Call to Order
Meeting called to order at 8:29 a.m. with Vice Chair Regner presiding.

Approval of April 1 2015 Meeting Minutes
Vice Chair Regner requested that the approval of the April 1, 2015 minutes be postponed until corrections are made to member’s comments.
Motion by Marchant-Lee, second by Fisher, to table the approval of the April 1, 2015 meeting minutes until corrections are made to member’s comments. Motion carries unanimously.

Committee member reports on information/activities
- Member Fisher scheduled a presentation with Big Park Regional Coordinating Council on May 14th at 9:00 a.m. to be held at the Fire Station in the Village of Oak Creek. VVBAC attendees will include Chair Chevalier, Member Fisher, and Member Aniol
- City of Sedona presentation on May 13th 3:00 p.m. VVBAC attendees will include Chair Chevalier, and Member Fisher
- Cottonwood Council presentation on May 12th at 6:00 p.m. VVBAC attendees will include Chair Chevalier and Member Marchant-Lee
- District Board Member Filardo will attend all meetings in D3

Yavapai College Finance Report
Vice Chair Regner introduced Dr. Clint Ewell, Vice President for Finance and Administrative Services at Yavapai College. Dr. Ewell presented the attached PowerPoint presentation that included:
Considerations for the Budgeting Process:
- District Governing Board Ends and College Mission
- Yavapai County Top 10 Industry Sectors
- Yavapai County Job Growth Forecast
- Current academic programs compared to current/forecasted industries
- Yavapai County population density and demographics
- Student enrollment by campus/site
- Verde Valley existing programs – 18 degrees/33 certificates/ 43 subjects
- Verde Valley new programs
- Verde Valley Enrollment - emphasis on the Career and Technology Education opportunities
2015-2016 Budget Proposal
- Revenues: Restricted and Unrestricted - State Funding, Tuition & Fees, and Property Tax
- Expenditures: General Fund (by account and program) and Efficiencies
- Key Assumptions
- Critical New Initiatives by End Statements
- Types of Capital: Debt and Plant
  - Debt
  - Plant

Campus Master Plan Update
- Budget monies are approved annually
- Timeline: expanded to 14 years
- Revision and Changes as of April 2015
- Capital Investment Equity: Present and forecasted capital/FTSE by east and west county
- Verde Valley Revenue & Expenditures

