

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, October 16, 2012 at 6:00 p.m., in Room 125 of the Professional Development Center, University Center, Center Campus, 44575 Garfield Road, Clinton Township, Michigan.

1.0 CALL TO ORDER

The meeting was called to order by Chairperson Kelly at 6:27 p.m.

2.0 ROLL CALL

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

Absent: None

Also present: James Jacobs, President
Elizabeth Argiri, Vice President for Business
Gerri Lynn Pavone, Executive Director, Research and
and Planning
Cynthia Ranger, Administrative Assistant
James Sawyer, Provost/Vice President, Learning Unit
Robert Stevens, Director, Government Relations and
Grant Support Services
Casandra Ulbrich, Vice President for College
Advancement and Community Relations
Hunter L. Wendt, General Counsel
Denise Williams, Vice President, Human Resources
Michael Zimmerman, CIO & Executive Director of
Communications & Information Technology

3.0 APPROVAL OF AGENDA

MOTION by Bonkowski, supported by Bolanowski, to approve the agenda as presented.

Motion carried.

4.0 AUDIENCE PARTICIPATION

None

5.0 REVIEW OF AGENDA ITEMS AND MATERIAL

Dr. Jacobs referred to agenda item 11.1 and stated that donations year-to-date are up 20% compared to the same time last year in September, and the number of donors is increasing as well. He also noted the significant amount of grants that the college has received which is included in the audit report under agenda item 7.3. He then referred to agenda item 11.3B, which is the contract to provide a student and business system segregation of duties assessment. He explained that although the company selected was the highest bidder, administration felt this company demonstrated the competency needed, and if there are any questions about this, Mike Zimmerman is present to explain why the selection of this company was made.

6.0 ISSUES AND UPDATES

6.1 MCCA Updates

Dr. Jacobs referred to the Fall Michigan Community College Association meeting which he attended with Trustee Bonkowski. He referred to an issue which was discussed at the last meeting when they talked about the audit report, the changes in the GASB accounting rules and the college's liabilities concerning MPERS if the system is terminated. This liability is estimated at \$115 million. The question is whether that liability could be borne by the state as opposed to the colleges. In effect, it is a state system and the colleges have no decision-making power on investments or returns, so if that system does not perform well, the liability should be with the state and not the college. As far as other activities at the MCCA meeting, the Michigan Center for Student Success was successful in winning some major grants. There was also a discussion on restructuring the Michigan Virtual Network.

6.2 MCCA Political Action Committee (PAC)

Also at the Fall MCCA meeting, the issue of the contribution to the Political Action Committee (PAC) was discussed. Dr. Jacobs reminded the Board of the conversation in August 2011 at the information session of the board meeting wherein they affirmed that the college would participate in the PAC if two-thirds of the community colleges made a commitment to support the PAC. As a result of that decision, for the first time they listed the schools which contributed to the PAC. Since over two-thirds of community colleges are members, Dr. Jacobs stated that he will send a check to the PAC. Trustee Bonkowski noted that there was some motivation to support the PAC about a year ago when she brought it up at the meeting of the directors.

6.3 Smoking Policy

Signs have been placed at the entrance of each building indicating the smoking cessation policy will begin November 15, 2012. Mr. Wendt discussed the efforts being made to keep students and staff informed, including an email communication which was sent. An additional email will be sent to staff with advice on how to handle co-workers in the event any issues should arise. There was a discussion concerning the parking lots and where smoking is prohibited. Mr. Wendt mentioned that according to the policy, there are some

exceptions due to the proximity of the buildings to the parking lot, which are buildings R, S & T on South Campus and P Building at Center Campus. They have excluded handicap parking areas because they are so close to the Lorenzo Cultural Center and the Macomb Center. There will be signs to direct people where smoking is allowed.

6.4 Center Campus Power Outage

Dr. Jacobs referred to the power outage which occurred at the end of August at Center Campus. Ms. Argiri stated that since most people do not work with electricity, she wanted to explain how complex the issues can be when this type of thing happens. She brought in a large cable as a visual aid and proceeded to describe that the conduit is one of three lines and there are three conduit pieces that run through the cable to service the electrical power on one line at Center Campus. They are about 1,500 feet in length and collectively the three lines carry over 13,000 volts of electricity.

To summarize, Ms. Argiri stated that often when the power goes out, it is complex and risky in terms of needing to make sure that we are applying risk management to ensure the safety of the staff and students. This power outage was unique with respect to the cause. During the course of three days, Saturday, August 25 through Monday, August 27 there were two power outages. On Saturday, August 25, line two on Center Campus went down and the reason it happened will probably never be known, but it is speculated that age was the reason the line failed. Throughout the course of the day, DTE, Power Plus, and college staff were brought in to troubleshoot, and they determined it was line two. A decision was made by looking at the load of the available lines that they could backfeed the load from line two on line one and that was done on Sunday. Power was fully restored on Sunday afternoon. Monday at approximately 7:30 a.m. the power went down again and upon further research, it was determined that during the course of three days, three DTE fuses had blown on the pole on Garfield. Two actually exploded on Saturday. The third fuse that failed on Monday appeared to be melted. It was speculated that the explosion from the other two fuses melted the third fuse and it took from Sunday to Monday morning for that fuse to finally fail. It was identified on Monday that the fuse failed and DTE replaced it, and we then backfed the load from line two back to line one, which restored power. Classes were canceled on Saturday, Monday and Tuesday and classes resumed on Wednesday.

