CALL TO ORDER – Chair K. Ross Childs called the meeting to order at 6:34 p.m.

ROLL CALL
Trustees present: Douglas Bishop, Robert Brick, K. Ross Childs, Cheryl Gore Follette, Walter “Jay” Hooper, Susan Sheldon
Trustees absent: William Myers (joined by telephone)
Also present: Ed Bailey, Courtney Baker, Bruce Beeker, Brice Behringer, Vicki Bridson, Spencer Carey, Marguerite Cotto, Lindsey Erreca, Papillon Erreca, Amber Feman, Holly Gorton, Richard Gray, Kay Hall, Paul Heaton, Katrina Jaquish, Daniel Jasmund, Marybeth Jenks, Cathy Jones, Cathy McCall, Jennifer McKenna, Nathan Mol, Craig Mulder, President Timothy J. Nelson, Pam Palermo, Paul Perry, Tony Peterson, Jim Press, Aaron Ross, Karen Sabin, Elliot Salyer, Erika Schultz, Roland Schultz, Stephen Siciliano, Marvin Studinger, Cheryl Sullivan, Mary Surgalski, Mike Surgalski, John Tanner, Mason Thomas, Aara Wardzala, Heidi Yaple, Megan Young

APPROVAL OF AGENDA – On a motion by Doug Bishop, seconded by Cheryl Follette, the agenda was approved.

REPORTS
Innovation Grants Awarded – Mr. Childs asked if there were any questions regarding the Innovation Grant report in the board materials; there were none.

Enrollment Report – Stephen Siciliano noted that the report was as of one week earlier. We are now at 27% over budget in billing hours. There were no questions on the enrollment report.

Financial Report – There were no questions about the financial report.

Foundation Report – Doug Bishop noted that, as of the last meeting, the Annual Campaign was at 97 new donors to the annual campaign; there are at least 99 now, because Kinsey and Kira Bishop just made donations. He offered congratulations to co-chairs Paul Maurer and Bonnie Alphonso.

Legislative Issues Report – President Nelson referenced the MCCA Legislative Issues update in the board materials. There are a number of items in the Senate and House. Since the last board meeting:
- The Community College Baccalaureate bill passed through the House of Representatives Committee on Education. They are waiting to take the bill to the House floor. The bill will go to the Senate within the next two weeks.
- Regarding appropriations, State funding is now expected to decrease 3.1% next year, then drop 20% in 2011-12.

UPDATES
Board Chair Update – Chair Ross Childs shared that he will be attending the MCCA Board of Directors meeting in Flint March 26 and 27.

President’s Update –
- President Nelson said he continues to monitor state legislation regarding incentives for employees to retire, as well as possible mandatory health care premiums for public employees.
As introduced, employees age 60 with at least ten years of service and employees with 30 years of service, regardless of age, would be encouraged to retire. NMC has at least 58 employees who meet the metric. Once an employee retires he/she would be eligible to work half time for up to three years. The President would have limited ability to ask key employees to stay for one additional year. The college is looking at succession planning, given the likelihood that some sort of state legislation to incent retirement will occur.

- The recently passed federal health care legislation includes an increase in Pell grants, as well as changes to how federal loans are processed. The legislation is expected to impact NMC this year, but the details are not yet known. Federal health reforms will have an impact on us this year and in future years.

DISCUSSION: FY11 BUDGET
President Nelson referenced the budget cover memo that lists the things the college has done to save money. He said our credit rating has recently gone from A+ to AA, a testament to the sound decisions the board has made and the work within the business office. He asked trustees to look at the model as a three-year picture and noted that the budget can be balanced in many different ways.

President Nelson reviewed the revenue assumptions that we are currently using for next year’s budget. The proposed tuition rates for 2010-11 would allow students to qualify for the Michigan Tuition Tax Credit. He said the budget includes additional dollars for adjunct faculty and staff to serve the estimated 6.3% increase in enrollment. The budget model applies the salary plans. Regarding employee health insurance premium contributions, President Nelson said they are not included in the proposed budget at this time. His preference is to wait until federal and state changes in health insurance are clear, so that changes can be made all at once. Nelson noted that health care costs to the institution have been declining.

Cathy Jones, Vice President for Finance and Administration, reviewed the revenue and expenditure assumptions included in the model for the next three years.

Nelson said the combined surpluses in FY10 and FY11 will be used to offset future deficits. We’re planning for multiple state funding reductions and declining enrollment, resulting in a projected budget shortfall between FY12 and FY13. He noted the college will have to come up with structural changes by FY12 and FY13 to accommodate those changes. There will be an impact on the bottom line if state retirement law changes, but that is not built into this model.

Last year’s recommendation was for a zero increase for in-district tuition. President Nelson said there was much uncertainty in the economy at that time and the college thought it was the right social statement to make for the community. Trustees also agreed to 2% salary increases rather than applying the benchmark studies last year. He noted that 50% of Michigan community colleges held the line on tuition increases last year.

Cathy Jones explained our investment strategy. Investment income is projected to remain flat due to low interest rates.

President Nelson said he hopes trustees are prepared to vote on tuition rates at their April 26 meeting and on the total budget in May. Trustee Doug Bishop noted that a mid-year increase could be enacted, if necessary. Nelson responded that the college has never done that, but it is possible. He would prefer to find other ways to make adjustments.
Chair Ross Childs said he’s concerned about the possibility of not meeting the Michigan Tuition Tax Credit in FY12 and FY13. Cathy Jones noted that the rates on which the credit is determined likely will change, so it is premature to know whether students will qualify. President Nelson also pointed out that we do not know whether that tax credit will survive the current revamping of Michigan’s budget.

President Nelson explained how revenue from higher enrollment – if it occurs – will be set aside to help offset an expected decrease in state funding in FY12.

PUBLIC INPUT – Great Lakes Maritime Academy Cadet Richard Gray expressed concern about finding a replacement for John Tanner and told Trustees some of the qualities he thinks the next Maritime superintendent should have. They do not want a career navy person, an individual whose entire career has been in maritime industry, or anyone without sea experience. Great Lakes Maritime Academy Cadet Erika Schultz expressed concern about how long it is taking to begin the search for a new Maritime superintendent and about the search committee having a strong NMC bias. She asked for GLMA cadet and faculty presence on the committee.

President Nelson said that he and Vice President Siciliano have met with Maritime faculty and staff as a group and individually, including John Tanner, as well as with officers of the alumni group. A job description is currently being drafted, and the goal is to have a replacement in place this fall. Nelson said it is an important position and the college needs to take the time to do it right. Per NMC policy, the search committee will recommend three candidates to him for consideration.

CONSENT AGENDA – On a motion by Cheryl Gore Follette, seconded by Jay Hooper, the following items were approved: minutes of the February 22, 2010 meeting; contributions for February 2010; summary report for general fund accounts as of February 28, 2010.

ACTION ITEMS

Dennos Museum Boiler Replacement – Cheryl Follette made a motion, seconded by Doug Bishop, to authorize the administration to enter into a contract with D & W Mechanical for the installation of two 500 MBH boilers at the Dennos Museum Center. The contract will be in the amount of $54,338 ($47,250 plus a 15% contingency totaling $7,088), be funded from the FY10 Plant Fund. Motion carried.

The meeting adjourned at 7:48 p.m.

Recorded by Karen Sabin

SIGNED

K. Ross Childs, Chair

ATTESTED

Robert Brick, Vice Chair