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, March 18, 2014 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 6:40 p.m. Trustee Bonkowski was appointed Acting Secretary.

2.0 ROLL CALL

Present: 
James F. Kelly, Chairperson
Christine Bonkowski, Vice Chairperson
Roseanne DiMaria, Treasurer
Nancy Falcone, Trustee
Frank Cusumano, Trustee (absent at time of roll call)
Joseph DeSantis, Trustee (absent at time of roll call)

Absent: 
Connie Bolanowski, Secretary (excused)

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

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

Ms. Argiri stated that there is a correction to a figure in agenda item 11.3C under the summary of proposals submitted, particularly for the vendor, Event Solutions International of Troy. The figure should read $70,720 instead of $68,720. The amount is stated correctly under the “Recommendation of Administration.”

6.0 ISSUES AND UPDATES

Dr. Jacobs provided updates to the Trustees as follows:

- The Governor signed the legislation for capital outlay which included the South Campus C building renovation, an $8.5 million dollar project. The college must match the State’s contribution of $4.25 million dollars.
- The college has been involved with a proposal to develop a Manufacturing Institute, a $130 million dollar award to the University of Michigan, Ohio State University and Edison Welding Institute, an Ohio based manufacturing technology company. Macomb is part of a consortium of colleges, businesses and organizations and the amount Macomb will receive is yet to be determined. Dr. Jacobs shared an article from Crain’s regarding the Institute along with a copy of Macomb’s letter of support for the proposal.
- Macomb Community College is one of 100 colleges nominated for the Aspen prize of $1 million dollars.
- The Goldman Sachs class is scheduled to begin on March 28.
- The Michigan Opera Theatre has selected the Macomb Center for the Performing Arts to present two performances of “Frida” in March 2015.

(Trustees Cusumano and DeSantis arrived at the meeting at approximately 6:45 p.m.)

Trustee Kelly shared thank you notes from two students who received scholarship awards from the college’s Trustees’ Endowed Scholarship Fund.

6.1 Michigan Community College Association

Dr. Jacobs referred to the Memorandum included in the board packets regarding the proposed Michigan Community College Association (MCCA) marketing plan developed by a consultant for the MCCA. He mentioned that Trustee Bonkowski was present at the MCCA meeting in October for the original presentation. Macomb and five other colleges voted not to participate. If Macomb were to participate, it would be an additional cost to the college of $27,000 payable to the MCCA. Trustee Bonkowski commented that she is in agreement with Dr. Jacobs not to participate in the MCCA marketing plan indicating that while she believes the smaller colleges may benefit from the plan, she does not believe it is beneficial for Macomb. Dr. Jacobs noted that Macomb has its own successful marketing program. Trustee DeSantis asked if the thrust of
the MCCCA marketing plan is to market to the younger student population. Dr. Ulbrich responded that their plan is geared to high school students, parents of high schools students, and young working adults and added that Macomb’s general brand market is to 18-22 year old traditional students.

6.2 TAACCCT Grant Third Party Evaluator
Dr. Jacobs referred to the discussion at the February board meeting regarding the third party evaluator for the TAACCCT grant, which is on the regular meeting agenda for a vote this evening. He reminded the Trustees that the selection of a third party evaluator for the grant is a requirement of the Department of Labor which allows for a third party evaluator to receive up to 10% of the full amount of the $24.9 million dollar grant, however, all of the bids came in well below the 10% amount. Dr. Jacobs stated that administration is recommending Social Policy Research Associates based on many reasons, including their highest level experience working with the Department of Labor, their access to date, and their offer of frequent site visits to the consortium colleges involved in the grant. The administration believes that Social Policy Research Associates is the best choice of the proposals submitted.

Trustee Cusumano inquired about the Department of Labor guidelines as well as the college’s request for proposals (RFP) process in terms of deviating from selecting the lowest bidder and whether this is in compliance with the Department of Labor requirements. Ms. Argiri responded that the college complies with the grant requirements and follows the Board of Trustee purchasing policy. She then reviewed the college’s RFP process. Dr. Jacobs noted that a Federal Program Officer (FPO) is assigned to interact with the college on a regular basis to oversee that all the requirements of the grant are being met. Ms. Argiri stated that, in addition to working with the FPO, this grant is subject to the college’s annual single audit A133, therefore, Plante & Moran would be auditing the grant.