A decision was made during those few days to move ahead with the replacement of line two. During the Labor Day weekend, to avoid further interruption of classes, Power Plus was brought back, along with the staff, to excavate. There were additional costs because they had to excavate a new trench to pull the line through. The staff did everything they could at the time to ensure power restoration and the safety of students and staff. During the course of a few days, 11 staff from Facilities and IT worked 173 hours. The cost of the replacement of line two was approximately \$145,000, excluding the staff overtime. Ms. Argiri prepared a summary of the sequence of events and has the invoice. She will be contacting the risk management authority to see if there is any type of insurance coverage available for the college to file a claim.

Given this experience, administration decided to conduct a study of the power supply at Center Campus which will help with assessing the aging equipment, and administration will begin to prioritize the replacement of equipment lines. The college will not likely replace those right away, but will be prioritizing and replacing aging equipment.

6.5 Bond Campaign

Dr. Jacobs distributed an article in which the Detroit News endorsed the bond campaign, along with a letter which appeared in the C&G Newspapers in which the President of the Chamber of Commerce mentioned his support of Macomb's bond proposal. Dr. Jacobs stated that the work which has been done on the campaign has been beneficial in a variety of ways and the college is getting much support from many diverse areas. He referred to the letter he shared with the Board from the President of Wayne State University to their alumni. A similar letter was sent from the President of Oakland University to their alumni as well. He also referenced the friend-to-friend cards suggesting that the Board may want to use these in the event they are approached with questions on the bond. Trustee Bonkowski inquired as to whether the Trustees are able to sign the cards and Dr. Ulbrich responded affirmatively.

Dr. Jacobs commented he has visited various groups, including the municipal leaders in the County. There is a significant amount of support for the college and he would like to continue building community support for the college in the future.

Trustee Bonkowski mentioned that she received a mailing from the committee and was surprised that the mailing did not mention a dollar amount or the length of time of the bond. Trustee Kelly asked if any recent polling had been conducted. Dr. Jacobs responded that a poll was conducted in mid-September and no polling has been done since then.

Dr. Jacobs announced that there will be a gathering on the evening of the election, November 6, at 6:30 p.m. at the college's East Campus and invited the Board members to attend.

6.6 Health Care Discussion

Mr. Wendt reminded the Board that in 2011, the state legislature passed what is known as Act 152, which put a limitation on the amount of money that state institutions can expend for employee health care. As agenda item 11.5 states, there are two options: 1) a hard cap approach or 2) an 80/20 approach with respect to the cost of health care benefits. It does not include optical or dental but only the main health care benefits, i.e., prescriptions, doctors, and hospitals. During that year, administration brought propositions to the Board to extend contracts that were set to expire in order to allow time for administration and the employee groups to review the matter and figure out how to approach this issue in the future. What has been done since the Board extended the contracts was that the college has hired a consultant concerning the contracts which are due to expire in 2013. A number of inquiries have been made with respect to soliciting bids from a variety of insurance providers. Mr. Wendt further stated that the list was narrowed down and then discussed with the health care coalition.

There are only two collective bargaining groups which will be affected in 2013 with respect to this change, as the other contracts do not expire until 2014, and employees are not subject to Act 152 until their contracts expire. At the end of August 2013, the contract for the faculty expires, and on June 30, 2013, the contract for the administrators expires. At that point, employees in those groups will be subject to Act 152.

After reviewing all of the bids received, administration compared the hard cap application to the 80/20 application, keeping in mind the Board's previous decision and the fact that only two of the groups were affected. It was determined at this coalition to recommend that the Board elect the 80/20 approach and a Resolution on that recommendation is on the agenda for Board approval at the regular meeting.

Mr. Wendt gave an example of the difference between the two explaining that if an employee has HAP coverage, it would cost \$4,400 for a family membership per year under the 80/20 approach, and under the hard cap it would be \$7,600. In 2014, we are prepared to address other issues. We are working with the coalition and the Ballard consultants. Mr. Wendt stated the new Vice President for Human Resources has experience in working with benefits which will be very helpful in leading the process. To minimize the impact on the administrators and the faculty who will be the first ones affected in 2013 by the Act, we are asking the Board to approve the 80/20 Resolution.

Dr. Jacobs added that this Resolution for the 80/20 is for one year and each year administration will come back with a recommendation which may change. The yearly decision only impacts the groups that are subject to the Act, but administration's goal is to obtain a plan that is affordable for all employees. A hard cap will most likely be recommended in 2014, but that will depend on the figures when it is rebid.

Another issue which will need to be addressed regarding national health care is the legislation that would require the college to provide health care for part-time employees who work 30 hours per week effective January 2014. There was a discussion on options. Ms. Williams stated that she would like to see a hard cap situation to minimize the impact for employees who are on the lower end of the pay scale.

Dr. Jacobs stated that another issue that the college has no control over is the changes in the pension relating to MPSERS. Ms. Argiri stated that to date 38% of the college's employees had accessed their account in the system, but less than 300 actually made their elections. A decision needs to be made by October 26 or it will default into the lower multiplier of 1.25% versus the 1.5%, and continuation of the 3% contribution for retiree health care. Dr. Jacobs added that there is some litigation pending and if successful, the choice will be deferred to a date after October 26. Employees are being encouraged to make a decision now instead of waiting.

7.0 EXECUTIVE SESSION

It was determined there was no need to hold an executive session.

8.0 ADJOURNMENT

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

Motion carried.

The meeting adjourned at 7:01 p.m.

COMMUNITY COLLEGE DISTRICT OF THE COUNTY OF MACOMB
BOARD OF TRUSTEES

Secretary