

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, February 21, 2024 at 6:00 p.m., in Room K315/317 of the John Lewis Conference Center, South Campus, 14500 E. Twelve Mile Road, Warren, Michigan.

1.0 CALL TO ORDER

The meeting was called to order by Chairperson Lorenzo at 6:04 p.m.

2.0 ROLL CALL

Present:

Katherine Lorenzo, Chairperson
Frank Cusumano, Vice Chairperson
Kristi Dean, Secretary
Roseanne DiMaria, Treasurer
Joan Flynn, Trustee
Shelley Vitale, Trustee

Absent:

Vincent Viviano, Trustee

Also present:

James Sawyer, President
Libby Argiri, Executive Vice President, Business
Kevin Chandler, Vice President, College Advancement & Community Relations
Joline Davis, Vice President, Human Resources
Tiffany Goliday, Executive Director, IDEA
Carrie Jeffers, Vice President, Student Services
William Leavens, Chief of College Police
Nicole McKee, Director, Government and Institutional Relations
Deb Mende, Executive Director, Office of the President
Bryan Rizzo, Director of Athletics
Jeffrey Steele, General Counsel, Office of General Counsel

3.0 APPROVAL OF AGENDA

MOTION by Cusumano, supported by Flynn, to approve the agenda as presented.

ALL IN FAVOR:

AYES: Cusumano, Flynn, Dean, DiMaria, Vitale, Lorenzo

ABSENT: Viviano

NAYS:

MOTION CARRIED.

4.0 AUDIENCE PARTICIPATION

None.

5.0 REVIEW OF AGENDA ITEMS AND MATERIALS

Agenda Item 7.1 Financial Statements - Trustee Vitale asked about the summary of budgeted versus actual revenues for the seven months ended January 31, 2024. When does the fiscal year end and why are the total non-operating revenues so high in comparison to the operating revenues? Executive Vice President Argiri responded that the fiscal year ends June 30, 2024, and the disparities in the non-operating revenues (which include Property Tax, State Aid and Interest on Investment) is primarily because property taxes are collected in the summer. Each November the board votes on a resolution to collect property taxes in the summer, so those receipts come in earlier in the year. The state aid is received monthly and the interest on investments is recorded each month as the interest is earned.

Agenda Item 11.3B – Renewal of Electronic Time and Attendance Software (TimeClock Plus/TCP) - Trustee Flynn asked for further explanation on this software renewal? Dr. Sawyer said TimeClock Plus is a program that runs our labor management system and is for people to record their time, absences, etc. This program replaces timecards. Trustee Flynn asked if instructors use it? Dr. Sawyer said it is primarily for staff, but others use it to record their time off because it is recorded in that software. Trustee Flynn inquired as to how long we have been going to Texas to do this. Dr. Sawyer said the college started using TCP in 2019 after the RFP process and their bid was the lowest at that time. As described in the write-up we questioned if this should be an annual renewal but decided on a three-year renewal to take advantage of the five percent discount per year. EVP Argiri added it is critical that this system integrates with our enterprise-wide information system, Colleague, and the TCP program does.

Agenda Item 10.1 Perkins Grant Fund -Amatrol Motor Control Learning Systems - Trustee Vitale asked for clarification on the number of trainers purchased. EVP Argiri explained that currently we have three trainers that are shared among multiple programs. Using the Perkins grant we purchased two units for the electronics program and three units for the electrician program. The purchase of the additional units will adequately equip these programs.

Agenda Item 7.3 General Fund Planning and Tuition Rates for 2024/2025 - Trustee Cusumano asked how much revenue is expected to be generated from the proposed tuition increase (an increase from year over year)? EVP Argiri said including the projected increase in enrollment of two percent along with the requested tuition rate increase, it will generate \$1.5 million (rounded up) in revenue. Trustee Cusumano asked if that is additional revenue from where tuition currently is? EVP Argiri said correct, compared to current tuition and enrollment at the revised budget level. Trustee Cusumano said assuming the budget was not fully exhausted was there excess revenue from year over year that rolled into the investment portfolio? EVP Argiri said we look at cash flow projections and project out what our cash flow needs are throughout the year and any excess cash flow is invested in the investment portfolio. Trustee Cusumano asked if there was net operating revenue? EVP Argiri doesn't have the numbers with her, but yes last year there was a small amount of excess revenue. Trustee Cusumano asked if it was more than \$1 million? EVP Argiri will have to get back to him with that information.

