



Muskegon Community College

BOARD OF TRUSTEES BOARD STUDY SESSION MINUTES March 17, 2014 – 4:00 p.m.

Room 1100 – Lecture Hall Stevenson Center for Higher Education

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 4:02 p.m.

1. Agenda

There were no changes to the agenda.

2. Minutes

- Board Study Session Minutes – February 17, 2014
- Board Meeting Minutes – February 19, 2014

There were no changes to the minutes.

3. Public Comments

There were no public comments.

4. Consent Agenda (*Board Action Required - Vote*)

A. Budget/Finance

I. Finance Committee Report – *Trustee Lester*

- Next month the Finance Committee will begin receiving updated information for the 2014 – 2015 budget.
- An investment of \$2.5M matured on March 6th and was reinvested for one year at .35%, which is up from last year.
- With the passing of [SB 608](#), Beth Dick will confirm with the architects how money will be spent; this will assist in determining how long money may be invested as construction and renovation move forward.
- Write-offs, collection of delinquent tuition, bad debt, and how the processes work was discussed. Possible write offs total over \$200k and return on collection is around 17%.
 - The board requested the current projected budget deficit for the end of the year. Beth Dick reported it is \$850k, the same as last month. Finance and Department Chairs continue to meet to review budgets, determine if projections are reasonable, and look for additional savings. Summer enrollment will also effect projections.

- The board asked when they will hear about a plan to eliminate the deficit. \$280k of the \$850k deficit is the bond; the board questioned when there will be a plan to resolve the remaining \$570k deficit. Dr. Nesbary reiterated that work continues with departments to determine what else can be adjusted for the current year. Enrollments are down greater than anticipated, and we are doing what we can. For the last several years, we have known this was going to be a very difficult year in terms of the budget and enrollment. MCC had a significant surplus several years ago, and those dollars are not spent in anticipation of addressing years like this. The board would like to know the strategy for the next four months to address the budget deficit issue.
- The board requested a proposal of where the fund balance will come from including the amount. They have an issue with the 6-7 position postings requested, indicating one way to cut expenses is through staffing.

2. Treasurer and Financial Reports – *Trustee Lester*

B. Personnel

1. Personnel Committee Report – *Trustee Mullally*

- The Personnel Committee received the proposed list of APS manual changes, which will be placed on the portal for board review. Next month the board will be asked to act on this data and approve changes.
- The committee also received data from the APS salary analysis, which is on the board portal for review. They will act on this data at the April Board meeting.
- Updates were given on the HR Director search. There were 27 applicants and 5 finalists were selected to interview.

5. Administrative Reports

A. Academic Affairs – *Teresa Sturuss*

- Dave Stradal presented the recommendations from the Downtown Committee, which were approved by the Oversight Committee, and the President, for presentation to the Board. The following groups participated and gave input: Arts, social sciences, business and industry, applied technology and entrepreneurship. Program groupings were determined and are included in the [downtown proposal recommendation](#).
 - Everything in applied technology would move downtown, except for automotive and truck driving/CDL.
 - For expansion, the group recommends robotics, factory automation, advanced materials, and continuing expansion of the alternative energy program.
 - A maker's space is recommended as part of the entrepreneur program; an area for students and area inventors to use including equipment to make prototypes and take ideas to reality.
 - Part of the entrepreneurial program would include a small retail space, to be used by students and community members who create prototypes/new products, for selling their products.
 - Business and Industry Training does not need additional space; they would share the space.

- Creative Arts would like a black box space that holds 200, and a media room to create video and audio projects.
- Social sciences/experiential learning are looking for the ability to take their students around the downtown area to see history first hand.
- There are opportunities to contribute to the ongoing operating costs of the facility through Maker's space rent, revenues from retails sales, grants, programs, and business sponsorships. If the Arts were located downtown, the potential would exist to generate revenue through ticket and event sales, and potentially concession sales, gallery sales, and increased Art classes.
- The board voiced concern that we have capital improvement money, but no operating money – that will depend on how many students we attract to these programs. Second, looking at the square footage needs from the presentation of 58,000 sq. ft., the architects have indicated a factor of .7 must be used for restrooms, hallways, utility closets, etc., which brings the need up to 75,000 sq. ft., twice the budget of what is affordable. The Board questioned what can be done to bring this proposal in line. Tom Harryman stated the extra space is figured into the 10,000 sq. ft. for the black box space, as he worked with an architect on that projection.
- The Board stated once the program is defined, what we can afford and what will fit into the space will need to be defined.

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

a. Enrollment

b. Student Success Completion Agenda

- Dr. Selmon distributed handouts. The first handout was the 13 high-impact practices defined by CCSSE. The second handout was the 6 high-impact practices MCC has chosen to focus on. Dr. Selmon discussed how MCC will use this information, indicating the goal is to impact our retention numbers.
- The board questioned how the 6 practices were determined for MCC. Dr. Selmon stated the Student Success and Completion Committee determined what they thought MCC could do best and easiest through a survey and ranking process. Additional information will be shared as it becomes available.

