

**SANTA CRUZ COUNTY
PROVISIONAL COMMUNITY COLLEGE DISTRICT (SCCPCCD)
GOVERNING BOARD**

**Regular Board Meeting Minutes
WEDNESDAY, SEPTEMBER 25, 2024**


2021 North Grand Avenue
Nogales, AZ 85621

1. OPENING ITEMS

A. Call to Order:

Chairperson Collier called a Public Board Meeting of the Santa Cruz County Provisional Community College District (SCCPCCD) Board to order on Wednesday, September 25, 2024 at 3:00 p.m.

Pledge of Allegiance:

Mrs. Tavera led the Pledge of Allegiance.

Roll Call / In Attendance:

Present at the meeting were Ms. Liz Collier- Chairperson, Dr. Angela Meixell- Board Member, Mr. John Fanning- Board Member (joined virtually), Mrs. Georgina Tavera- Finance Manager, Dr. Morgan Phillips, and Mr. Greg Lucero. Mr. Pauole, District Attorney, joined virtually and Dr. Marcelino Varona, Board member, was excused.

B. Adoption of the Agenda

Dr. Meixell motioned to approve the agenda of the Regular Board meeting of Wednesday, September 25th as presented. Mr. Fanning seconded motion. Motion carried unanimously, 3-0.

	Ms. Liz Collier	Dr. Marcelino Varona	Dr. Angela Meixell	Mr. John Fanning
AYE	X	Excused Absence	X	X
NAY				
ABSTAIN				

C. Public Comment – Call to Audience

There was no Call to the Public.

Chairperson Collier changed the order of actions items, moving Dr. Bea and Auditors first, starting with Item D.

2. STANDING REPORTS & ACTION ITEMS (NOTE: Item D presented first.)

A. Financials – Mrs. Georgina Tavera, Finance Manager

- Mrs. Tavera provided the financial reports for August 2024. The current balances were below \$1.5 million for savings and \$249,000 for checking. A transfer of \$4M500 was made, excluding interest, (the statement was attached from the Office of the State Treasurer, showing a balance of \$4.637.) Additionally, she included a copy of the Chase statement for this month. Despite significant activity, there were no unusual transactions, although electricity costs remained high at \$6,100 for the building. She also transferred \$300,000 to the savings account to maintain a low checking balance and paid the last invoice to Wendy for \$3,009.81. IT supplies were purchased, but Jose had not yet started the approved upgrades in the budget, focusing instead on regular expenses. She added that Jose had been training staff on computer usage, and while there have been some adjustments with equipment, everything was functioning well. Teachers are adapting by switching keyboards and cables as needed, and the training process is going smoothly;
- Mrs. Tavera also talked about the lease with the Arizona Department of Agriculture ending in a few weeks but returned in December; more information will follow;

B. Chairperson of the Governing Board

Chairperson Collier provided the following report:

- She met with Evan Kory, who preferred to use word of mouth rather than formalizing an arrangement for artists to display their work. Although no progress had been made in the past two weeks, she believed displaying art would enhance the environment, as she had noticed students engaging with the artwork;
- Last Friday, representatives from Pima Community College and South 32 toured our facility to assess its suitability for an electrical technician program. Mr. Lucero shared that they had found the student union space ideal for this purpose, while the old Alternative High School space could accommodate future program growth. They initially explored an ADE grant for this program, but it was challenging to justify based on Pima College's numbers being provided. The estimated costs for equipment and faculty were significant, and they could not

secure a \$3 million grant. However, South 32 expressed interest in covering the minimal costs themselves, which is promising but may affect our student union space, have serious discussion on what to do. Additionally, he informed the Board that the School Superintendent Mr. Velasquez lost his Gear Up grant, which will affect funding for the next year, potentially opening up space for a student union. While we hope they can reapply for funding, the situation remains uncertain;

- Chairperson Collier received a request from Patagonia for three students to attend welding and auto shop classes at Cochise, which she approved. She was happy to provide them permission; Dr Wlathwir will be retiring soon and hopefully develop a better relationship with them. Lastly, Chairperson Collier said the new board member, Dina, appointed by Mr. Velasquez, will be sworn in tomorrow at 1:30 PM at the old courthouse.