6.3 Tuition
Dr. Jacobs referred to agenda item 7.3, the General Fund Planning and Tuition Rate for 2014/2015. He reviewed with the Trustees the Governor’s proposed 2.4% increase in state aid appropriations, indicating that this is still below the level the college received in 2002. He further stated that although property tax revenue is stabilizing, Macomb’s operating millage rate is at the fourth lowest of the 28 community colleges. Dr. Jacobs noted that enrollment has declined across the board for nearly every community college in Michigan and many of our neighboring community colleges have had a significantly higher enrollment decline than Macomb. He stated that Macomb’s proposed tuition increase is well within the Governor’s range. He reminded the Board that in January 2013 they approved a tuition increase recognizing that adjusting the tuition rate from 3-5% annual would be likely. Dr. Jacobs commented that the Board of Trustees of Oakland Community College are meeting this evening to consider an increase of 7% for their in-county tuition rate an 11% increase for the out-of-county tuition rate.
In response to the Board’s request last month for a budget projection at the March board meeting, Ms. Argiri explained that the college is just beginning the budgeting process for the coming fiscal year, and this is a first look in terms of the major categories within the general fund budget. She noted that the Governor’s executive budget includes a 2.4% increase in state aid, which would mean an additional revenue stream of approximately $835,000. With respect to property taxes, a modest increase in taxable values is expected which could add approximately $248,000 to the budget. She noted that in 2007/2008 the college had an $11 million dollar additional revenue source for this category of the budget. With respect to tuition and fees, the $57.5 million dollar estimate includes a projection of a 3% decline in enrollment. She noted that in working with the college’s Institutional Research department, different factors were looked at which could impact enrollment, and with the economic recovery, the unemployment rate seems to be the best indicator at this point on projecting enrollment. Ms. Argiri stated that given the economic recovery and potential improvement in the unemployment rate in Macomb County, we are projecting a 3% decline, which, combined with the effect of a 3% tuition increase, results in a net increase of $150,000 for that particular revenue source. She stated that if there would be no increase in tuition and if the college would experience a 3% decline in enrollment, there would be a loss in that area of the budget of $1,100,000.

In response to an inquiry by Trustee Cusumano regarding a 4.1% decline in enrollment, Ms. Argiri responded that is what the college experienced for the 2014 winter semester. In response to an inquiry regarding credit hours, Ms. Argiri stated that at the February board meeting information prepared by the college’s Institutional Research department was shared with the Trustees which indicated that an increase in tuition rates does not have any effect on the amount of credit hours that students take. On average, Macomb students take nine credits per semester regardless of tuition rates. Ms. Argiri stated that when the revised budget was brought to the board in December, a 3% decline in enrollment was projected for the winter semester in credit hours and it is a slightly more than that. For the upcoming fiscal year the college is projecting an enrollment decline of 3% greater than what we’ve experienced now.

Trustee Cusumano referred to a question he had asked at a previous board meeting as to why the enrollment numbers reported online were different and claimed that he did not receive an answer on that discrepancy. Ms. Argiri responded that she recalled that was discussed at a previous board meeting and believed Trustee Cusumano was referring to information on the MACRAO website which may have been from the 2011/2012 fiscal year. She stated that if Trustee Cusumano could provide her with the source of his information, she would look into it.

Ms. Argiri continued to review the budget and stated that with the changes proposed and the increase in tuition, it is projected that revenues would be higher by $1.2 million dollars overall. In regard to expenditures, with the collective bargaining contracts recently approved by the Board and the projection for future settlements, the following is a conservative estimate for this category of the budget. Wages are projected to increase $2.5 million based on the current
budget for all wages. In regard to fringe benefits, the projected savings in health care costs is $2 million dollars, which is partially offset by the increase in the employer contribution for the Michigan Public School Employee Retirement System (MPSERS). There are now seven different options that are available for employees through this retirement system. The average increase for the seven options is 1.7%. In terms of the employer contribution, which will add approximately $1 million in costs to the budget. Trustee DeSantis inquired if there is amount or a percentage set aside for the employees who opt out of MPSERS. Ms. Argiri responded that there are two employee groups, full-time administrators and full-time faculty, which can opt out of MPSERS, based on the state statute, and can opt into the Optional Retirement Plan (ORP). The employer contribution for ORP, which has not changed, is 11.5%, and that has been factored into the overall fringe benefits.