Agenda Item 7.2 – Investment Report - Trustee Cusumano said CD's, which are FDIC insured, are returning approximately 5% to 5.25%. The investment report shows we are holding a couple of CD's with First State Bank, one at 4.25% and the other at 5.25% - is there any reason the administration can give why any investments are being made in lower yielding instruments than 5.25% or the current prevalent rate for CD's? Dr. Sawyer responded that we diversify our investments, and it was not too long ago there were some concerns in the banking industry. We would not be overly committed to any one bank or instrument. As part of our regular plan to diversify, we wouldn't hold up one investment and measure against it, we are not going to chase that one thing. EVP Argiri continued saying that we work closely with our investment advisor Meeder (approved by the board in 20/21) and they make recommendations based on diversification and maximizing our yield. With CD's we do not want to be heavily invested in any one bank so we look to the rates available to us as an institution and decide how much out of our portfolio do we want to invest in CD's versus other investments such as bonds, commercial paper, we have agency government instrumentality investments. There is a strategy behind it, and we work closely with our investment manager to achieve those goals and minimize risk as much as possible. As Kathi Poindexter, director of Finance and Investments, has addressed previously the reasons why we don't liquidate some of our older investments that have lower interest rates, and again working with Meeder, we have determined that the losses that would be realized are not worth it compared to the continued interest we are earning.

Trustee Cusumano's follow up question to that, is it accurate that we are now turning the portfolio on average 2.133%? EVP Argiri said that is correct, it is a weighted average investment rate.

Trustee Cusumano asked if there is a target that has been set by the administration to make an expectation of the portfolio manager on what we expect to return on the investment given the fact that we have turned it over to them? EVP Argiri said we still have our responsibilities. They are our advisors, and they consult with college administration to make those decisions.

Trustee Cusumano asked EVP Argiri to describe that decision process to him? EVP Argiri said Meeder reviews our portfolio and watches for maturities and will make recommendations to our director of finance and investments. In some cases, we know the diversification we need and perhaps it is an agency that is maturing and there might be an automatic decision they make to continue with an investment in a like instrument. Any time we are investing in different types of options they reach out to Kathi Poindexter, have a conversation with her, and we take that information and make a decision whether to proceed with their recommendation.

Trustee Cusumano asked if any of their recommendations have ever been rejected and not acted on by the college? EVP Argiri couldn't think of any recently and consulted with K. Poindexter. Kathi Poindexter said they wanted us to use a shorter-term investment policy than what we are using, because in the past we have always had a longer-term maturity. We talked about the pros and cons of that.

Kathi Poindexter made a point of clarification that CDs are not fully FDIC insured, they are only insured up to \$250,000. There is a higher interest rate on those because you are taking on a little more risk. Trustee Cusumano asked if there is a limit to the number of CD's that can be purchased? For example, could a \$1.25 million CD be purchased in five groups of \$250,000 and keep the risk low? Kathi Poindexter said that is the same thing and you would have to go to five different banks. EVP Argiri added that the insurance is by account holder.

Trustee Cusumano said most people who regularly attend this meeting know he consistently votes against the receive and file motion for the investment portfolio based on the characterization, what he considers to be the mischaracterization, of certain instruments as federal government instrumentalities. Several meetings ago he noticed that the Private Export Funding Corporation has been added at \$3.44 million. How exactly is this Private Export Funding Corporation, which is a privately held corporation, consistent with the restrictions placed on us by the Michigan Legislature that the Community College Act mandates that we invest in certain instruments and not others? EVP Argiri said the Private Export Funding Corporation, according to their prospectus, indicates that the Attorney General of the United States has stated in an opinion dated September 30, 1966 that the contractual liabilities constitute general obligations of the United States backed by its full faith and credit and that persons in whose favor has incurred contractual liabilities in accordance with law have acquired valid general obligations of the United States and are therefore in a position to reach beyond the Private Export Funding Corp. and it's assets to the United States for a source of payment if necessary. She said our investment advisor advised us when we invested in this that it was consistent with the Community College Act and our college policy. She will provide additional information to the trustees.

