

APPROVED 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, June 21, 2016 at 6:00 p.m., in Room K307, John Lewis Student Community Center, South Campus, 14500 Twelve Mile Road, Warren, Michigan.

1.0 CALL TO ORDER

The meeting was called to order by Chairperson Kelly at 6:34 p.m.

2.0 ROLL CALL

Present: James F. Kelly, Chairperson
Vincent Viviano, Vice Chairperson
Jennifer Haase, Secretary
Frank Cusumano, Trustee
Elizabeth Lucido, Trustee

Absent: Joseph DeSantis, Trustee
Roseanne DiMaria, Treasurer

Also present: James Jacobs, President
Elizabeth Argiri, Vice President for Business
Janet Huff, Director of Human Resources
Sharon Kowal, Executive Administrative Assistant 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
Michael Zimmerman, CIO & Executive Director of Comm & Info Tech

3.0 APPROVAL OF AGENDA

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

Motion carried.

4.0 AUDIENCE PARTICIPATION

None.

5.0 REVIEW OF AGENDA ITEMS AND MATERIAL

None.

6.0 ISSUES AND UPDATES

Dr. Jacobs stated that ticket sales for the Macomb Center for Performing Arts have been very good. Dr. Casandra Ulbrich, Vice President for College Advancement and Community Relations said that donor sales have been going on for the last two weeks and sales have been going well and are about \$60,000 ahead of where they were this same time last year.

Dr. Jacobs said that as a sponsor with the Jimmy Johns Baseball Field, the College is planning on an evening game in August where he will throw out the first pitch and tickets will be available for staff.

Dr. Jacobs said the College is working on a grant proposal for cybersecurity infrastructure planning. If the College is awarded the grant then Macomb will have an interesting opportunity working with Wayne State and the County on cybersecurity. This opportunity fits in with the County's perspective that defense and cybersecurity are an important part of the area's growth.

6.1 Lansing Update

Dr. Jacobs said the Governor looks likely to sign the increase of 1.3% in the funding package – however the College is starting to feel the impact of the change made in 2011 to the personal property tax exemption – the College is losing \$400,000. This is an issue that will continue to be a problem because of the way the legislation is written; the State subsidizes high priority areas for the loss of this property tax, but community colleges are at the bottom of the list. The State said the College will be reimbursed this year, but what happens next year and the year after. This is important and needs to be kept in mind when planning future budgets.

Trustee Cusumano asked who is the contact person that provides information about the projected reimbursements and how does this person contact the College. Ms. Libby Argiri, Vice President, Business stated the College's contact is Howard Heideman in Treasury. Ms. Argiri said there is a new process for notification this year, but up to this point there has been no formal communication received from the Treasury. The new process requires all the counties to report their personal property tax base as well as any exemptions that have been filed and phased in the program. Dr. Jacobs said this is the first year of the new process and the exemption has to be applied for by the company. At this point only 60 percent of companies have applied and the State has not given any indication of how many companies in Macomb County have applied.

Dr. Jacobs distributed a memo from Kara Fields, Director of the College's Office of Veteran Services. He stated that this memo provides a picture of the types of relationships the College has with veterans. There has been a significant amount of growth in the number of veterans and active duty personnel attending the College. Chairman Kelly conveyed a positive story about a family friend who had a successful educational experience with the help of the College's Veteran Services. Dr. Jacobs said the new Veterans Service Center is scheduled to open in January, 2017. A tour will be scheduled.

6.2 Regional Transportation Authority - RTA

Dr. Jacobs distributed materials from the Regional Transportation Authority (RTA) about a proposal that will be on the ballot in November. The Board and the College are prohibited by law in taking a position on the RTA's proposal. There are, however, an increasing number of students who take the bus to get to Macomb. Students who take the bus were surveyed and the average commute time one way is 60 to 90 minutes. There are also huge issues for students to travel between campuses. The role of the College is getting students involved in learning about the significance of mass transportation and the importance of expanded routes and how this fits into the concept of student success. Dr. Jacobs said there will be a coalition of students from different colleges, as well as a coalition of people from Macomb County supporting the RTA and Macomb students will play a role in that. The RTA is having a public hearing on Wednesday, June 29, from 4 to 7 p.m. on South Campus in K324. Members of the RTA will be present.

