

APPROVED MINUTES OF 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 Wednesday, September 19, 2018 at 6:00 p.m., in Room 109 of the University Center, Professional Development Center, Center Campus, 44575 Garfield Road, Clinton Township, Michigan.

1.0 CALL TO ORDER

The meeting was called to order by Chairperson Haase at 6:00 p.m.

2.0 ROLL CALL

Present: Jennifer Haase, Chairperson
Frank Cusumano, Vice Chairperson
Katherine Lorenzo, Secretary
Roseanne DiMaria, Treasurer
Kristi Dean, Trustee
Vincent Viviano, Trustee (arrived at 6:40 p.m.)

Absent: Joseph DeSantis, Trustee

Also present: James Sawyer, President
Elizabeth Argiri, Vice President, Business
Sharon Kowal, Executive Administrative Assistant to the President
Deborah Mende, Director, President's Office
Jeffrey Steele, Associate General Counsel, Office of General Counsel
William Tammone, Provost/Vice President, Learning Unit
Jill Thomas-Little, Vice President, Student Services
Casandra Ulbrich, Vice President, College Advancement & Community Relations
Denise Williams, Vice President, Human Resources

3.0 APPROVAL OF AGENDA

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

Motion carried.

4.0 AUDIENCE PARTICIPATION

None.

5.0 REVIEW OF AGENDA ITEMS AND MATERIAL

It was clarified that Macomb does not have a specific policy on prevailing wage. Ms. Argiri said prevailing wage was referenced in one sentence of the Construction and Renovation Policy. The policy is not being repealed; it is being revised because the State changed the prevailing wage law in June.

Trustee Cusumano said he understood when the Board voted on this in 2014, that this College, for all of its construction and renovation work outside of State funding, would be at prevailing wage. Ms. Argiri said that is accurate. The statement reads, "For projects that are managed by an external construction manager, all contractors and subcontractors shall fully comply with Michigan's Prevailing Wage Law." It wasn't only for State funded projects but for all projects that were managed by Barton Malow. We are removing that sentence because the prevailing wage law has been repealed. Trustee Cusumano said it was his understanding that the scope of the State law did not filter down and preempt this College from having a prevailing wage policy for our projects and that it is up to the Board to decide those levels of wages as a matter of policy. Is there nothing in the policy that describes what we voted on in 2014? Ms. Argiri said the repealing of the State act did not require us to change our policy. From a procedural perspective when paying prevailing wage we have to certify the wages that the contractors are paying and with that system no longer available, the College and Barton Malow, as our construction manager, can no longer certify those wages with the State of Michigan. Trustee Haase said this is an inadvertent consequence of repealing the law.

Ms. Argiri said the reason we made the previous change to the policy was that we were having difficulty getting bidders or getting low bidders that paid low wages to their workers. In today's market given the shortage of labor in the construction and industry, that is no longer the case. Now all of the contractors have to pay competitive wages to keep their employees.

Trustee Cusumano said it is his understanding that the policy has not changed since November 2014 and that this change does away with prevailing wage. Everything that was decided by that vote no longer exists at this College because of the inability to certify with the State of Michigan what the prevailing wage is. Ms. Argiri said correct, now any bids that we put out for construction work will not have to meet that requirement. The contracts we currently have in place were bid on the prevailing wage so we have to maintain and finish those contracts but for future construction work that would no longer be the case. The bids would come in, the contractor would set the wages and there would be no verification on our behalf. Trustee Haase said because that verification is not available anymore. Ms. Argiri said correct, we would have to look at some other type of industry source to certify those wages, not that it can't be done, but in this market we feel we don't need to take that extra step. We can let the market determine what those bids are and what the wages the contractors pay their employees.

Ms. Argiri said she brought this revision to the Board because the policy references a law that was repealed and we can no longer follow that.

Trustee Cusumano asked why a New Holland tractor was chosen over another manufacturer. Ms. Argiri stated that it has to do with quality. We have found that particular manufacturers of equipment and vehicles tend to last longer at the College. It is our preference and for consistency within our fleet considering we only have one mechanic that serves all four campuses and our complete fleet of vehicles and all of the equipment, tractors, lawn equipment so the choice was made to recommend not only Ford for the trucks but the New Holland tractor.

