

REPORT OF MINUTES

BOARD OF TRUSTEES SPECIAL MEETING

**BAY de NOC COMMUNITY COLLEGE
Catherine Bonifas Board Room (201D)
Escanaba, MI**

May 9, 2016

The meeting was called to order at 5:31p.m. ET by Board Chair, Philip Strom.

Roll call was taken by Assistant Board Secretary, Laura Johnson.

Members Present: Jim Hermans, Tom England, Eric Lundin, Philip Strom,
Joy Hopkins, Tom Butch

Member Absent: Bill Lake

Administration: Matt Barron, Travis Blume, Kim Carne, Laura Coleman,
Mark Kinney, Jeanette Stebelton, Christine Williams

Faculty: Brian Black, Molly Campbell, Laurie Johnson,
Bill Milligan, Jane Mudrovich,

Student: Mallory Ramelis

Guests: Jordan Beck, *Daily Press*
Frank Mongene, MEA Uniserv Director
Nancy Smith

Recorder: Laura Johnson, Assistant Board Secretary

Philip Strom stated the meeting was called to continue the meeting from April 29 to hear from Administration and additional comments from faculty and students. He identified two overall ideas presented by faculty at that meeting:

- 1) Concern with the reduction in force plan for the two faculty positions; specifically with the process used for selection with emphasis given to the history and philosophy position.
- 2) Improving communication to involve faculty in the decision making process. Section 205 of the Full Time Faculty Master Agreement should be discussed in future communications plans.

Molly Campbell, Brian Black, and Bill Milligan agreed with the summary.

Philip Strom advised the Board would move into closed session to continue discussion allowed within the written legal opinions dated April 11 and April 26, 2016, from College attorney, Patrick Sturdy, regarding the reduction-in-force (RIF) being considered.

Discussion was held to determine which session information about the reduction in force process, current budget information, and comments from the public would be heard.

Trustees determined the Board would go into closed session to discuss the attorney's opinion and then extend invitations to the President's Advisory Council, faculty representatives, and Mallory Ramelis at their request.

Citizen, Nancy Smith, was given the opportunity to speak. Nancy is a retired teacher who took five classes from John Mathews. She spoke about her experience as a student of Mr. Mathews and expressed her concern about the elimination of his position.

Trustees thanked Nancy for addressing the Board.

Philip Strom requested Dr. Coleman share the updated information affecting the 2016-17 budget. Ratio and budget projection information was distributed.

Dr. Coleman shared updated property tax revenue figures including dark store damages. Property tax revenue will be reduced by \$65,000 which will reduce net income to \$48,907. The target net income or "surplus" identified by the Board of \$180,000 at the initial budget is now down to \$48,907.

Dr. Coleman explained building the budget is a very fluid process. Property tax revenue was originally presented at \$3,855,000 and is now projected at 3,790,747 with the information that was not available until today. The "surplus" or net income needed is tied to our Higher Learning Commission (HLC) CFI ratio which must stay above 1 for two consecutive years or the College is placed on a watch list by HLC. Our CFI ratio is 1.03.

Bill Milligan requested clarification about the point when MESSA insurance rates were going up 15.2% and accounted for in the budget.

Dr. Coleman stated they were reflected in the April 1 budget which showed ~\$180,000 surplus. Bay was notified of the MESSA increase March 31. At an April 1 meeting, senior leadership explained to the union Bay had been hit with a substantial increase and was considering another layoff. Research led senior leadership to reconsider their choice which reduced savings by an additional \$20,000.

Chris Williams shared an example about utility information received two weeks ago from DTE which affected the budget by \$40,000 because of a 23% increase in energy transportation costs.

The College will experience ongoing reductions in property tax revenue due to the dark store issue and could expend the \$48,907 reserve quickly. The College is not eligible for dark store recapture.

Dr. Coleman continued to explain the budget information comes together throughout the winter months. As an example, county assessors cannot provide the property tax information until the first of May.

