

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 19, 2015 in Room K307 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 6:37 p.m.

2.0 ROLL CALL

Present: James F. Kelly, Chairperson
Vice Chairperson (vacant)
Jennifer Haase, Secretary
Roseanne DiMaria, Treasurer
Frank Cusumano, Trustee
Vincent Viviano, Trustee

Absent: Joseph DeSantis, Trustee (excused)

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

3.0 APPROVAL OF AGENDA

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

ALL IN FAVOR:

Ayes: DiMaria, Haase, Cusumano, Viviano, Kelly

Nays: None

Absent: DeSantis

Motion carried.

4.0 AUDIENCE PARTICIPATION

Three of the applicants who applied for the vacant trustee position addressed the Board, namely, Eugene Groesbeck, Darlene Ziolkowski, and Julie Matuzak. They provided a brief overview of their reasons for applying and thanked the Board for their consideration.

5.0 REVIEW OF AGENDA ITEMS AND MATERIAL

In regard to the faculty listed under regular meeting agenda item 8.1 Personnel, Trustee Cusumano inquired as to the adjunct experience of the candidates for the instructor of psychology and instructor of respiratory therapy positions and whether their experience was in the field of the job for which they were applying. Ms. Williams responded that this was correct and noted that the college requires that the candidates have Master's Degrees in the disciplines for which they apply. She also mentioned that the qualifications for positions are listed on the Macomb website and that Macomb's requirements go above and beyond the requirements of the Higher Learning Commission.

6.0 ISSUES AND UPDATES

Dr. Jacobs provided the following updates:

- A reception for Trustee Bonkowski is scheduled for Tuesday, June 16, at 8:00 p.m. at the University Center Assembly Hall immediately after the June board meeting.
- 477 graduates participated in the commencement ceremony on Friday, May 22 at the Sports and Expo Center. He also distributed an article which appeared in the Macomb Daily regarding one of the graduates, Dillon DeWitt, who was one of 90 students in the nation awarded a Jack Kent Cooke Foundation Undergraduate Transfer Scholarship in the amount of \$40,000.
- The college received an anonymous planned gift (estate gift) supporting a number of areas, including \$500,000 for the Center of Innovation and Entrepreneurship.

6.1 Initial 2015/2016 General Fund Budget

Ms. Argiri reviewed the budget highlights with the Board. She noted that page seven provides a high level summary of revenues and expenses. Revenues are projected to increase by \$4.9 million dollars and expenses are projected to increase \$4.7 million. In terms of the college's main revenue sources, state aid includes an increase of approximately \$1.3 million dollars which is not a realized increase. The state requires the college to reflect the stabilization payment for the MPSERS pension fund as revenue. The Governor indicated a 1.5% increase in community college funding in his executive budget. Given the failure of Proposal 1 on May 5, the MCCA cautioned community colleges to include that additional funding in their budget. Ms. Argiri pointed out that this budget does not include what would have been a \$550,000 increase in state aid that the Governor included in his recommendation, but if the college receives more later in the year, that will be factored into the revised budget.

In regard to tuition and fees, Ms. Argiri stated that the college has incorporated a \$1.7 million dollar increase, which includes a 1.2% increase in credit hours, and that projection was calculated by the college's Institutional Research Department. It also incorporates the 2.7% increase for in-district tuition rates approved at a prior board meeting. Credit hours are projected to be 458,000 per year.

In January when the initial projections for property taxes were discussed, the college had been informed by the County Equalization Department to expect a 1.6% increase in property tax values, which is the rate of inflation. In April, it was learned that home sales have increased as well as new construction, so property tax values have actually increased by 3.7%, so instead of the projected \$600,000-\$700,000 increase in property taxes, it resulted in a projected increase of \$1.3 million dollars. In addition, the County signaled that given the lower level of inflation rates, if property values rise greater than the rate of inflation, a Headlee rollback could be possible which would decrease the college's operating levy. That means the economy is improving and our property tax values are improving, but it would effectively reduce the college's millage rate. Ms. Argiri further explained that since the millage was approved by voters in the year 2000, this has occurred on a couple of times since then.

The increase of \$600,000 from "other revenues" is due primarily to improvements in investment income, and a slight increase in interest rates next year is projected. Wages are expected to increase by \$800,000 or 1.1% of total wages. Total wages at the college are approximately \$69 million dollars. In addition, the college is projecting the MPSERS employer contribution to increase by approximately \$400,000.