Trustee Cusumano asked about the two Ford trucks on Agenda 11.3B, he understands that we are replacing them with Ford trucks because we have a good history with the Ford brand. But the New Holland is replacing a Ford tractor. Does the one mechanic meet with someone from the Business Unit and say, "I really like what I have heard about New Holland tractors. I think we should go with that manufacturer for these reasons." Ms. Argiri said yes, the mechanic would meet with the Director of Facilities and review his recommendations for the replacement of

equipment. They would talk through the recommendations and the rationale for doing so. The Director would initiate the recommendation to her and the Purchasing Department to get the process started. From there, based upon the type or brand of equipment or vehicle we are requesting, the bids are sent out for that particular piece of equipment.

Trustee Dean said we are buying two brand new 2019's. Did we look at the 2018 close out vehicles? Ms. Argiri said the Purchasing Department would definitely look at the models that are available and the most cost effective. Some of these specialized heavy-duty trucks require a lead-time so there is not a lot of inventory. We usually have to place an order. When we specify the type of vehicle/equipment, we are not necessarily specifying the model year so they would look at the entire inventory and then make the recommendation.

Trustee Cusumano said there is a Macomb contract with a Ford dealer in Owosso. Ms. Argiri said the write up includes looking at the different contracts with Oakland County and Macomb County. Trustee Cusumano asked how does the College benefit from having a contract with expenses associated with it rather than just buying it. Ms. Argiri said we don't hold a contract. It is through consortium pricing. When Purchasing is looking at pricing they will look at the different consortiums – for example, Macomb and Oakland County have their deals with dealerships, and we look at the State consortium called MiDeal and explore all those opportunities to find the lowest cost. The College does not hold any contracts with any dealers. We have a complete competitive bid process.

6.0 ISSUE AND UPDATES

Dr. Sawyer updates:

Attorney General Candidates Debate: This is still unfolding but it appears the College will be holding the debate on October 4. It will be at South Campus in the evening. If you want to attend, we have secured VIP seating for the Board. We will share the details when they are available and then you can let Ms. Kowal know if you want to attend.

Shining Light Event: If you want to attend, please let Ms. Kowal know tonight. The event is October 4 in the morning. Barbara Rossman, a member of our Foundation Board, is going to be recognized.

Closed Session: There are a several items for discussion in Closed Session: discussion about a building lease opportunity, a legal update on the Jacobson case and labor negotiations with the STA, Command Officers and Adjunct Faculty bargaining units.

Veterans Event: Saturday, September 15 – was a nice event and very well received. This event had a variety of activities for veterans and their families to celebrate patriotism. Approximately 250 people attended.

Jimmy John's Baseball Game, August 24: An employee recognition event with about 230 people attending. Attendees seemed to have a good time.

Employee Picnic, August 25: This is a nice event. The collective bargaining units host the picnic. They donate the money and do the cooking, etc. Because of the rain, the picnic was moved into Assembly Hall at the University Center, we still had a decent turnout, but weather likely impacted attendance.

Legislative Lunch (August 27): The majority of our representatives and senators attended. This was a good chance to give them a general update on the College. We focused on the two main issues in which there is a likelihood they will come up in lame duck session – the Capital Outlay project and the MPSERS legislation that Ms. Argiri has filled you in on regarding how students are interpreted.

Health Insurance: We will be presenting the hard cap rates to the Board in October. The Board makes this selection on an annual basis. We are recommending the Board approve the hard cap methodology for 2019, pursuant with Act 152. We expect to have the hard cap rates from the State by October 1. Our Blue Cross Blue Shield rates decreased with the exception of the HMO, BlueCare Network, which increased.

Jobs For the Future (JFF) Higher Education Panel (August 29): Dr. Sawyer was invited by JFF to participate on a panel presentation with federal legislative staffers along with the chancellor of Wayne County Community College District, the provost from Wayne State, a VP from the Detroit Regional Chamber and a representative from U of M. JFF staff members were touring around Detroit and Southeast Michigan to talk about what the region is doing from a workforce development perspective and what sort of collaboration is taking place. It was a good discussion.