C. Members of the Governing Board

- Mr. Fanning apologized for his "Reply All" response. He was using his phone when he received the email sent out last week, and did not intend to cause any confusion. He thanked the Board for their understanding;

D. Audited FY22 Financials

Mr. John Dominguez, CPA, Partner of CWDL and Ms. Carla Wall, Technical Manager with the Arizona Auditor General's Office, presented the Fiscal Year 2022 audit results. Before the presentation, Ms. Wall briefly explained their role as it related to the audit.

- Mr. Dominguez rendered two opinions in the audit report. He added that the Auditor General did a great job in putting out the highlights with the audit on their website along with the other full report. He talked about the property taxes encompassing the large majority over 83% as well as the state assistance; he mentioned the education in general on the expense side, encompassing over 73% of total expenses. A new audit standard was implemented during this auditor period: intangible right to use lease assets. The district's net position for the period ended was \$4.1 Million, an increase of 0.9 million over the prior period. He elaborated on the 1st Opinion: Independent Auditor's Report, saying it was a good result. On the 2nd Opinion, referred as their Yellow Book Opinion where Independent Auditors Report on internal control over financial reporting and compliance and other matters;
- Chairperson Collier said it was an overall clean report and thanked them both for their presentation; no questions were asked by the Board.
- Mrs. Tavera said Mr. Dominguez will present next month for the next fiscal year; Mr. Dominguez added that for future periods, they will work closely with management and remain on track with the statutory;

E. PCC-Santa Cruz Center Reports

- Dr. Morgan Phillips, PCC Supervising Administrator announced the appointment of a new manager for the Santa Cruz County programs, who has already settled into the office and is collaborating with other employees. The focus is on enhancing programmatic aspects and improving enrollment to meet local workforce needs. The new manager is expected to coordinate efforts among staff working with students;
- Maricruz Ruiz said she was excited about returning to the community and working alongside Mrs. Tavera and local staff, highlighting a recent meeting with the Superintendent to introduce herself to the community;
- Dr. Phillips said this fall, enrollment had increased by approximately 2% compared to last fall. However, they are facing challenges in expanding enrollment due to a shortage of faculty. Currently, a writing faculty member is teaching remotely, which affects the student experience. The communication area is encouraged to market classes effectively to ensure proper billing and enrollment processes. He added that they are also exploring adjustments in how Full-Time Student Equivalent (FTSE) is calculated, particularly for workforce programs, which generate more FTSE than traditional transfer classes. There is a focus on offering non-credit courses that lead to recognized certifications, which can also contribute to FTSE. He said enrollment was up slightly from last year from 1,033 seats and this year 1049 seats filled. He added that while the overall headcount of students has decreased slightly from 403 to 381, the average credit hours taken per student has increased from 7.8 to 8.7, indicating that students are enrolling in more classes. The primary areas of enrollment are writing and math, with business and IT courses seeing a decline in interest. He added they aim to enhance enrollment further by addressing scheduling and faculty availability to meet student needs. Overall, there is optimism about the workforce-focused initiatives that are being developed;
- Chairperson Collier asked if anyone was taking IT Cybersecurity classes; Dr. Phillips elaborated;

F. PCC Billing – Details on delinquent billing from previous Fiscal Years

- Dr. David Bea, PCC CFO, explained details on oversights on the billing;

