



# Muskegon Community College

## **BOARD OF TRUSTEES STUDY SESSION MINUTES May 13, 2013 4:00 p.m. – Board Room 400Z**

**Present:** Chair Crandall, Vice-Chair Osborn, Trustee Frye, Trustee Lester, Trustee Mullally, Trustee Oakes and Trustee Portenga

Chair Crandall called the meeting to order at 4:04 PM

1. Agenda
2. Minutes
  - Board Open Finance Committee Minutes – April 15, 2013  
No changes were given.
  - Board Study Session Minutes – April 15, 2013  
No changes were given.
  - Board Closed Session Minutes – April 15, 2013  
To be reviewed at the Wednesday Board meeting.
  - Board Meeting Minutes – April 17, 2013  
No changes were given.
3. Public Comments
  - A 360 open evaluation will be conducted for the President's Evaluation.
  - Presentation of Awards for Phi Theta Kappa All-USA Community College Academic Team nominees Mikaela Taylor and Tiffany Kolakowski will occur at the Board meeting on Wednesday, May 15, 2013.
  - 25th Annual Reeths-Puffer and Twin Lake Elementary "A Day for Me at MCC" presentations will be given at the Board meeting on Wednesday, May 15, 2013.
4. Consent Agenda (*Board Action Required - Vote*)
  - A. Budget/Finance
    - I. Finance Committee Report – *Trustee Lester*

- New reporting was discussed and the auditors reviewed the Planning, Budgeting and Reporting report received from consultant Deanna Coleman of Covington Services.
- Paul Gilbert and Eric VanDop of Brickley Delong stated MCC is reporting the financial statements and accounts in the proper format used by community colleges. Per the suggestion to change monthly reporting to a more natural flow, Beth Dick has presented this month's reports for the Board in this new format. Paul stated this would be a nice enhancement for the Board's monthly review. Beth also incorporated depreciation and some normal accrual adjustments that were previously not incorporated until yearend. Eric VanDop stated what is most important is for MCC to understand the information and that it's useful, not that MCC follows some specific set of rules.

2. Treasurer and Financial Reports – *Trustee Lester*

B. Personnel

1. Personnel Committee Report – *Trustee Mullally*

- There are currently no outstanding grievances.
- The ESSU contract was discussed. A summary will be provided to the Board on Wednesday.
- The adjunct salary proposal was discussed.
- The committee reviewed and discussed the recommended retirement incentive and summarized it for the Board as follows:
  - Trustee Mullally is inclined to support the recommended retirement incentive. The committee did discuss how many people may have retired anyway, as opposed to whether this would be an incentive for them, which is difficult to determine.
  - Vice-Chair Osborn thoroughly understands and will support the early retirement incentive. Related to whether individuals would retire anyway, she stated we need to keep in mind, generally we are not going to fill some positions, but after a while that starts to creep up, so savings are somewhat short term/not so long term. A correlation between early retirement incentive programs and the MPSERS contribution rate also needs to be made and how that impacts the budget. Encouraging people to retire sooner, makes the retirement pay out longer, creating a bigger liability. Most places are not hiring people back into those positions or are but at a much lower rate, which means no money comes into the system to support it, which creates higher contribution rates. We should be encouraging people to work longer. President Nesbary stated that legislation could take action and resolve some of the issues we face. The state of Michigan is down 12,000 employees, most of whom receive MPSERS, and they haven't adjusted that system to fix some of the benefit levels they provided as a state over that time period. Their action or lack thereof, impacts our ability to do our jobs. We are in a position where retirement incentives have been put together to help us

respond to an issue that we must, to have a level of service provision to our students and our community that makes sense.

- The Board questioned how not filling 7 out of 14 possible retirement position's was determined and whether it will affect the colleges' ability to function, instruction, etc. Dr. Nesbary indicated all positions eliminated will impact the college. Part of our challenge is to restructure so we can meet those challenges, and at this time, to meet the needs of the institution, these are the recommendations Administration feels make the most sense.
- Sick payouts and vacation payouts are liabilities for MCC, regardless of whether people retire. The additional cost is what has not been accrued yet; this is expensed on an annual basis. The only additional liability is incentive pay.
- Early retirement incentive will come off the consent agenda and be added to New Business to be voted on at Wednesdays Board meeting.

