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

ROLL CALL
Trustees present: Robert Brick, K. Ross Childs, Cheryl Gore Follette, Walter “Jay” Hooper, William Myers, Susan Sheldon
Trustees absent: Douglas Bishop
Also present: Ed Bailey, Holly Charon, Bob Chauvin, Marguerite Cotto, Kathleen Guy, Paul Heaton, Darby Hiller, Bronwyn Jones, Cathy Jones, Charles Judson, Deirdre Mahoney, John Mauk, Cathy McCall, Craig Mulder, President Timothy J. Nelson, Pam Palermo, John Paul, Paul Perry, Jim Press, Garyn Roberts, Jean Rokos, Karen Sabin, Stephen Siciliano, Terry Sievert, Bob Spence, Marvin Studinger, Cheryl Sullivan, Mike Surgalski, John Tanner, Katie Thornton, Megan Ward

APPROVAL OF AGENDA – On a motion by Jay Hooper, seconded by Bill Myers, the agenda was approved.

REPORTS
Audit Plan and Scope for FY10 – Katie A. Thornton, CPA with Plante & Moran, reviewed materials related to the audit plan for the year ended June 30, 2010. She described the scope and timing of the audit, which will take place in three phases: 1) planning and preliminary information gathering in July and August; 2) risk management in August; and 3) all other audit procedures in September.

Aero Park Laboratories Building First-Year Occupancy Presentation – Marguerite Cotto, Vice President for Lifelong and Professional Learning, and Ed Bailey, Director of Campus Services, provided an overview of the Aero Park Campus master plan, including initial plans for the Aero Park Laboratories Building. Ed said they will attempt to make the building LEED certified, but it may become cost-prohibitive.

Financial Report – Chair Ross Childs asked if there were any questions on the financial report; there were none.

Enrollment Report – Stephen Siciliano, Vice President for Educational Services, reviewed the enrollment report. The projection for Summer Session 2010 is 6% over last summer, and for Fall Semester 2010 is 5.5% ahead of last fall’s enrollment.

Legislative Issues Report – President Nelson reported that MCCA continues to work with legislature on the Community College Baccalaureate. He said progress on legislation continues to be slow. We may not have a state budget by the end of the state’s fiscal year. Much remains in flux due to people positioning to run for various offices.

Foundation Report – Chair Ross Childs noted the Foundation report in the board materials and asked if there were questions; there were none.
Barbecue Board Report – Susan Sheldon, Board Representative on the BBQ Committee, referenced the report provided and said they are looking for trustee volunteers to act as greeters.

Presidential Performance & Compensation Committee Report – Ross Childs, reporting for committee chair Doug Bishop, noted that the performance evaluation process begins in May and will conclude the third week of June.

Fellows Nomination Committee Report – Ross Childs, said that a selection meeting has been scheduled for 5:00 p.m. on Monday, May 24, just prior to next month’s board dinner. He noted that nominations are due on Monday, May 3, 2010.

UPDATES

Board Chair Update – Ross Childs attended the Retirement and Employee Recognition event last week. He said NMC has an exceptional faculty and staff and noted they also know how to have fun.

President’s Update – Tim Nelson reported on the following items:
- Next year’s budget is built on a 6 percent increase in contact hours. Due to the unusual growth we are experiencing, some courses are scheduled at the University Center in the fall.
- Parking will continue to be an issue, so we will be bringing forward a short-term parking solution that Ed Bailey is taking to the City Planning Commission on May 5. Additional parking, carpooling and other solutions are being evaluated. President Nelson assured trustees we will look at all options for reducing the number of cars on main campus.
- There is a Request for Proposal in process for campus “way-finding” and signage.
- We have commissioned someone to assist with the next phase of our emergency operating plans and we expect that work to be done by the time school starts.
- The first of several community listening sessions will occur May 5. Three hundred people have been invited, but we do not know how many to expect.
- Commencement takes place this Saturday. President Nelson thanked the trustees for their roles in this important ceremony.
- Searches for the Dean for Enrollment Management and Student Services, and the Great Lakes Maritime Academy Superintendent are ongoing.

DISCUSSION ITEMS

AQIP – President Nelson provided an overview on NMC’s Institutional Effectiveness System, which is the same as the AQIP path to accreditation. He said that all of the reports are available at www.nmc.edu/ir. Nelson summarized the findings from the systems appraisal, which were summarized in the Trustee meeting packet. He thanked Darby Hiller, who is the College’s main liaison with AQIP.