- Mr. Bea explained that at the end of the fiscal year, they reviewed the invoices sent to Pima College and identified a couple of errors, which were not related to any issues on our side. The first error involved certain personnel expenses that were not included, specifically regarding the transition of responsibilities from Ted Roush to Morgan, which resulted in a portion of administrative time not being billed. The second error was more technical, concerning tuition expenses and the credits given to Santa Cruz. The accounting staff incorrectly calculated tuition based on the assumption that all students paid their bills in full, which was not the case, as there is bad debt involved. They are actively working to resolve these issues;
- The second issue identified with tuition involved course fees related to books, which are ancillary educational charges rather than tuition charges. These fees were incorrectly credited back, affecting billing. A review of the past three years revealed under billing of \$46,000 for fiscal year 22, \$128,000 for fiscal year 23, and \$71,000 for the first part of fiscal year 24. After discussing these findings with Mrs. Tavera they committed to conduct a comprehensive review and provide a summary of the adjustments and their rationale. They are also working on improving the transparency of personnel expenses, as suggested by Mrs. Tavera, and will develop better reporting to clarify charges and be as clean and transparent as possible. Mr. Bea emphasized that this was their error, and apologized for any inconvenience caused;
- Dr. Meixell took a moment to acknowledge Dr. Bea for the valuable assistance provided over the years in helping access previously unavailable funding. She added that his efforts had saved us money on multiple occasions, which made this situation easier for her to accept;
- Mr. Fanning asked for the grand total of the under billing which was \$245,000;
- Chairperson Collier stated that they needed to make this right and ensure Pima received their payment which would impact our expenditures. The concern was whether they could afford to write a check for this amount and still maintain operations this year;
- Mrs. Tavera asked Dr. Bea if they could make the payment, and during the audit, those expenses would be allocated to the appropriate previous years. She added she didn't think the entire amount should be counted against the current fiscal year's expenditures;
- Dr. Bea added that the current budgeting approach is resulting in expenses being projected higher than what you will actually incur. This is primarily because we are not accounting for the netting of tuition in our budget. As a result, our expenses should align with our budget and reserves. The recent financial report indicated that there were sufficient reserves, and the expenditure limitation should not pose a problem, as we are currently below it and expenses have been decreasing over the past few years. Additionally, we received expenditure limitation relief and felt that this situation should not create a hardship for us;
- Chairperson Collier let him know if he was currently addressing these issues to ensure that they do not arise again next year;
- Dr. Bea assured the Board that they would receive the necessary reports to fully understand their charges clearly. Additionally, regarding the issue of bad debt from unpaid tuition, he said they were currently working on developing a report to track students who have not paid. If these students return and settle their bills later, they will find a way to credit that back to us. While this presents some challenges from a systems perspective, he was confident they could create these reports and would collaborate with Mrs. Tavera to demonstrate how this process will work. This meant that even if students were no longer active, we would still receive credit if they pay their bills to Pima;
- Mrs. Tavera asked Mr. Bea how many months they would need after the semester was over to issue a good analysis on what they will get billed on. He suggested scheduling a meeting to talk about what would work for Mrs. Tavera and how quickly they could put together more routine bills. He added that they could improve a lot on the way they are being billed and took full responsibility. He concluded by saying he believed that once they clarify the processes and procedures, it would be beneficial to formalize them within the agreement structure. This would ensure clarity and continuity, even in the event that he was unavailable in the future. Such formalization would be advantageous for both parties. He was thanked and appreciated by everyone;

G. Strategic Initiatives Report – Mr. Greg Lucero, SCCPCCD Strategic Initiatives Director

Mr. Lucero sent a copy of his weekly activities to the Board and reviewed them all for the record:

- EDA Grant and getting him assigned as the Site Administrator has been a nightmare. He needs to replace Ms. Perez name; Mrs. Tavera will work on that; they will not move forward with this grant at this time;
- He attended the 3rd Annual Job App Stakeholders meeting, where they discussed the importance of building partnerships with Pima College, particularly regarding funding and support for students. They highlighted the potential loss of ARPA funds and received letters of support from local government entities. The

speaker also provided an update on proposals for dust management, noting that only one firm, Gus Rosenfeld, responded positively, and they are expected to offer discounted fees without a retainer. He thanked Mr. Pauole and said it was a good situation for us; he hoped the Board would act on their letter of engagement on the next agenda item