Ms. Argiri stated that due to the unanticipated increase in property tax revenue, the college has partially restored the technology budget by \$1.5 million as well as the maintenance and renovation funding by \$500,000. She reminded the Board that in 2011/2012, the college was experiencing rapidly declining property tax revenues and a way to balance the budget at that time was to eliminate \$9 million dollars which supported technology and maintenance and renovation. She further added that over time, the goal is for the facility and technology needs to be budgeted at the appropriate level. The budget for the housekeeping contract was increased by approximately \$100,000 for the new contract which was approved by the Board in April. She concluded by stating that the combination of increased revenue and increased expenditures results in a balanced budget with revenues exceeding expenditures by \$540,765.

Trustee Haase stated that she noted a couple of significant decreases relating to the Provost's budget and Health and Human Services budgets. Ms. Argiri responded that throughout this budget, organizational changes were factored in. She explained that when the budget is done each year, areas of the college, based on the organizational structure, may decide to realign budget management responsibilities. She explained that with respect to the Provost budget specifically, it is a little more fluid relating to positions. When faculty positions become vacant we may not fill them in the same disciplines. She stated that for example, if an English faculty position becomes vacant and it has not been determined that we will fill it in the English area, that position would be moved into the Provost budget becoming part of the faculty pool and would be reallocated when that decision is made. Trustee Cusumano inquired about the projected decrease in credit hours that was reported to the Board last year and what the decline is from year to year. Ms. Argiri responded that the college is projecting credit hours to be 1.2% lower than what we are tracking for the current year. Ms. Thomas-Little responded that fall and winter were down in credit hours just under 2%. She commented that currently it is stable. Trustee Cusumano further inquired as to the rate of the headcount. Ms. Thomas-Little responded that headcount is down slightly more than credit hours and that there is usually about a .2% difference. Dr. Jacobs referred to the April information session minutes which mentions an article that appeared in Crain's Detroit Business regarding community colleges which indicated that the statewide decline in enrollment is 6.2%. Macomb's data shows that enrollment is down by approximately 3.9%.

Trustee Cusumano inquired as to how many full-time faculty are employed at the college as compared to five years ago and inquired if the college replaces full-time faculty as they retire. Ms. Argiri responded that there are currently 240 full-time faculty and it was approximately the same five years ago. She also stated that the college has not increased the budget for full-time faculty. Dr. Sawyer responded that each year in the fall a request is made to both faculty and administration regarding their needs and there may be reallocations. Approximately 53% of the sections are taught by adjunct faculty and he would

like to see that more at a 50% range. He also stated that there are more responsibilities for full-time faculty, including maintaining the curriculum. Trustee Kelly stated that as he has mentioned in the past, the ratio of part-time faculty has been a concern of his and that he believes the college relies too much on adjunct faculty. He stated that if student success is a high priority, it is his opinion that we need to plan staff accordingly, not just taking into consideration headcount. Trustee Cusumano inquired if headcount is declining and the college is servicing less students with fewer credit hours, shouldn't there be a reduction in full-time faculty. Trustee Kelly stated that full-time faculty fulfills a much different role than adjunct faculty. Trustee Haase commented it was her experience while teaching at a school district that when there is declining enrollment, the same amount of staff is needed for quite some time until the decline is substantial. Dr. Jacobs stated that in several areas, particularly in some of the occupational areas, it makes sense to have adjunct faculty working in industry in which they bring expertise in the workplace to the students. In coordinating large departments with a large number of adjuncts teaching classes, this becomes more difficult, and what Trustee Kelly stated is relevant.

Trustee Cusumano referred to the \$9 million dollar cut in the technology budget that was cut and inquired if the \$5.00 technology and facility fee which was implemented is allocated for technology and facilities and not in the general operating fund. Ms. Argiri responded that the fees come into the general fund but the expenses associated with that is budgeted between the technology and renovation budget. She explained that when the technology and facility fee was approved, the revenue from that fee helped restore some of that funding. The revenue from that fee is currently approximately \$2.2 million per year. Trustee Kelly wanted it to be clear that the technology and facilities fee charged to the students is used for the purposes for which it is collected. Ms. Argiri stated that the funds are allocated through an expenditure budget that is titled "technology and maintenance renovation." By comparison, in 2011/2012, the technology budget was \$5.5 million and now it is \$3.5 million so the introduction of that technology and maintenance fee has helped, but it is not yet where it needs to be. Trustee Cusumano inquired as to the current revenue that is generated by the millage. Ms. Argiri stated that it is currently \$3.5 million. The debt levy is .109 mills and is not reflected in the general fund budget because the college has to account for that separately. She stated that the budget we are asking the Board to approve tonight is for operations. Also for approval this evening is the property tax resolution so the college can provide the approved resolution to the municipalities to collect the taxes. She stated that this is the college's last year for the debt levy and in terms of what is remaining to be repaid, we have to look at the property tax value change and project that.