Recommended Revisions for the Renovation: We are not ready to bring forward the recommended revisions for the renovations. We want to make sure we have a firm schedule because we have had multiple projects going simultaneously which taxes our own staff and our ability to get the buildings back up and running, as well as the challenge with contractors in this busy time. From a financial flow perspective, we have talked about spreading out our renovation projects. We are considering all those things before we come back to you with a renovation schedule and the costs associated with it.

Trustee Cusumano asked if overall costs are rising in the industry. Dr. Sawyer said yes, quite a bit. Trustee Cusumano asked what the percentages are. Dr. Sawyer said a 10 to 15 percent escalation. Trustee Cusumano asked if the market is tightening to the point where we could be looking at costs that are even higher than where they are today. Dr. Sawyer said probably. He continued that Barton Malow is our primary source for this because they have stayed very closely tied to that and they are warning us that we should expect to see inflated costs going forward. Trustee Cusumano asked if they are going to be prioritizing a schedule. Dr. Sawyer said yes, if you recall we have the facility condition index and that will be the primary measure to help prioritize things. The other item to consider is our capital outlay project. If that is approved it becomes our first priority because of the timelines associated with it from the State.

Enrollment: From a financial perspective, credit hours are down about 3.3 percent and head count is down about 4.7 percent.

November Board Meeting: The November Board meeting is currently scheduled on the 21st, the day before Thanksgiving. We wanted to see if the Board has any interest in changing the meeting to the week before or the week after. If we can reach consensus we would bring it to the Board for a vote in October. Trustee Haase said many people help make these meetings possible and she does not want them out the Wednesday before Thanksgiving. The possible dates are November 14 and November 28. Trustee DiMaria said the week before (11/14). Trustees Dean, Lorenzo, Cusumano said either date would work for them. Dr. Sawyer said he hears a preference for the 14th and everyone else is flexible. We will have that as an item on the October agenda.

Comedy and Cocktails: October 19, 2018. You and a guest are invited. If you have not already done so, please let Ms. Kowal know so we can plan accordingly.

1. Payment Plan Update

Dr. Sawyer said we started talking about this in March when our team did a presentation on a payment plan for students. At the time, the Board was in consensus that this was something we wanted to move forward with to benefit students. Just a reminder that we are the only community college in Michigan that does not have a payment plan. Our team has been working diligently over the past few months trying to determine what our best solution is. Tonight Dr. Carrie Jeffers and Kathi Poindexter, who have been leading the effort, are going to give us an update on the plan.

Dr. Jeffers and Ms. Poindexter presented.

Next steps: Finalize the contract with Nelnet (vendor)
 Begin implementation plan
 4-month implementation plan will begin in October
 Should wrap up by February
 First payment plan offering will be spring/summer 2019

Trustee Cusumano asked if Nelnet processes the credit card transactions and is that something that has been looked at. Ms. Poindexter said yes, they do process the credit cards. The fee, if we were to pass it on to the students, would be 2.75 percent, but the fee to us is 2.25 percent.

Trustee Haase asked if there is a plan for letting our students know. Ms. Poindexter said Nelnet has so much experience in this market they already have marketing materials prepared that will be customized for the College. During the implementation, we will create the marketing plan and make sure it is in place by February.

Trustee Haase asked if the payment plan would be included in conversations with students who come to campus to meet with a counselor or come in to register. Ms. Poindexter said we could definitely train frontline staff, i.e. financial aid and academic advisors. That is a great idea. Ms. Argiri said we would be working with our Marketing Dept. also to get the word out. Ms. Poindexter said information would be on our website, the student portal. Trustee Haase said this could make all the difference between someone thinking they could come here and thinking they couldn't, because when you have to have all that money at one time and then possibly have to save for it, and then not understand that you have to save for it – she thinks is overwhelming. However, if you could have it come out of your paycheck or in installments that would be tremendous. Trustee Haase said this is wonderful and thanked Dr. Jeffers and Ms. Poindexter for their hard work.

Trustee Lorenzo asked what happens to the student who only makes one or two payments. Ms. Poindexter said we would recommend they stay in their classes and complete the semester. At a certain point, the account comes back to the College and we would proceed with our normal collection efforts. If at the end of that semester that balance is not paid they would be put on hold and not be able to register for the following semester.

Trustee Cusumano asked what the term of the contract is. Mr. Steele said he does not recall the term of this contract but generally, there is a term that automatically renews with each side having the ability to back out. He usually tries to put in a back out clause where we can get out of the contract within a certain period with notice.

