

MINUTES OF THE INFORMATION SESSION OF THE BOARD OF TRUSTEES
OF THE COMMUNITY COLLEGE DISTRICT OF THE COUNTY OF MACOMB

An open information session of the Board of Trustees of the Community College District of the County of Macomb was held Tuesday, May 15, 2012, at 6:00 p.m., in Room K315 of the John Lewis Student Community Center, South Campus, 14500 Twelve Mile Road, Warren, Michigan, pursuant to notice.

1.0 CALL TO ORDER

The meeting was called to order by Chairperson Kelly at 6:26 p.m.

2.0 ROLL CALL

Present: James F. Kelly, Chairperson
Christine Bonkowski, Vice Chairperson
Connie Bolanowski, Secretary
Nancy Falcone, Treasurer
Roseanne DiMaria, Trustee
Charley Jackson, Trustee

Absent: Joseph DeSantis, Trustee (excused)

Also present: James Jacobs, President
Elizabeth Argiri, Vice President for Business
Jill M. Little, Vice President, Student Services
Patricia Martz, Executive Secretary to the President
Gerri Lynn Pavone, Executive Director, Research
and Planning
James Sawyer, Provost/Vice President, Learning Unit
Casandra Ulbrich, Vice President, College Advancement
and Community Relations
Hunter L. Wendt, General Counsel

3.0 APPROVAL OF AGENDA

MOTION by Falcone, supported by DiMaria, to approve the agenda as presented.

Motion carried.

4.0 AUDIENCE PARTICIPATION

None

5.0 REVIEW OF AGENDA ITEMS AND MATERIAL

Trustee Jackson referred to the April 17 Executive Session minutes and commented that they should read Tuesday instead of Wednesday as the day the meeting took place.

6.0 ISSUES AND UPDATES

Dr. Jacobs invited the Trustees to tour the newly renovated G building at Center Campus on the date of the next board meeting – Tuesday, June 19 at 5:00 p.m. Campus Police will provide an escort from the University Center to G building for those who are interested in participating in the tour.

6.1 2012/2013 General Fund Budget

Ms. Argiri referred to regular meeting agenda item 7.3A, the 2012/2013 General Fund Budget and reviewed the highlights and changes referring to the pie chart of the three primary revenue sources—state aid, tuition and fees, and property taxes. She indicated that this has significantly changed due to the economic downturn over the last several years, and tuition and fees are now the primary source of revenue at 43%, while property tax revenue has declined to 27% and state aid to 25%. She stated that an overall view of the budget indicates a projected decrease in revenue of \$1.8 million for the coming year and an increase in expenditures of \$1.5 million. She further stated that there is a forecasted reduction in tuition and fees in the amount of \$536,000 due to a decrease in enrollment. A 4% overall decline in enrollment is anticipated for the year, and that loss has been partially offset by the 2% increase in tuition rates which was approved by the Board at the April board meeting. The college is anticipating another \$2 million decline in property taxes this year. The MPSERS employer contribution has increased from 24% to 27%, resulting in a \$1.4 million increase in expenses to the college budget.

Overall, the combination of the decrease in revenue and increase in expenditures results in a budgeted deficit with budgeted expenditures exceeding expected revenues by almost \$439,000. College administration has set a goal to further reduce expenditures by \$1 million for the revised general fund budget to achieve a balanced budget.

6.2 Housekeeping Contract

Ms. Argiri referred to regular meeting agenda item 11.4, Housekeeping Services, indicating that administration is recommending that the Board approve a two-year contract with SBM Site Services for housekeeping and janitorial services effective July 1, 2012. She stated that the housekeeping contract has not been bid out for more than ten years, and in conjunction with the Board's desire to bid out such contracts, authorization by the Board was given to administration to do so. A consultant was hired to assist with the process and a committee was established representing various areas of the college with different cleaning specifications. A request for proposals was submitted and a total of 14 companies responded. Those 14 proposals were analyzed with the assistance of the consultant and ranked based on the set criteria, the two primary criteria being price and staffing. The proposals were narrowed down to four companies.

After the interviews with the four companies, Ms. Argiri stated that SBM Site Services is being recommended by administration for several reasons. In addition to being the most cost-effective, they have excellent cleaning equipment, they pay competitive wages to staff, including benefits, and they provide the cleaning supplies, something not included with the college's current contract. In addition, SBM utilizes technology to monitor their

performance, and they have a program to actively recruit recent college graduates to begin a career with their company.

Trustee Jackson inquired about some of the other lower bid proposals which were submitted. Ms. Argiri responded that administration looked at many different factors in order to make the best recommendation on the housekeeping contract, including sufficient staffing and higher education experience. She further added that while the college does try to go with the low bid on most commodity type things, with this particular type of service, some of the lower bidding companies have an insufficient level of service. Ms. Argiri also stated that a site visit was made to Youngstown State University in Ohio which confirmed administration's recommendation of SBM Site Services. If approved, the contract change will result in a minimum savings to the college of \$130,000.

6.3 Property Tax Resolution

Ms. Argiri referred to regular meeting agenda item 7.3B and explained that there are two different resolutions for each levy, a 1.4212 mill tax for the operating levy and .15 mills for the bond issue. There were no questions and no discussion on the property tax resolution.

6.4 Bond Proposal

Dr. Jacobs reviewed the budget challenges with the Trustees and the reasons for proceeding with the bond proposal. He further stated that administration will continue to look at ways to reduce the budget through cost savings.

6.5 Lansing Report

The personal property tax reform bill has been passed by the Senate which affects industrial property, particularly machinery, to repeal the personal property tax. This is a significant source of revenue for the college of approximately \$3 million. However, the Senate did pass the bill with a stipulation that the college will be held harmless and will receive money from other sources to reflect that loss. In regard to the pension reform legislation, the Senate abandoned plans to require current employees to reach age 60 before qualifying for retiree health benefits and to apply the premium subsidy for health care to existing employees which could have resulted in a significant number of employees retiring before the bill could take effect.

6.6 AFT Representation

Mr. Wendt informed the Trustees that in addition to the full-time faculty union (MCCFO) having affiliated with the American Federation of Teachers (AFT), the adjunct faculty have filed for an election for a different union (Association of Adjunct Faculty of Macomb Community College) to represent them instead of the Michigan Education Association (MEA). He advised the Trustees that the college needs to stay neutral on these matters.

6.7 TAA Proposal

Dr. Jacobs reported that Macomb is leading the Auto Communities Consortium and finalizing the proposal, which is due May 24, for a \$15 million grant with a combination of 12 colleges in four states for retraining 4,000 workers in various manufacturing occupations.

6.8 Board Retreat

There was a discussion regarding the location of the Board Retreat scheduled for August 21, and it was agreed that the location remain on campus at the University Center, Room 125, instead of offsite. It was also confirmed that the July board meeting will be cancelled and any purchasing items or personnel actions that need to be addressed can be voted on at the August Board Retreat.

7.0 EXECUTIVE SESSION

There was no need to hold an executive session.

8.0 ADJOURNMENT

MOTION by Falcone, supported by DiMaria, to adjourn the meeting.

The meeting adjourned at 7:14 p.m.

COMMUNITY COLLEGE DISTRICT OF THE COUNTY OF MACOMB
BOARD OF TRUSTEES

Secretary