Bay College normally has a final budget hearing in June; because of the faculty contract and layoffs this year it is in May so faculty and the Board are seeing the fluctuations that occur as the budget is developed.

Dr. Coleman stated Bay's tuition is in the top 25% in the state; a reflection of the fact that compared to peer schools in urban areas, we collect little revenue for the mills levied.

Discussion was held about how enrollment is projected. Dr. Coleman stated enrollment from high school enrollments are projected based on the proportion of the students we typically receive from each high school and the unemployment rate is reviewed. She advised all community colleges are fighting the same enrollment battle. The projected budget is built with enrollment projections to be 2% down overall with expected increases in the nursing and EMT programs. The Board has always advised Administration to budget conservatively.

Philip Strom asked for further comments.

With no further discussion, it was motioned by Tom Butch and seconded by Eric Lundin to:

“Enter into closed session to consider the written attorney’s opinions dated Monday, April 11 and Tuesday, April 26, 2016, from College attorney, Patrick Sturdy, addressed to the Board of Trustees.”

Roll Call:

Ayes: Tom England, Eric Lundin, Joy Hopkins, Tom Butch, Jim Hermans, Philip Strom
Nays: None
Abstentions: None

No discussion. Motion carried unanimously.

The meeting moved to closed session at 6:08 p.m. E.T.

The meeting moved to open session at 9:30 p.m. E.T.

Those present included:

Matt Barron, Brian Black, Molly Campbell, Laura Coleman, Laurie Johnson,
Frank Mongene, Jane Mudrovich

Jordan Beck, Travis Blume, Kim Carne, Laura Coleman, Mark Kinney, Jeanette Stebelton,
and Christine Williams entered.

Joy Hopkins left the meeting at 7:04 p.m.

Tom Butch left the meeting at 9:30 p.m. and returned at 9:33 p.m.

Philip Strom advised Jordan Beck he was welcome to receive the presentation made by Matt Barron during closed session, without sensitive information, as their schedules allowed.

Philip Strom moved to the second agenda item for discussion about ways to improve communication with the Faculty Association. He identified the overall issue of concern in the retrenchment process as institutional priorities and stated the Faculty Master Agreement authorizes the President to communicate with the Faculty on behalf of the Board. The Board asked Dr. Coleman to look at how other colleges communicate with their faculty in these situations to improve communication.

Dr. Coleman stated other schools have cabinets comprising faculty and administration representatives that meet several times a year. Senior leaders share what is going on with the budget and strategic ideas. Faculty report out their concerns. It provides a platform to ask questions and for feedback with faculty and would allow another avenue for faculty to be better informed. Representatives could be division chairs and/or the faculty president and chief negotiator.

Dr. Coleman meets with the Full-Time Faculty President and Chief Negotiator and the Part-Time Faculty President monthly and would continue to keep these meetings.

She also stated the President's Advisory Council is open to feedback on how to communicate better and differently.

Philip Strom requested feedback from Dr. Coleman on suggestions and comments when received.

Laura Johnson advised the Faculty Association requested an Association Management Council (AMC) meeting be scheduled prior to May 18. Discussion was held. Brian Black agreed the meeting was unnecessary before May 18.

Philip Strom requested discussion about the AMC be tabled to the agenda under Unfinished Business for the meeting on May 18. Tom Butch agreed the suggestion of creating a cabinet should be considered. Philip Strom would like to determine whether the AMC or the Board is the body to carry out the discussion about creating a cabinet and advised if a legal opinion is needed it can be determined at that meeting.

With no further discussion, it was moved by Jim Hermans and seconded by Eric Lundin to:

“Adjourn the meeting.” No discussion. Motion carried unanimously. The meeting adjourned at 9:44 p.m. ET.

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Laura L. Johnson
Assistant Board Secretary

Completion Date

Approval Date

Philip L. Strom
Board Chair

Approval Date