Ms. Argiri noted that these are the first broad estimates on the budget. She stated that if the college does not increase tuition rates, there will be a $1.1 million deficit. If the tuition increase is approved, it will be a near break-even budget.

Trustee DeSantis inquired as to whether the administration has attempted to do any cost savings, in particular, if any cost comparisons were made as to property/liability/casualty insurance. Ms. Argiri stated that the college has been part of a pool since 1986, and from time to time the Risk Management Authority responds to bids for proposals, including colleges that are in the pool. Trustee DeSantis inquired whether the college has a loss prevention agent and whether the college could have saved a significant amount of money on the insurance. Ms. Argiri responded that the college would have to put that out comprehensively. She also explained that as part of the pool and as part of the fee that the college pays, the college does have a loss prevention consultant that visits the campuses to conduct safety reviews. The consultant then completes a full report of changes they recommend for the safety of the staff and students. Ms. Argiri stated that she is in contact with them frequently for the assessment of different risk management issues and they provide guidance. Trustee Kelly inquired whether the college pays for a third-party consultant or agent of record in addition to the pool. Ms. Argiri responded that the college does not.

Ms. Argiri referred back to Trustee DeSantis’ question regarding cost savings and responded that she has been working with a status quo budget since 2004. She explained that if there are any changes the unit vice presidents want to make within their area, the Business Office looks to them to find the funding. The college has saved a significant amount of money in doing that for the past ten years.

6.4 Institutional Development Day – April 15, 2014
Ms. Pavone distributed and reviewed the agenda of activities planned for Institutional Development Day scheduled for April 15 and invited the Board of Trustees to attend.
POINT OF ORDER: Trustee Cusumano noted that before a motion is made to go into executive session, he has a matter to address. He stated that on February 18 he sent an email to the Trustees requesting to place on the next board meeting agenda his request to submit a proposal for a presentation at the October 2014 ACCT Chicago Congress. He inquired as to the reason why it was not placed on this month’s board meeting agenda. Trustee Kelly responded that at the February board meeting when he made his request known there did not seem to be any support from the Trustees at that time. He further stated that in the past these requests have typically been made through a discussion with the administration, however, Trustee Kelly stated that he will place Trustee Cusumano’s proposal on the April board meeting agenda. Trustee Cusumano noted that he is interested in presenting on the “Michigan New Jobs Training Program” as well as “Student Success: Data-Informed Solutions to Foster Equity, Access, and Student Success and Completion.” He also stated that the data he requested on student completion rates at the December board meeting was never provided to him.

Dr. Jacobs stated that there is a need for an executive session to discuss a collective bargaining issue and a personnel matter. Trustee Cusumano stated that in order to make a determination on whether to go into executive session, he believes it is necessary to state what collective bargaining agreement is being discussed and what personnel matter needs to be discussed. Trustee Kelly agreed that a motion to go into closed session should include the purpose. Mr. Wendt advised that we can indicate what union is involved but it would be inappropriate to mention a name of an individual employee in open session.

7.0 EXECUTIVE SESSION

MOTION by Falcone, supported by DiMaria, to move into executive session.

DISCUSSION: Mr. Wendt stated that the purpose to go into executive session is to discuss a tentative agreement with Macomb Community College Operational Personnel Association (MCCOPA) under collective bargaining and to discuss a personnel matter.

ROLL CALL VOTE:

Ayes:  Falcone, DiMaria, DeSantis, Falcone, Kelly

Nays:  Cusumano

Absent: Bolanowski

Motion carried.

RECESS
The meeting recessed at 7:32 p.m.

RECONVENE

The meeting reconvened at 7:40 p.m.

There was a discussion regarding school board appointments. There was also a discussion on the origin of the Trustee Endowed Scholarship.

8.0 ADJOURNMENT

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

The meeting adjourned at 7:45 p.m.

COMMUNITY COLLEGE DISTRICT OF THE COUNTY OF MACOMB
BOARD OF TRUSTEES

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Acting Secretary