- He met with Skyline Estep, the HR Director for South 32, to discuss an EDA grant and the potential for housing a program at their facility. South 32 prefers a slower approach to program implementation on the fast track program (will start with local CTE's at the high school level). They were interested in collaborating on a training center that would support their operations and suppliers. He also mentioned the start of negotiating with them on the Memorandum of Understanding (MOU). They mentioned long term was very favorable to them. He also mentioned challenges in site selection for such a project but noted an offer of land from Santa Cruz Valley after he met with Superintendent David Verdugo;
- Furthermore, they proposed a certified business incubator program in our college to assist local businesses in engaging with larger companies. They asked to put together a proposal and they will review it;
- He also expressed disappointment regarding the Port Authority's lack of response to their request for board membership but they did take action in accepting SEAGO and First Interstate Bank on to their board;
- He mentioned discussions about establishing a food service program at their facility. Sodexo will look at to what they can offer;
- Mr. Fanning asked if the Port Authority had anything to say; it was also asked who else was in attendance; Mr. Lucero plans on reaching out directly to their Chairman Josh Rubin;
- Dr. Meixell voiced her concern over the loss of the student union, which has historically been significant to the board but was currently underutilized. It was acknowledged that this could be a sensitive issue. However, they are optimistic about the possibility of designing a new facility in the coming year, which may lead to construction and improved facilities.
- Chairperson Collier noted that the student union is often empty and would like to see it better utilized. They mentioned that the existing kitchen was suitable for large gatherings, and while classrooms can accommodate events, they are often unavailable due to other uses. Overall, it was emphasized the need for a dedicated space for gatherings.

H. Retaining the Law Firm of Gust Rosenfeld, PLC – Assist Santa Cruz County Provisional Community College District with Development of a Training Center/Campus and Associated Education/Training Program

Mr. Pauole had not seen the Engagement Letter yet, but assumed it was a standard form, adding that they are well known in Arizona and have an excellent reputation.

Dr. Meixell made a motion to retain the Law Firm of Gust Rosenfeld, PLC to advise us in our planning of the General Education Programs, Workforce Development Programs with South 32, seconded by Mr. Fanning. Motion carried unanimously, 3-0.

	Ms. Liz Collier	Dr. Marcelino Varona	Dr. Angela Meixell	Mr. John Fanning
AYE	X	Excused Absence	X	X
NAY				
ABSTAIN				

I. Westwordvision Website Audit Report and Phase 2 Implementation

Chairperson Collier stated that the website had been reviewed and revised, and begun compiling content in a Google Doc. It has not yet been shared with you, but the plan was for her to share it with everyone soon.

Chairperson Collier encouraged the Board to review the document for any necessary changes. Progress is being made on the content, and it will soon be uploaded to the website. Mr. Lucero stated that as we develop our website, it should be user friendly; Chairperson Collier elaborated; Dr. Phillips suggested adding other schools and said that as long as it was clear that Santa Cruz Provisional Community College District was supporting their connection to those institutions;

3. EXECUTIVE SESSION ITEMS

There was no need for Executive Session.

4. APPROVAL OF MINUTES

A. Approval of Minutes

Dr. Meixell made a motion to approve the minutes of the Regular Board Meeting of August 28, 2024, seconded by Mr. Fanning. Motion carried unanimously, 3-0.

	Ms. Liz Collier	Dr. Marcelino Varona	Dr. Angela Meixell	Mr. John Fanning

AYE	X	Excused Absence	X	X
NAY				
ABSTAIN				

B. Future Board Meeting Agenda Items

- a. Chairperson Collier asked to submit any requests to Mrs. Tavera;

C. Next Governing Board Meeting

- a. Wednesday, October 23, 2024 at 3:00 p.m.
- b. Mr. Lucero stated that Ms. Sanchez had raised the issue to why WIOA was not housed here. He added that Thursday's worked better for her. For now, meetings will continue on the 3rd Wednesday for now until Ms. Sanchez is on board;

5. ADJOURNMENT

Dr. Meixell motioned to adjourn the meeting, seconded by Mr. Fanning. Motion carried unanimously, 3-0.

	Ms. Liz Collier	Dr. Marcelino Varona	Dr. Angela Meixell	Mr. John Fanning
AYE	X	Excused Absence	X	X
NAY				
ABSTAIN				

Having no further business to discuss, Chairperson Collier adjourned the meeting at 4:00 p.m.

Minutes presented respectfully by:

Ms. Liz Collier
SCCPCCD Chairperson