6.3 Presidential Selection Process

The trustees discussed the search firms that presented at the June 14 Special Meeting. The trustees concluded that they were all in agreement as to which firm they would choose. The vote will be held at the Regular meeting on Agenda Item 5.4.

Ms. Denise Williams, Vice President of Human Resources, introduced Janet Huff, Director of Human Resources, as an available resource to the Board during the search process.

6.4 Michigan Community College Risk Management Authority Overview (MCCRMA)

Ms. Argiri, VP of Business provided an overview of the College's participation in the Risk Management Authority.

Trustee Cusumano asked if the College is going through insurance carriers or just a third party. Ms. Argiri said there are insurance companies that bid on the full reinsurance, but the Michigan Risk Management Authority (MCCRMA) would help Macomb with any claims processing. They are separate from the allocated administrative expenses to the pool for the same processing that they provide. Trustee Cusumano asked if Macomb has an insurance fund that it operates out of or are they underwriting and issuing – basically purchasing insurance from third parties. Ms. Argiri said the reinsure is always third party. The MCCRMA is a separate entity so the reinsurers would be separate from the Michigan Municipal Risk Management Authority (MMRMA).

Trustee Cusumano asked what percentage of the total budget goes to administrative expenses versus actually paying claims and reserves. Ms. Argiri said that 88 percent of the College's contribution goes directly to reinsurance leaving 12 percent for administrative expenses. Trustee Cusumano asked if the general membership meets three times per year; how often is the board of directors elected and who handles the day to day operations. Ms. Argiri said the board of directors is elected every two years and there is a chairperson, but not a CEO. When it comes to making decisions or policies the board and the executive board make those decisions. Ms. Williams said the MMRMA sits as a broker, as well as, a third party administrator. They are basically providing those services to the MCCRMA.

6.4 Michigan Community College Risk Management Authority Overview (MCCRMA)
(Continued)

Trustee Cusumano said there are 19 community colleges engaged in the MCCRMA, what do the other nine colleges do for insurance? Ms. Argiri said some are in a self-insurance pool but the rest are probably with commercial carriers. Ms. Williams said the reinsurer is a commercial carrier – MMRMA is maintaining a certain portion of the risk and that is what is keeping the costs down. Ms. Argiri stated in addition to that, the College's own long-term risk management strategy helps keep costs down. Ms. Williams said it is not a deductible at that stage, a deductible is retaining a certain portion of that and if the exposure exceeds that then it goes to the reinsurer. Ms. Argiri said the College's coverage limits are excellent and deductibles are low and that would not be the same with a commercial carrier.

Trustee Cusumano asked from all of the community colleges participating what is the total revenue. Ms. Argiri said around \$5,000,000 – but she doesn't have the number readily available. Trustee Cusumano asked how the Board would know that commercial carriers' costs haven't gone down and are lower than the more stable slowly increasing pool of the MCCRMA without getting competitive comparisons. Ms. Argiri said most pools are specific to an industry so the College can't solicit bids from MMRMA because they serve municipalities. Soliciting bids from a commercial carrier would not be an apple to apple comparison. Purchasing could put it out for bid and compare the costs; however, the Board would have to acknowledge the loss of certain levels of control that may not be acceptable. Trustee Cusumano stated that would then be a decision the Board would make rather than not having the policy followed. The Board is given an off policy decision of certain vendors that things have worked for in the past – but does the College know whether or not it is overpaying. Ms. Williams said there are two things: 1) MMRMA is bidding out and the members of the MCCRMA are seeing bids on all of the reinsurance – which is the largest portion of the cost and 2) it is not just about the insurance but about the style – the way the College is choosing to protect their exposure and their risks. They are choosing to do it through their membership in the MCCRMA instead of self-funding or just buying a straight up commercial insurance policy which would really limit your coverages. They are choosing to control their own risks so it is not just as simple as going and getting bids from commercial carriers.

