- It was agreed by Mr. Roush and everyone else that the second option would be the best option; he suggested resetting to 110 – 120 FTSE;
- Chairperson Varona asked for Mr. Pauole's guidance; Mr. Pauole said that we needed to provide the voters with the current base limit that is being used, the proposed base limit, the increase in the expenditure limitation capacity that would be generated by the change in the base limit, and also include a rationale for the requested change;
- Mr. Roush provided the rationale;
- Chairperson Varona will gather the information from the county and may have to call for a special board meeting to approve all of the ballot information, possibly next week;
- Mr. Pauole stated that the first step was to get a resolution by the board with a vote of 4 out of 5 to approve this resolution;
- Chairperson Varona asked Mr. Pauole to start preparing the resolution and he will meet with the county and call a special meeting
- Mr. Pauole repeated the four pieces of information needed for the resolution:
 - Current base limit
 - Proposed base limit

- Increase in the expenditure limitation capacity that would be generated by the change
- Rationale be put before the voters
- Mr. Roush will meet with Mrs. Tavera to go over the numbers;
- All Board Members concurred;

B. FY22-23 Expenditure Limitation Updates/PCC Budget Segment

- This section was discussed during the above item.

3. EXECUTIVE SESSION ITEMS

- a. Nothing was addressed.

4. ADJOURNMENT

Mr. Fanning motioned to adjourn the Special Board Meeting of April 19, 2022, seconded by Ms. Collier. Motion carried unanimously, 5-0.

<i>NAME</i>	<i>AYE</i>	<i>NAY</i>	<i>ABSTAIN</i>
Dr. Marcelino Varona, Jr.	X		
Mr. John Fanning	X		
Dr. Angela Meixell	X		
Ms. Liz Collier	X		
Mr. Greg Lucero	X		

Having no further business to discuss, Chairperson Varona adjourned the meeting at approximately 5:01 p.m.

Minutes presented respectfully by:

Ms. Liz Collier
SCCPCCD Board Member