Trustee Cusumano asked how billing works. Does a student register and then get an invoice showing the minimum payment in the mail? Or do they physically go in and pay. Ms. Poindexter said they have to go online to pay. They will accept the terms and conditions and based on the timing of their enrollment, the system will tell them this is a down payment and these will be what their equal payments will be. Then they have the option of having the money withdrawn from their account or pay it by credit card. Reminders about payment are sent out. Ms. Argiri said there will be a link on the My Macomb student portal so they only have to go to one spot. Trustee Cusumano said it's his understanding that only 20 percent of the students take advantage of this. Ms. Poindexter said 20 percent is a little high; it is more like 5 to 12 percent, according to what the other colleges have experienced.

Ms. Poindexter said in answer to Trustee Cusumano's question about the contract, it is a five-year agreement renewable annually with 120 days to cancel.

2. Amendment to Board Policy – Construction and Renovation

Dr. Sawyer said we have already discussed removing prevailing wage from the Construction and Renovation policy. Tonight is the first reading and in October, we will bring it back for the second reading.

3. Community College Local Strategic Value Template

Dr. Sawyer said the Local Strategic Value is more informational. We receive a small portion of performance funding as part of Public Act 265. In order to qualify for that performance funding we need to meet four out of five best practices in three different best practice categories. The State establishes the criteria. Macomb meets all five practices in all three categories. As part of the law, on an annual basis, the Board has to approve a resolution specifying the requirements have been met.

Trustee Lorenzo said in reading it she feels extremely proud. Dr. Sawyer said thank you. Many good things are happening and this gives us a chance to highlight them. Trustee Dean seconded that, because when she was reading it was high-end achievement, it wasn't middle or low, it was exceeding. Dr. Sawyer said the whole staff deserves a hats off for our accomplishments.

4. Athletic Department

Dr. Sawyer said on August 28 and 29 he communicated to the Board about problems in the Athletic area resulting in the College being put on probation because we had two eligibility violations. The most troubling violation was the student who did not have enough full-time credits at Macomb and participated at a national meet. It is written right in the policy that the consequence for that violation is a one-year probation.

Dr. Sawyer continued that we indicated that there would be a more thorough investigation and unfortunately, we are uncovering a number of other issues as well.

Ms. Thomas-Little said the probation is specific to men's cross-country and men's indoor track. As we were looking back at the documentation from last year, we missed the filing deadline for the outdoor track season, barring both the men and women from participating. We gave the athletes the opportunity to participate unattached, choose not to participate or participate and lose a season of eligibility, but they would not be able to run in the regional or national meets. As we were going through the implementation of the probation for cross-country and indoor track she and the coaches were looking through some of those guidelines and realized that the guidance given was exactly correct. In talking with NJCAA and our Regional 12 director, we should not have participated as Macomb athletes for outdoor track because eligibility wasn't filed. Therefore, we essentially fielded ineligible athletes for outdoor track last year. We will have to file that with NJCAA.

Ms. Little-Thomas continued, knowing that part of our probation includes the audit of cross-country and track. We have been looking through those files, as well as three other teams that will also be audited. The audit of three other teams is part of the probation and comes down as a sanction. We are pulling files together that we will need to produce. We are missing documents, so we are trying to track through where those documents may or may not be. We will likely have a finding so you need to be aware of that.

Ms. Thomas-Little stated that in preparing for eligibility this year and making sure we had all of our documentation, she missed the filing deadline for volleyball. The paperwork was supposed to be filed before the first game. She filed it right after the first game because she wanted to make sure she had everything correct. In trying to have everything, she realized we had some Early College students that wanted to participate, but athletes have to be a high school graduate. Athletes have to have a high school transcript that shows a high school graduation date. Some of our students from some of the high schools have a diploma that has a 2018 graduation date, but their transcript shows that they are not graduating until 2019. We potentially may have some violations with that because of the inconsistent ways our high schools have handled some of those things on transcribing and how that is translated. Regardless, NJCAA guidelines state an athletes transcript has to have a high school graduation date to be eligible, so that is what we need on file.