2. Personnel Report – *Aaron Hilliard*

- The 236 adjunct instructors were for Winter semester. Spring and Summer semester adjuncts are being organized currently and will be reported on the June report.
- APS vacancies remain the same with no positions filled.
- ESSU vacancies – the Upward Bound Secretary is grant funded and we are moving forward to fill that position.
- There is one current vacancy for custodial maintenance and another vacancy will be forthcoming due to a retirement.

5. Administrative Reports

A. Academic Affairs – *Teresa Sturrs*

B. Student Success Report – *Dr. John Selmon*

a. Enrollment

b. Student Success Completion Agenda

- Dr. Selmon gave a brief enrollment update and discussed adjustments to be made.
- Dr. Selmon highlighted the document in the Board packet discussing a college success course for which MCC will be conducting a pilot this fall.
- MCC's goal is to position ourselves to be a nationally recognized leader college. In a year or so, MCC will consider applying for leader college status.

6. Business Non Operational

A. MCCA Report – *Trustee Lester*

- Trustee Lester highlighted a couple of items.
  - The impact of veteran's receiving in district tuition is still being reviewed.
  - There was a hearing on April 25<sup>th</sup> regarding the adjunct faculty mandate for healthcare. The guidelines haven't been set yet, but could have an impact on MCC.

B. Foundation Update – *Vice-Chair Osborn*

The Foundation did not meet this month, but will meet again on June 13th. A reminder of the Foundation golf outing on June 14<sup>th</sup> was given. They are doing fairly well on their goal, but still need golfers and lunch attendees. Ticket sales and donations are also needed for the September Founder's Day event.

7. Old Business

8. New Business

A. Summary of Auditor's Meeting with the Finance Committee – See Item 4. A. 1. above.

B. Ratification of the ESSU 2012 – 2015 Collective Bargaining Agreement – An administrative summary will be provided for review on Wednesday.

C. Budget

- The budget assumptions were reviewed. The Board needs to agree on whether they have any issues or concerns with these assumptions, as they will be agreed to if the budget is accepted.
  - Whether or not it is realistic for the budget to remain flat or whether numbers should be lower was discussed. Dr. Selmon reported high school numbers are expected to be up slightly and will forward additional information to the Board related to this assumption.
  - The Board decided to keep the fee named “technology fee”
  - Other expenses for contractual obligations – the Board hasn't seen any information on how much contracts are increasing; Dr. Nesbary stated this information can be provided for the Board.
  - The board questioned where the projected 8%-10% utility cost increase was obtained. Beth Dick received these estimates from the director of facilities and will follow-up to see if additional support is available.
  - Break-even for Ottawa County is anticipated to take three years.
  - The Board questioned if surveys of Ottawa County students inquire whether they would have attended MCC if it weren't for the Ottawa County extension class. Vice President Sturrus indicated this is an excellent idea that can be added to the survey.
  - Item 7. includes a 1% increase for APS.
  - The board suggested they explore a policy on how long items will be depreciated.

A public hearing for the budget will take place at the June meeting. Two motions to 1) approve tuition and fees and 2) to approve the millage will also be presented in June.

D. President Nesbary's Annual Evaluation – *Chair Crandall*

- After public comments in June, the Board will conduct an open 360 evaluation. The evaluation tool will be uploaded to the portal for the Board's completion prior to next month.

E. Board Evaluation – (*Board Action Required*) - *Trustee Mullally*

Trustee Mullally reviewed past Board evaluations from 2008, 2011 and 2012 and likes the format, but believes some of the questions could be revised. The Board decided to conduct a board evaluation every two years, timing the evaluation to occur prior to any current Board member's departure and occurring approximately 18 months after any new board members are elected.

Retirement Incentive will be added as item F. under New Business for the Wednesday board meeting.

9. Board of Trustees Policy Manual Updates – *Chair Crandall*

10. Announcements

- ✓ The Board Luncheon will be held in the Stevenson Center, Room 1118 and the Board Meeting will be held in 1100 – Stevenson Center for "A Day for Me at MCC" Presentations.
- A. President's Report – *President Nesbary*
- B. President's Message, May 2013 – *President Nesbary*
- C. Departmental Updates – *President Nesbary*
- D. Board Comments
  - The Board requested scheduling room 1100 or 1200 in June for the open President's evaluation. Cindy DeBoef will schedule another location and report back to the Board. Beginning in August, Cindy will also move the Personnel Committee meetings to Room 1118.

With no further business, the meeting was adjourned at 5:23 p.m.

Minutes submitted by Secretary, Nancy Frye.

/csd