VVBAC members questions and comments included:
- District Governing Board Member McCasland asked for more information regarding the Prescott Valley Center. Dr. Ewell responded that the College understands the need to expand both Allied Health and Nursing programs and is evaluating how and where to expand the programs. In addition, the College is evaluating how to address the large population growth in Prescott Valley. Enrollment data is showing that 1 of 4 students on the Prescott campus are Prescott Valley residents. These are two separate issues and may need to be discussed separately, but may have a combined solution.
- Member Aniol asked for clarification on the Building 15 renovation. Dr. Ewell stated that the Visual and Performing Arts Building 15 is the oldest building in the district that has not been renovated. Facility maintenance is a commitment of the College to maintain the capital investments made by tax payers. Building 15 is now in the queue and will include renovations to reconfigure the building for proper educational delivery.
- Vice Chair Regner asked for clarification of the Capital Investment Equity for the east side of the county. Dr. Ewell explained that current and estimated Capital Investment Equity includes existing capital asset value plus proposed capital improvements for Sedona Center and Verde Valley Campus Building L; compared to existing enrollment that is based on a five year average with an estimated 2% growth per year. He restated Capital Investment Equity is the net value of capital compared to the number of students served.
- Member Fisher requested more information regarding part-time enrollment for the entire district. Member Garrison shared that two (2) part-time students are equivalent to one (1) full-time student.
- Member Aniol clarified that student tuition provides approximately 10% of revenues, and suggested cutting costs by 10% to allow tuition to be close to $0 which would lead to an increase in FTE.
- Member Garrison asked what capital improvements were provided to the Verde Valley area from the 2000 Bond monies. Dr. Ewell responded that Building M was included but would have to research additional information.
- Vice Chair Regner asked what amount of Verde Valley property tax monies are being spent on capital projects. Dr. Ewell reported that property taxes are distributed to both the operating and capital budget, and offered to meet Mr. Regner to provide more specific information.
- District Governing Board Member Filardo requested clarification whether the new initiatives will be eliminated if property tax increases are not approved. Dr. Ewell stated that the proposed property tax increase has been identified for the funding of new initiatives. Member Filardo confirmed that staff/faculty raises are approximately $600k and if this expense is removed from the proposed budget then new initiatives would only need an additional $200k for funding, which could eliminate a property tax increase.
- Member Fisher requested additional information regarding allocation of advertising funds by campus/site and is concerned for a lack of funds for Verde Valley marketing. A lack of marketing will have a negative effect on enrollment. Dr. Ewell did not have the breakdown of allocation by location.
- Member Garrison commented that the College’s biggest growth is occurring in CTEC, offsite, and online enrollment and suggests that creating CTEC program in the Verde Valley rather than more capital improvements for the Prescott campus. He would like to see the investment return on the monies from the 2000 Bond capital improvements. Dr. Ewell agrees that CTEC is growing and encourages the committee investigate CTEC programs and opportunities. Dr. Ewell would ask the committee for recommendations for CTEC partners and programs.
- Vice Chair Regner suggests that the Verde Valley Campus is being evaluated by cost/student but not the same measurement for Prescott campus. Dr. Ewell agrees that online and offsite enrollment growth is large, and that all colleges re-examine growth and how to keep facilities relevant. Research is showing that physical facilities should be capable of delivering hands-on learning components.

- District Governing Board Member Filardo informed the committee that at the Board meeting on April 14th, he voiced his concern regarding the renovation of the Art Building 15 on the Prescott campus. He is concerned that starting the culinary program in a used kitchen at the Camp Verde High School is sending a message that the College is committing half way to the program and the program should be in Sedona. Dr. Ewell stated that the Art Program is the 5th largest program for Yavapai College and not renovating Building 15 could inhibit the delivery of the Arts programs.

- District Governing Board Member McCasland states that Phase II of the Campus Master Plan is all new construction that does not address education. Dr. Ewell agrees that classroom construction will not be the focus but rather new construction that adds new capabilities for the College.

- District Governing Board Member McCasland commented that Dual Enrollment is giving away college credit. Dr. Ewell shared that next year the Dual Enrollment program will have an associated fee for students.

- Vice Chair Regner stated the Ten Year Campus Master Plan will cost $118M and the Verde Valley is sending approximately $6M in property tax which is being used to fund the capital plan. He suggests that capital improvements should be funded by bonds and the Verde Valley taxes should fund programs.

- Member Garrison would like to see the College adopt the same finance policy that Yavapai County has adopted, which separate funds by location. He suggests the College should adopt a split policy to distribute expenses and capital by campus/site.

- Dr. Ewell thanked and encouraged the committee to focus on increasing the Verde Valley enrollment.

Feedback Analysis and Recommendations

YC Property Taxes.

Vice Chair Regner asked Member Fisher to preside and recused himself from the discussion per his obligation to the Town of Clarkdale of not making recommendations to other taxing authorities.

The committee reviewed the motion from the April 1, 2015 meeting which read:

Aniol makes motion to recommend taxes not be raised in the Verde Valley at this time, seconded by Marchant-Lee.

Member Aniol suggests that the College should cut other areas of the budget and not increase property tax.

District Governing Board Member Filardo informed the committee that he will follow the suggestions of the committee and not vote in favor of the property tax increase. He informed the committee that college administration suggested that the new critical initiatives would not happen if the property tax increase is not approved. Although he did not attack the issue at the Board meeting, he will attack the personnel wage increase dollars be used to fund new critical initiatives.