FY11 Budget – President Nelson reviewed changes that were made to the draft Fiscal 2011 budget since the last meeting, as outlined in the Trustee meeting packet. Cathy Jones, Vice President for Finance and Administration, elaborated on the cost savings that have been achieved through having a new provider for health benefits. She also reviewed some of the major expenditures that have been added to the draft budget since the last Trustee meeting. Nelson noted that the only way for our
students to qualify for the tax credit is if we had a 0% tuition increase, which he is not recommending.

Cathy Jones said, at the Board’s request, they researched the implications of implementing health care cost premium. The Benefits Advisory Committee (BAC) tried to create a plan that, when combined with proposed salary plan, provided lowest paid employee with a modest increase. Cathy described the process used to come up with recommendation. The BAC opted to stay within the philosophic guidelines the college has been using, which is the “user pay” model. They used the stop-loss premium amounts because that applies to everyone. Trustees noted the following:

- Cost savings is not the issue; the issue is parity with rest of community.
- The user-pay model does not cost users for access to health insurance.
- Employees should be paying a higher amount.
- Trustees didn’t have a figure in mind but are looking for steps toward fairness.

President Nelson said that employees have been paying more for health care as expenses have increased. He noted that benefits are part of compensation, so if there’s a dramatic change in benefits, that affects our compensation plans. At Jay Hooper’s request, Nelson said the college will talk with our insurance administrator to learn what the premium equivalent rate would be for NMC’s experience. A budget study session is tentatively scheduled for May 19.

PUBLIC INPUT - Marv Studinger, NMC Accounting faculty member, said the key issue is equity, and equity should be defined as it relates to the peer group. He suggested that we should be looking at our peer institutions in Michigan.

CONSENT ITEMS – On a motion by Cheryl Follette, seconded by Jay Hooper, the minutes of the March 22, 2010 meeting; contributions for March 2010; grant notification for the quarter ending March 31, 2010; and the summary report for general fund accounts as of March 31, 2010 were approved.

ACTION ITEMS

Truth-in-Taxation and Budget Hearing Notice – Cheryl Follette made a motion to adopt the Truth-in-Taxation First Resolution as presented. Seconded by Jay Hooper, the motion carried.

Foundation Board Appointment – Cheryl Follette made a motion, seconded by Bill Myers, to approve the appointment of Kim Hagerty to the NMC Foundation Board of Directors for a three-year term, effective immediately. Motion carried.

Aero Park Laboratories Endorsement – Cheryl Follette moved to endorse the final real estate purchase that closed on April 7, 2010, of approximately nine acres of the Traverse City Airport Industrial Park owned by Aero Park Properties, LLC, and operated in recent history by ACRA, Inc. The purchase amount of $1,050,000 was funded by the FY10 Plant Fund. Seconded by Bob Brick, the motion carried.

Building Name - Aero Park Laboratories – Jay Hooper made a motion to approve the name Aero Park Laboratories for the newly purchased building on Aero Park Drive. Seconded by Bill Myers, the motion carried.
**Aero Park Campus Master Plan** – Bill Myers made a motion, seconded by Bob Brick, to approve the Aero Park Campus Master Plan as presented.

**Transfer of Funds** – Jay Hooper made a motion, seconded by Susan Sheldon, to authorize the administration to designate the FY10 projected year-end balance to the following accounts; $600,000 to the FY10 Plant Fund and the remaining balance (projected to be $285,910) to the Working Capital Reserve Fund. Motion carried.

**Construction Manager Contract** – Cheryl Follette made a motion, seconded by Susan Sheldon, to authorize the administration to enter into a contract with Spence Brothers in the amount of $600,000 for Construction Management services for the renovation/construction of the Aero Park Laboratories building, to be funded by the FY10 Plant Fund. Motion carried.

**Virtual Server Purchase** – Cheryl Follette made a motion to authorize the administration to purchase Virtualization Software (VMWare) in the amount of $34,000 (a base price of $33,336 plus a 2% contingency for shipping and handling) from Merit Network of Ann Arbor, to be funded from the FY10 General Fund. Seconded by Bill Myers, the motion carried.

**Closed Session** – Cheryl Follette made a motion, seconded by Susan Sheldon, to meet in closed session to review a written opinion from its counsel pursuant to Subsection 8(e) of the Michigan Open Meetings Act to consult with its attorney regarding settlement strategy and proposals in connection with the pending litigation entitled Valley City Linen v Northwestern Michigan College for the reason that doing so in open session would have a detrimental financial effect on the College’s settlement position. Motion carried.

**Reconvene Regular Meeting** – Bill Myers made a motion, seconded by Jay Hooper, to reconvene the regular board meeting. Motion carried.

**ADJOURNMENT** – The meeting adjourned at 8:30 p.m., without taking action on litigation.

Recorded by Karen Sabin

SIGNED

K. Ross Childs, Chair

ATTESTED

Robert Brick, Vice Chair