6.2 Data Discussion

There were no questions regarding the data discussed at the April board meeting.

6.3 Revised Residency Policy

Dr. Jacobs stated that with the passage of the Veterans Access Choice and Accountability Act, the Federal Government through the Veterans Administration has mandated that colleges and universities charge veterans and their dependents no more than the in-state tuition rate regardless of where they live. Dr. Jacobs stated that in the spirit of giving back to veterans for their sacrifices, administration believes in addition to modifying the college's residency policy as to the Choice Act, all veterans and their dependents who become Macomb students be eligible to pay tuition at the in-district rate regardless of their legal residency. Dr. Jacobs noted that most of the veterans who attend Macomb are already Macomb County residents so this should not significantly affect revenue. Trustee Cusumano reiterated his belief that everyone across the board should be charged in-district tuition rates.

6.4 Trustee Vacancy

Trustee Kelly stated that he had asked Mr. Wendt to draft a procedure as to filling vacant trustee positions since the college did not have an established policy relating to vacancies. Mr. Wendt stated that the college published a notice in the Macomb Daily and placed a notice on the home page of the Macomb Community College website which established a process for interested parties to apply, which was to send a letter of interest and resume to the President's Office by May 8, 2015. Mr. Wendt stated that twelve applications were received. All of the information received was forwarded to all of the Board members. The Trustees can express their opinions as to their preferred applicant(s), however, there will be no vote at this information session. At the regular meeting under agenda item 5.3, the Chairperson will announce that it is the appropriate time to consider the appointment to fill the trustee vacancy. There will be a nomination process, an opportunity for discussion, and a roll call vote by the Board.

The Community College Act requires that the vacancy be filled by the majority vote of the Board in favor of the particular applicant. Mr. Wendt advised that under agenda item 5.3 the Trustees move to adopt the following procedure for the nomination, discussion, and voting process:

- (A) Each Board member may nominate only one applicant to fill the vacancy and no second is required for the nomination
- (B) After the discussion is closed, voting will be conducted by a roll call vote
- (C) If there is more than one applicant nominated and no one applicant receives the necessary four votes, then the top two applicants and ties will then be eligible for a second round of discussion and voting
- (D) This process shall continue until an applicant is chosen to fill the vacant trustee position

Mr. Wendt indicated that, as noted by the Chair, the Bylaws of the college do not provide for an established process for filling a vacant trustee position. However, in the past, it was conducted by a motion process, but the preferred way to proceed would be for a nomination

process which allows more involvement with a discussion and roll call vote thereafter. Under the Community College Act, it takes four votes to be appointed to fill the vacancy. Mr. Wendt also indicated Trustee Bonkowski's resignation was effective this morning and filling the vacancy tonight would be consistent with the intent of the Community College Act. He further stated that once the trustee vacancy is filled, there is a fifteen (15) day period in which the successful applicant would need to complete the appropriate paperwork with the college, which is the Acceptance of Office, Affidavit of Eligibility and Constitutional Oath of Office. Trustee Cusumano inquired if this would then be the process going forward for future trustee vacancies. Mr. Wendt stated that it is always possible to amend the Bylaws setting forth additional steps or when another vacancy occurs in the future, we can adopt this process again. Trustee Haase expressed her appreciation that a policy was put together for tonight's meeting so that there is something in place that can be followed with everyone's input. Trustee Cusumano inquired whether anyone checked with the Macomb County Clerk Election Department to confirm whether all the applicants were qualified to hold office. Mr. Wendt responded that in checking on line, all of the applicants appeared to be qualified, residing in the County for at least 60 days. Trustee Cusumano asked if the college has a policy that a trustee cannot serve if they are employed as an adjunct faculty member at the college and that this should be memorialized as a policy for a vote by the Board. Trustee Kelly stated that it can be presented to the Board for adoption of a policy. Trustee Kelly asked if there were any further questions or discussion as to the trustee vacancy. Trustee Cusumano moved to close the discussion on the trustee vacancy.

7.0 EXECUTIVE SESSION

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

8.0 ADJOURNMENT

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

The meeting adjourned at 7:16 p.m.

COMMUNITY COLLEGE DISTRICT OF THE COUNTY OF MACOMB
BOARD OF TRUSTEES

Secretary