Ms. Thomas-Little added that there are some insurance claims that were not filed in a timely fashion in relation to injuries an athlete incurred while competing. We have secondary insurance for them to cover what their primary insurance does not from health care perspective. Some of those claims were not filed in a timely manner so we need to make sure those claims are paid.

Ms. Thomas-Little said that interviews have been held for an Athletic Director and we have a good candidate. We have a good relationship with the NJCAA national office and the Region 12 director and they are working with us to help pull all of this together to share with them in a way that shows we are taking this very seriously. However, we are going to seek some leniency from them, from a time perspective, given we have a vacancy in that position.

Dr. Sawyer said it is obviously very disappointing that we find ourselves in this situation. Unfortunately, at this point the damage is done. Now it is a matter of how do we rectify these problems and demonstrate good faith to NJCAA. Dr. Sawyer said that Ms. Little-Thomas has been communicating with them on a regular basis and they have been very empathic. The probation that came down was specified explicitly in the rules. In the other areas, they seem to have more discretion and that is where we are hoping to draw on the fact that we are addressing these issues in a timely manner.

Trustee Viviano said the suspension is only for a year. Ms. Little-Thomas said the specifics of the volleyball situation is the forfeiture of the first game, there is an automatic audit for that season and then anything else is at the discretion of the NJCAA. Right now, men's cross-country and men's indoor track are on probation for one year. Beyond that, depending on how everything else falls out and what we end up having to report to them, it will be at the NJCAA's discretion.

Trustee Cusumano asked what was the systemic reasons the deadlines were missed, was it negligence? Dr. Sawyer responded that he would say yes, negligence. Trustee Cusumano said systemically what back up or double check system could we use to make sure that there is some oversight to make sure this doesn't occur again. He is thinking of the student athletes who are out of luck now and this is a great disappointment in this part of their lives. He thinks it is incumbent on us to right the ship and make sure it doesn't happen again.

Trustee Cusumano asked if Counsel has reviewed any of this material to see whether it is ironclad that the students can't compete, has there been history of variances? Dr. Sawyer said we violated this rule, and as an institution we took the position that ethically we made an error. We need to take responsibility, in particular to demonstrate to the athletes, that yes, we own this and this is what happened. He continued that Ms. Little-Thomas went through the options available to the athletes because that is the most difficult part of all because they are the ones who are impacted. While we are going to be leaning on NJCAA for leniency if they come down on us real hard that is when we would start to litigate. He wants to be careful not to go down that path because they are trying to work with us to get through this. Trustee Cusumano said, as he understands it is not an adversarial contentious group, they are community colleges; they are an organization that understands their customer base and isn't going to try to jam anyone. Dr. Sawyer said we are not doing anything to try to advantage ourselves from a competition standpoint. Someone who had this responsibility failed and these were the errors that were made.

Trustee Cusumano asked if there is going to be someone outside of the Athletic Department who will review these deadlines and make sure this doesn't happen in the future. Dr. Sawyer said we are looking at this with an eye on how to put corrective actions in place. He said an example of one situation is the information is entered into the computer, but he entered the wrong information, that was the double check; if he had put the right information in it would have indicated we were ineligible. Ms. Little-Thomas said post season specifically is the piece that is most troubling from the NJCAA perspective. When it comes to eligibility there is a certification process at the back end that is to occur where the dean or registrar should be signing off on. There are very clear processes in place within our manuals, it was all there, it is whether or not he followed them.

7.0 Closed Session

MOTION by Cusumano supported by Viviano to move into Closed Session for discussion about a building lease, the Jacobson lawsuit and labor negotiations with the STA, Command Officers and Adjunct Faculty bargaining units.

ROLL CALL VOTE:

Ayes: Cusumano, Viviano, Dean, DiMaria, Lorenzo, Haase

Nays:

Absent: DeSantis

RECESS

The meeting recessed at 7:10 p.m.

RECONVENE

The meeting reconvened at 8:05 p.m.

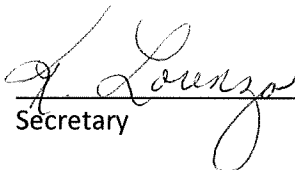
8.0 ADJOURNMENT

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

Motion carried.

The meeting adjourned at 8:05 p.m.

COMMUNITY COLLEGE DISTRICT OF THE COUNTY OF MACOMB BOARD OF TRUSTEES


Secretary