Trustee Cusumano said then there needs to be an amendment to the policy to exclude that particular contingency. Ms. Argiri said Macomb is probably the exception because this item is brought to the Board each June for approval. Many colleges have that as an exception to their policy for the bidding process. Dr. Jacobs said that the College can come back with an exception to the policy. Ms. Argiri said the Purchasing Policy will have to be modified.

Dr. Jacobs explained the new temporary full-time position, Director of Special Projects, Charles Muwonge, reporting to the president. This position will last one year, is non-renewable and will be paid through the College's strategic fund. The concern and the focus of this position will be on diversity. The student body has experienced a significant growth of diverse populations including black and Middle Eastern.

When things are clear on some programs and there is good data a report will be issued to the Board. This issue will be handled using the same process used with other issues and will take place by leveraging the resources available and utilizing teamwork. The person filling this position knows that it is temporary and he will focus on diversity programming, linking ongoing work, being an asset to the vice presidents but not doing anything unless it is signed off.

Dr. Jacobs said there is also real concern over the perception of South Campus and what is going on there. Mr. Hunter Wendt, General Council said mechanisms have to be developed to dispel the untrue perception that South Campus is more dangerous than Center. Trustee Kelly said that that not only does the community have the incorrect perception but so does the staff. One of the goals for this position is to help the staff with diversity. Trustee Viviano asked if there will be something geared towards the students as well. Dr. Jacobs reassured him that there will.

Dr. Jacobs said the reason for not utilizing an existing position on President's Council is because this position provides a fresh outside perspective, this person will be able to concentrate on the issues and it will give Administration more flexibility in handling things.

Trustee Cusumano asked if the revenue source is being threatened in regards to diversity. Dr. Jacobs said yes, given the population growth in the County and the increase in younger people in the south end of the County that enrollment at South Campus would be quite a bit higher. But in fact it is declining more rapidly.

Trustee Haase said considering the accreditation visit coming up that this is very proactive. Trustee Kelly said it is about five years too late but is glad to see it finally happening. Dr. Jacobs said to be sure to understand that this is not a personal or moral issue -- this is an institutional issue. This is an issue that affects the College's ability to be a great institution. There is no blame or anything personal; everybody knows the significance of diversity. This is an institutional question that is going to take years -- his goal by the end of this year is to be comfortable about being uncomfortable about this because it is going to be uncomfortable.

Trustee Cusumano said the College is relatively consistent with the County as to the percentage of African Americans in proportion to the total population. Trustee Kelly said there is consistency with the community but if you also look at the socio-economic factors and the folks who usually enroll in community colleges versus other options there is a lag there. Dr. Jacobs said there is also a question of completion and grades. Dr. Jacobs said Dr. Muwonge will be working with Dr. Sawyer and other people around those issues. There is already a small group of administrators and faculty working with a particular target group - young black males. Dr. Sawyer said this program won an innovation award; it pairs faculty and administrators with roughly 25 African American male students trying to help them with persistence and completion of their agenda. Trustee Kelly said it is important to note that a lot of work was done under Achieving the Dream and that it has been incorporated into normal operations or is being built upon.

Trustee Cusumano shared his idea of actively recruiting the best and brightest African American male students from around the three counties to come to Macomb. Recruitment of two percent would be a 33 percent increase. Dr. Jacobs said some target marketing needs to be done.

Trustee Kelly said the staff needs some training. Dr. Jacobs said that is a priority and Ms. Williams has initiated retraining hiring committees. Many changes are underway and this position will help facilitate the progress.

7.0 EXECUTIVE SESSION

Trustee Kelly stated there is no need to hold an executive session.

8.0 ADJOURNMENT

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

The meeting adjourned at 7:40 p.m.

COMMUNITY COLLEGE DISTRICT OF THE COUNTY OF MACOMB
BOARD OF TRUSTEES


Secretary