Trustee Cusumano asked about the significant spread (in percentage rates) of two bonds purchased on the same day from different places – Private Export Funding Corp. and the Federal Farm Credit Bank? EVP Argiri said those two bonds were purchased at a discount. The interest rate on the investment report is the stated interest rate on the bond and when we buy at a discount it becomes an effective interest rate with the amortization of the discount. The effective interest rate for those bonds are 4.44% for one and 4.67% for the other. We have always maintained the investment report in the same format but if you would like us to add an effective interest rate column for any bonds that are purchased at a premium or a discount, we could consider doing that. We just want to provide you with the information that is most helpful but not overly confusing.

Trustee Cusumano asked if a significant percentage of the portfolio has instruments that have a discount? Kathi Poindexter said a lot of the agency bonds will have a premium or discount.

Trustee Cusumano asked EVP Argiri if she feels we are getting maximum return on the investments given the size of our portfolio, and in Agenda Item 7.3 – General Fund Planning and Tuition Rates for 2024/2025 you anticipate, with the increase in interest rate, an additional \$700,000. EVP Argiri is comfortable that we are maximizing the return on our assets with the restrictions we have in our investment policy and the Community College Act.

Trustee Cusumano added that it has been suggested that perhaps some real estate would be liquidated and he wanted to indicate that part of the rationale for holding real estate, being somewhat of a land bank, that property values are anticipated to increase faster than the rate of interest on liquid funds and therefore a rationale for holding onto property, would be that it is a secure investment appreciated at a rate higher than can be gotten on the open market in the investment portfolio. Of course, the cost of maintaining those properties would have to be factored into that calculation. Dr. Sawyer said one of the reasons we selected Plante Moran (Realpoint) for the capacity and facility utilization study is because they bring that expertise to help us make that assessment if or when that time comes.

Trustee Vitale asked how long we have been working with Meeder? How many people are on our team when meeting with Meeder? And how often do you get together? EVP Argiri said we have been working with Meeder for three years, our team is EVP Argiri, Kathi Poindexter, director of Finance & Investments, and Patty Wolshon, director of Financial Services, they meet regularly, at least once a week.

6.0 ISSUES AND UPDATES

6.1 President's Report

Dr. Sawyer provided the following updates:

Enrollment Update – Enrollment has been static with credit hours up 5.5 percent and headcount up 3.9 percent.

Tuition Assistance Programs – Students enrolled: 2,240 Macomb Tuition Advantage Program, 836 in Michigan Reconnect and 588 in the Michigan Achievement Scholarship.

Information Item 10.1 Perkins Grant – Amatrol Motor Control Learning Systems – Dr. Sawyer said he and EVP Argiri, per the purchasing policy, gave approval to purchase five Amatrol Electric Motor Control Systems because of the long lead times and the Perkin's Grant deadline of June 30, 2024 to receive the equipment. We are presenting it to the board to receive and file.

Purchases – 11.3A Festo Electrohydraulic training Equipment purchased with Perkins Grand Funds and 11.3B Renewal of Electronic Time and Attendance software that was discussed earlier this meeting.

Tuition Recommendation – 7.3 General Fund Planning and Tuition Rates for 2024/2025 – Dr. Sawyer said consistent with his presentation with EVP Argiri at the January board meeting we are recommending a 1.8 percent increase in tuition rates for the 2024-25 academic year. At the board's request we have provided an analysis of operational efficiency and a comparison of the percent of our ten-year average increase in the general fund versus CPI (consumer price index). The ten-year average increase in the general fund was 0.8 percent and the average increase in CPI was 2.6 percent. Since the January board meeting we have learned what some colleges are considering for tuition increases - to date the ranges have been between 2 percent and 4.1 percent, we are 10 percent below that.