C. Personnel Report – *Jerry Conrad*

Faculty, APS and ESSU are actively pursuing positions.

6. Business Non Operational

A. MCCA Report

- Trustee Oakes attended the MCCA Spring meeting and will provide a report.
- Trustee Lester reported the MCCA budget will be increased 12% across the board for each college.
- GASB 68 is going into effect meaning each college will have to account for their individual portion of the unfunded liability. Beth Dick reported MCC has received a letter stating MCC's portion of the liability and the expense, and she has been in contact with the auditors and the Office of Retirement System (ORS) for further

clarification. Beth has questions out to the auditors and ORS to determine whether it needs to be incorporated into the budget and how to account for this. Trustee Lester stated MCCA offered to help and we may call their office with any questions.

- The MCCA Summer Trustee Institute is July 23, 2014 in Traverse City and the Summer Conference is July 24th and 25th.

B. Foundation Update – *Vice-Chair Osborn*

- One additional Foundation board member is on the agenda for approval.
- Jayhawk Scramble forms were distributed to share with others – seeking sponsors, giveaways, etc.

7. Old Business

A. Construction Project Committees

a. Steering Committee

- i. Science Center – Dr. Nesbary stated there is one more step of approval; once completed we will be free to begin our work. We are first dollar and the state is last dollar. Hope to move forward in April-May the earliest and June/July the latest. Meetings continue for Phase I. The board questioned when the construction bid process will be started.
- ii. Health Center is on schedule. 10 site visits completed; facility questions are being answered as a group; have met with third party vendors; one more meeting and recommendations will be made to the Oversight Committee. Expect a recommendation to the President and then to the Board in May.
- iii. Arts Center – Committee to begin meeting with a March 28th kick off meeting. Board members were invited to participate.
- iv. Downtown Center – see item 8. O. below

Everyone involved in securing financing from the state was congratulated by the Board. \$4.6M was approved and signed by the Lt. Governor on Friday for MCC's science center. As soon as all approvals are received from the state, the groundbreaking for the Science Center will begin. It is anticipated the project will break ground sometime between May and July 2014.

- B. Golf Course additional year-end information requested by the Board – Beth Dick distributed and summarized the 2012-13 schedule of MCC's cost to fund the golf course. Annually \$8,000 is received by MCC from the golf course and a \$50,000 transfer from the General Fund (auxiliary fund) is made to the golf course. It was questioned whether there is anything in the RFP stating MCC will transfer \$50,000 annually to the golf course; this will be reviewed when developing the next RFP.

8. New Business

A. Permission to Re-Appoint 2014-2015 Administrative, Professional, Support Staff

Recommendation will be revised to add the following language following "be reappointed" ***subject to provisions of the APS manual for the 2014-2015 fiscal year.***

- B. Presentation of Faculty Contracts – Full-Time Faculty- March 2014 – *Jerry Conrad*
- C. Permission to Post Business Instructor – Business/Retail/Entrepreneurship – *Teresa Sturrus*
Recommendation to be revised to add the following: **pending availability of funds.**
- D. Permission to Post Applied Technology Instructor – Electronics – *Teresa Sturrus*
Recommendation to be revised to add the following: **pending availability of funds.**
- E. Permission to Post English Faculty – *Teresa Sturrus*
Recommendation to be revised to add the following: **pending availability of funds.**
- F. Permission to Post Full Time Biology Instructor – Life Science – *Teresa Sturrus*
Recommendation to be revised to add the following: **pending availability of funds.**
- G. Permission to Post Full Time Nursing Instructor – *Teresa Sturrus*
Recommendation to be revised to add the following: **pending availability of funds.**
- H. Permission to Post Psychology Instructor – *Teresa Sturrus*
Recommendation to be revised to add the following: **pending availability of funds.**
- I. Permission to Post Spanish Instructor – *Teresa Sturrus*
Recommendation to be revised to add the following: **pending availability of funds.**
- J. Permission to Post Counselor/Coordinator Special Services – *Dr. John Selmon*
Recommendation and job description to be revised to include the following language:
pending availability of funds.
- K. Permission to Post Counseling Faculty – *Dr. John Selmon*
Recommendation to be revised to add the following: **pending availability of funds.**
- L. Permission to Release a Request for Proposal (RFP) for University Park Golf Course – *Dr. John Selmon*
- The Board indicated there is currently a lack of timely and informative financial information. MCC puts a significant amount of money towards the cost of the golf course each year, with no accounting of how it's being used; this needs to be addressed in the next RFP. In the past, there have been many types of business arrangements presented and the Board is open to different models. The Board also requested the RFP address how our students are being helped and/or how something more is being developed for our students; for example, the First Tee initiative, how will the business model support that kind of activity?
 - The Board requested they review a draft of the RFP, to insure it addresses all of the needs/issues, as discussed.
- M. Permission to Release a Request for Proposal (RFP) for Information Technology Services
The current vendor must receive notice of MCC's intent to terminate or modify the agreement one year prior, which would be August 2014.
- N. New Foundation for MCC Board Member
Vice-Chair Osborn reported this would bring the Foundation Board up to 12 voting members and they will continue to seek additional board members.