Member Marchant-Lee remains in agreement with the past motion, and suggests funding new initiatives with monies from decreasing programs. She also suggests that citizens are currently struggling to pay property taxes and many are uncollected which places the burden on the paying citizens.

Member Wathogoma and Member Garrison had no comment.
Member Fisher is concerned that the new marketing initiative is critical and directly related to increasing enrollment in the Verde Valley. She does not want to see this initiative lost if property taxes increase are not approved.

District Governing Board Member Filardo responded that the College was providing Verde Valley marketing service prior to any tax increase, and he will attack this by questioning why is marketing became a critical new initiative.

Member Fisher stated that information provided from Member Filardo changes her position and will no longer abstain therefore will vote with the committee.

Member Aniol move, Member Marchant-Lee seconded, to reaffirmation of the previous motion to oppose the property tax increase. Motion carries with 5 yes votes, 1 abstention, 1 recusal.

Approval of April 1 2015 Meeting Minutes
Vice Chair Regner requested the following changes to the April 1, 2015 minutes:
Page 2 – Yavapai College Regional Economic Development Center – Paragraph 1: Change “Chair Chevalier introduces” to “Vice Chair Regner introduces”
Page 4 – Ownership Linkage – Paragraph 1: Change “conduit to community” to “conduit to this committee”
Motion by Member Fisher, second by Member Marchant-Lee, for approval of the April 1, 2015 meeting minutes as amended. Motion carries unanimously.

Ownership Linkage
Vice Chair Regner suggests all capital improvement be funded by bond funding rather than property tax dollars.

District Governing Board Member Filardo commented that there still is no guarantee that any approved bond funding will be distributed equally.

Member Marchant-Lee suggests the College think out of the box for monitoring funding and allocation of capital improvement, regardless of common practices. She reminded the committee that Dr. Ewell suggested the College is unique and different in the services offered and this unique status can be applied to funding allocations.

Member Fisher suggests that funding concerns can be remedied by enrollment increases and keeping current programs in the Verde Valley.

Vice Chair Regner stated that none of the flagship programs are in the Verde Valley, such as athletic programs, residence halls, Family Enrichment Center, or Performing Arts Center, and that is where the monies are going. He also objects to the formulation of cost/FTE.

District Governing Board Member McCasland appreciates attending the VVBAC meeting to get a better understanding of the Verde Valley needs. One of the main concerns that she hears is that transportation is a problem, and she will suggest the Board create a new Ends Statement for quality distance learning delivery for outlying areas.

Member Fisher agrees with Member McCasland’s statement and believes distance learning is a good investment.

Member Garrison appreciated the presentation. He also reminds the committee that the presentation was based on historical trends and future plans are based on the historical decisions made to build. Garrison feels that discussing where the monies are spent is irrelevant and the committee should be focusing on recommendations from the communities for programs and facilities that are needed and wanted in the Verde Valley. These recommendations are the way to
change the trends and the future budgets. He stated the committee can provide options that will take priority over current priorities. The presenters moving forward will help create these viable recommendations.

Future Meeting Schedule
- May 6  8:30 a.m. Sedona Center, Room #34 presentation from VACTE, Lois Lamer and Steve Dockray
- May 21  8:30 a.m. Verde Valley Campus M-137 presentation from Verde Valley Medical Center, Barbara Dember, CEO
- June 3  8:30 a.m. Verde Valley Campus, presentation regarding online learning from Stacey Hilton, Dean for Computer Technology & Instructional Support
- June 17  8:30 a.m. Sedona Center, Room #34, presentation from Craig Ralston, YC Dean of Arts & Humanities
- July 1    8:30 a.m. TBD, invite Dean Scott Farnsworth, HPER
- July 15  8:30 a.m. TBD, invite CATS/LYNX

The committee requested to move the VVBAC May 6th meeting to the VACTE location.

Vice Chair Regner will contact Lois Lamer to confirm the new location.

Adjourn
Motion by Member Marchant-Lee, second by Member Fisher, to adjourn. Motion carries unanimously.

Meeting adjourned at 10:30 a.m.