IDEA Update

- The IDEA Council shared a proposal that was unanimously supported by President's Council to recognize Juneteenth effective June 19, 2025. We are excited to be able to offer this to our students and staff. We have some calendar issues and processes that need to be worked through, all doable; but we have accreditation requirements that we have to make sure are satisfied so the 2025 effective date gives us time to do that. This is in line with Juneteenth already recognized as a state and national holiday.
- Macomb Multicultural International Initiatives (MMII) – The college celebrated the 20th anniversary of MMII. A total of 200 students and employees participated in events and gave them an opportunity to reminisce about the program and share the impact it has had on them. We continue to be excited about the work of MMII and it is a very important component to our IDEA work.

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- Diversity Calendar – the college purchased a software license with Diversity Calendar. This company offers a calendar that includes holidays, special dates and various cultural observances. The calendar also offers DEI tips, recipes and other exciting cultural features to learn about various cultural practices and traditions. It integrates with our existing system and will be available on the IDEA My Macomb page in the next few months. We will use this to schedule long-term major meetings to make sure we aren't interfering with a high holy day for a particular religion.
- Macomb Student Diversity Summit – February 15, 2024, the college was excited to partner with the MISD and Macomb County Executive's Office again in the Student Diversity Summit. This event has been held for several years and is for hundreds of middle and high school students to go to the MISD and attend break out sessions. The day usually ends with a panel but this year it ended with students sharing how the day impacted them. It was quite a scene when 100 students decided they wanted to share, but it was neat to hear them talk about the programs impact on them. About a half dozen students had participated last year and shared how this year they learned even more. That is a real positive statement about the value of the program. We appreciate the ISD and the county including us as a partner.

D3C3 Grant Update:

- Dr. Sawyer said that progress continues to be made. Our student success coaches are interacting with over 7,323 students. These are students who have been flagged by faculty as having a need for additional support or something shows up in their Macomb SuccessLink. The whole purpose of having the coaches is that additional layer of support and help to steer students towards resources that may help them be successful with the difficulties they may be experiencing.
- A Credit for Prior Learning intake form has been created and implemented as part of the admissions process. This tool is especially useful for returning adult students so they can take advantage of education they have had at other schools and life experiences.
- A few of our high school partners have approached the college for help with their CTE programs because they struggle to find space and faculty. This is an area we have been interested in for some time, so we are excited these conversations are taking place.
- Last week the presidents of the colleges participating in the D3C3 grant met with the funders to debrief on the project to date. For Macomb it is going very well, we are making great progress on our K12 initiatives, as well as reimagining counseling and advising. However, the third cluster, mobility, is not going well and that is true for all the colleges, it's not an issue unique to Macomb. He anticipates the funders are going to redeploy that funding in the near future. More to follow.

MiLEAP (Michigan Lifelong Education, Advancement, and Potential) – This new state department just launched on December 1, 2023. We are taking a wait and see approach to see how we are going to be impacted. They did announce \$45 million in competitive grants in five different categories. We are keeping track of those and will take appropriate action if we see anything that would be beneficial to the college.

Harper Charity Cruise Logo Contest – The college has been involved in this contest for about 15 years. The organizers of the cruise come to the college and serve as a client. They work with MACA faculty, provide guidelines to the students and give them an idea of what they are looking for and the students go ahead and design a logo. The organizers selected three winners and they are all very good. The winner this year focused on a 1964 Mustang. This is a great event for students. The winner, Nicole Renaud, received \$1,000 from the cruise organizers and that was matched with another \$1,000 by the Foren Family Foundation through our Foundation. We appreciate the support of the Foren Family Foundation; they match these awards every year. The second-place winner received \$650 matched, and third place received \$350 matched.

Lorenzo Cultural Center Spring Exhibit – Freedom Confirmed – This exhibit is underway and runs through April 27. The program focuses on Abraham Lincoln's role in the Civil War and other events that shaped American democracy and freedoms. We have partnered with the Detroit Historical Society for this exhibit. The program series will include exhibits, artifacts, and more than 20 presentations. If you have some time, please stop in and tour the exhibit.

Discover Macomb – On February 20, 2024, a hundred people attended the first Discover Macomb event focused on the Engineering & Advanced Technology area in T building, south campus. We appreciate Trustee Vitale attending with her daughter. These events are designed to help perspective students and their helpful decision makers learn more about our programs. It is an opportunity for students and parents to interact with faculty and staff as well as tour the facilities. Upcoming Discover Macomb Sessions are March 13: Health and Human Services/April 23: Culinary, IT & Business/May 16: Public Service Institute.