- O. Downtown Center Recommendations – *Dr. Nesbary*
- Dr. Nesbary stated extensive discussion has occurred regarding the downtown center and the recommendation is presented for Board consideration.
 - Prioritization of programs was discussed. Wrap around general education classes will be needed with whatever is placed downtown.
 - The specific applied technology areas identified for downtown are: CAD, machining, materials, electronics including alternative energy, welding and graphic design. Currently MCC is limited by the number of welders and machines and hopes to expand to accommodate additional students. Enrollment in this area is not declining; most classes in applied technology are wait-listed. There are a lot of local businesses sponsoring these students and this would address the need to train workers to fill employer needs in the communities we serve. This area also hopes to expand into robotics and advanced manufacturing. VP Sturrus will confirm the number of students currently enrolled in this program.
 - 48,000 sq. ft. would be needed for the current areas, not including corridors, etc., plus expansion. The architects indicated these areas would be less expensive to build; \$200 a sq. ft. is too high, since they are boxes.
 - Moving this program downtown would leave most of the Tech building, CAD rooms, and Graphic Design vacant and there are others already interested in moving into those spaces. Al Thomas in automotive is very interested in the Art building.
 - VP Sturrus stated the entrepreneur program at MCC is quite new; any literature in higher education, and even in elementary schools, you will now find an entrepreneur component. This is something community colleges, four year institutions, business and industry, and economic development agencies want to see, and they want community colleges taking the lead. Administration believes this is a critical element to a downtown component. MCC's applied technology could work with students to help produce products and teach students how to sell their products and it allows for a lot of hands on learning. Students in retail classes could help put together business plans for the entrepreneurs or the inventors, helping to sell their products in our pods.
 - The potential to tap into additional funding and income also exists. Applied technology fits in with the EDA grant, potentially securing grant funding for this program. A member's fee for the community could also be charged to use space and equipment, in addition to rental of selling pods. Currently there are approximately 50 students in the entrepreneurial program; by adding more general business to the program, MCC could funnel 150 students through downtown entrepreneur programs.
 - The board identified Applied Technology as their #1 priority for downtown, building with room for expansion and see how far the money goes. Entrepreneurial studies was identified as the #2 priority. As MCC starts to do something downtown and generates excitement, fundraising opportunities can then begin.
 - The board identified next steps as: evaluating several potential sites and determining whether to build or go into an existing building. They agreed to schedule a retreat to look at each of the properties, have architects present the pros and cons, how sites can be reconfigured, to discuss all options and zero in on where to place the facility. Cindy DeBoef will work on scheduling a retreat.

P. Distinguished Faculty Status Request

A nomination was received from MCC faculty for Dr. Dan Yakes, to receive distinguished faculty status. The last distinguished faculty occurred in 1998.

9. Board of Trustees Policy Manual Updates

A. 3.00.00 GRADUATION AND CREDENTIAL REQUIREMENTS, Item C.

Jean Roberts summarized the reasons for making a change in this policy language from 5 years to 3 years.

B. 3.09.00 HEALTH, PHYSICAL EDUCATION, RECREATION AND DANCE, Item A.

A request was made to remove this from the board policy manual, as it is the only curricular decision in the manual. The recommendation will be edited to come from the board chair.

10. Announcements

- ▶▶ [Taste of Tomorrow](#) – March 22, 2014 11:30 a.m. – 1:30 p.m. – MCC Gymnasium
- ▶▶ Arts Center Committee Kick-Off Meeting – March 28, 2014 – Room 1228
- ▶▶ [AACC Annual Convention](#) – April 5-8, 2014 – Washington, D.C.
- ▶▶ Distinguished Alumni Dinner – May 1, 2014 6:00 p.m. – Blue & Gold Room
- ▶▶ [MCC Commencement](#) – May 3, 2014 7:00 p.m. – L.C. Walker Arena

A. President's Report – *President Nesbary*

Dr. Nesbary stated for the capital outlay process, as well as the millage passing, there were many people involved in the process – faculty, staff, the board, and students. This is also the culmination of a five year process with strategic and master planning. This is a long term process and we will have years that are up and years that are down in terms of our revenue stream and from an operations perspective. One of the ways to improve the revenue stream is to have more students and better facilities. By adding programs, upgrading facilities, etc., we will attract students. He also expressed thanks to the entire legislative group for making this happen. Dr. Nesbary will be draft a thank you letter for each of the legislators involved in the capital outlay process, and present the letters with a special gift from MCC, the President, and the Board.

B. Departmental Updates

C. Board Comments

With no further business the meeting was adjourned at 6:11 p.m.

Minutes submitted by Secretary Frye.

/csd