ACCT National Legislative Summit – Dr. Sawyer said he had the good fortune, along with his colleague Nicole McKee, of attending the ACCT National Legislative Summit with Trustees Flynn and Dean. The summit had several speakers and some breakout sessions. As part of the summit, they met with Representatives James and McClain. They also met, together with other Michigan Community Colleges at the summit, with Senators Peters and Stabenow. Trustee Flynn was also able to connect with Rep. McClain's Chief of Staff who shared how much of an impact Trustee Flynn had on him and his interest in politics as a child. The main federal legislative issue continues to be Workforce Pell. ACCT and AACC are pushing it as well.

March Board Meeting – Dr. Sawyer said at either March or April's board meeting we will be bringing forth recommendations for architectural and construction management contracts for the Mobility and Sustainability Education Center (SM building), the new capital outlay project. We had initially planned to recommend IDS for the schematic portion of this, but we sought guidance from the State's Department of Management and Budget (DTMB) and they are insistent on us going out for bid on these contracts. The dilemma is that it puts us in a time crunch because there is a very firm timeline with which we need to abide by and now we are racing to get that done.

Outstanding Trustee Requests – Dr. Sawyer said there were a couple outstanding issues with trustees that were addressed by email: Trustee Flynn asked about athletic scholarships and he responded in an email on February 12, 2024. In addition, we will be hearing from athletic director, Bryan Rizzo and two student athletes, Mallory and Jake, shortly.

Additionally, there was a question from our capital planning conversation in January and he responded via email on February 13, 2024, with the information we had available on capital planning for center campus dated 2002. We do not have a similar document for south campus.

6.2 Athletics

Bryan Rizzo, director of Athletics gave an overview of the Athletics department. Two student athletes joined him and shared their experiences being student athletes at Macomb.

Mallory played volleyball for two years. She said she had a lot of support and there were study group tables a couple times a week to make sure everyone was doing good in school. She had a lot of fun, met many amazing people and has grown more as a person.

Trustee Flynn asked Mallory what high school she went to, where is she going after Macomb and if she received any scholarships? Mallory attended Chippewa Valley High School and has applied to the Wayne State University nursing program. She received partial scholarships both years. The second year was a little bit more.

Jake is a member of the cross-country team. He said he had a lot of fun; it was harder than he thought. The coach is very nice. He learned time management, life skills, and what dedication can get you. The highlight videos are great too.

Trustee Flynn asked Jake what high school he went to and where is he going to attend after Macomb? Jake attended Lake Shore High School and will be going to Wayne State University but will not be running for the university.

Trustee Flynn said she will work with President Sawyer to see if we can put some of these highlight videos on TV Warren.

B Rizzo introduced the new Macomb Monarchs mascot.

Questions:

Trustee Flynn questioned if the exercise room is open to public? AD Rizzo said no, the activity center belongs to the Wellness and Exercise Science program who are nice enough to let our athletes use it.

Trustee Flynn asked if there are lockers and showers? And what is in the place of the swimming pool? AD Rizzo said there are lockers and showers, and the activity center is located where the swimming pool once was.

Trustee Vitale asked Mallory and Jake how they feel about athletics as a stress relief for themselves and how are they going to augment that when they move on to the university?

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Mallory said for her volleyball was a way of getting away from anything going on at home or school, a place to debrief and have fun. Her coaches and teammates were always very supportive so if she ever needed to talk, they could meet individually. Moving forward she is not going out for Wayne's volleyball team but is definitely going to look into their club team.

Jake said he finds running very distressing and really enjoys it so he will probably keep running on his own.

7.0 CLOSED SESSION

It was determined that a closed session was not necessary.

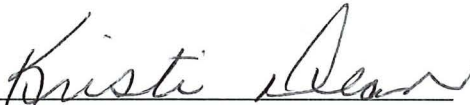
8.0 ADJOURNMENT

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

Motion carried.

The meeting adjourned at 7:05 p.m.

COMMUNITY COLLEGE DISTRICT OF THE COUNTY OF MACOMB BOARD OF TRUSTEES


Secretary