

**PROCEEDINGS**  
**OF**  
**GRAND RAPIDS COMMUNITY COLLEGE**  
**BOARD OF TRUSTEES**  
**OFFICIAL**  
**REGULAR MEETING**  
**(BUDGET WORK SESSION)**  
**BOARD CHAMBERS**  
**MONDAY, JUNE 4, 2007**

**I. CALL TO ORDER**

Meeting called to order at 4:15 p.m., Chairperson Maggini in the chair.

Present: Anderson, Handlin, James, Maggini, Verburg, Chairperson Schenk– 6.

Absent: Stearns – 1.

**II. COMMENTS FROM THE FLOOR**

None at this time.

06:255

**II. SPECIAL ORDER OF BUSINESS****PUBLIC HEARING ON MILLAGE RATE****JUNE 4, 2007****4:15 p.m.**

Mr. Robert Partridge, Executive Vice President for Business and Financial Services, presented the Millage resolution authorizing 1.9 mills with the Headlee calculation it is reduced to 1.7865 mills. The rate will stay the same as the 2002-03 fiscal year.

Chairperson Schenk asked if there were any comments from the floor concerning the millage levy resolution.

There were no comments.

Motion by Trustee Maggini, supported by Trustee Anderson to accept the resolution as presented. Roll Call Vote taken at 4:21 p.m. Motion Unanimously Carries.

**MILLAGE LEVY RESOLUTION**

WHEREAS, the school electors of the Grand Rapids Community College have authorized a maximum annual tax rate in the amount of 1.9 mills for general operating purposes; and

WHEREAS, the Board of Trustees in accordance with budgetary requirements finds that it is necessary to levy the full millage rate it is authorized by law to levy and that the Board of Trustees has additionally carefully examined the financial circumstances of the Community College district for the 2007-2008 fiscal year including estimated expenditures, estimated revenues, projected state aid, and taxable value of the property located within the district; and

WHEREAS, the Board of Trustees has complete authority to establish a maximum of 1.9 mills to be levied for operating purposes for the 2007-2008 fiscal year from within its maximum authorized millage rate, subject to whatever rollback may be required by the Headlee Amendment and its implementing legislation; and

WHEREAS, the Headlee Amendment and its implementing legislation requires the financial officer of the community college each year to make certain computations regarding the tax rate using data supplied by the Kent County Equalization Director, the Kent County Treasurer and the State Tax Commission; and

WHEREAS, the Headlee computation process for the 2007-2008 fiscal year requires a millage rollback of the authorized millage from 1.9 mills to 1.7865 mills;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE GRAND RAPIDS COMMUNITY COLLEGE AS FOLLOWS:

- (1) That there be levied upon the taxable value of property within the Grand Rapids Community College district as appears from the tax rolls of the cities and townships in the Community College district, 1.7865 mills for operating purposes for the 2007-2008 fiscal year.
- (2) That the Secretary of the Board of Trustees be and is hereby authorized and directed to deliver and file forthwith with the Clerk of each city and township in the Community College district this Resolution and that thereupon the proper officials of said cities and townships are hereby directed to levy the above mentioned taxes on the taxable property within the Grand Rapids Community College district upon the 2008 assessment roll.
- (3) That all resolutions and parts of resolutions insofar as they conflict with the provisions hereof, be and the same are hereby rescinded.

AYES: Members: Chairperson Schenk, Anderson, Handlin, James, Maggini, Verburg – 6.

NAYS: Members: None – 0.

ABSENT: Members: Stearns – 1.

Chairperson Schenk declared the Resolution adopted.

Richard Verburg  
Secretary, Board of Trustees  
Grand Rapid Community College

#### CERTIFICATION

I, the undersigned, Secretary of the Board of Trustees of the Grand Rapids Community College, do hereby certify that the foregoing is a true and complete copy of a Resolution adopted by the Board of Trustees of the Grand Rapids Community College, at its meeting held on June 12, 2006 the original of which is part of the Board's minutes.

Richard Verburg  
Secretary, Board of Trustees  
Grand Rapids Community College

#### IV. REPORTS

Robert Partridge, Executive Vice President of Business and Financial Services, reviewed the 2006-07 year-end projections:

##### Revenue:

Beginning revenue for 2006-07 at mid-year was \$83,670,346. The following changes are anticipated for 2006-2007:

- Tuition and Fees: Overall, tuition and fee revenue is projected to approximate the Mid-Year budget. Total billing hours are projected at 356,031 down only 967, or 0.3%. Fee revenue is also projected to closely approximate the Mid-Year budget, with minor positive variations in most categories. The residency mix has remained relatively consistent with the original 2006-07 budget, with a slight increase in out-of-state enrollment. \$42,467
- Property Tax: No change in mid-year is anticipated
- State Aid: No change from mid-year is anticipated. It should be noted, however, that as part of the current proposal to balance the state's 2006-07 budget, the August payment to community colleges (\$1,519,000 for GRCC) would be delayed until October. While this will have only a minor impact on our cash flow, there is some question as to whether this payment would be recorded as 2006-07 or 2007-08 revenue in our financial statements. We will follow the direction of the state and MCCA to assure consistency with the other colleges.
- Miscellaneous: No change from Mid-Year is anticipated.
- Total Increase in Revenue \$550,328.

Ending revenue for 2006-07 projected is \$83,712,813.

##### Expenses

Beginning expenses for 2006-07 at mid-year was \$83,703,194.

- The decrease in salaries is projected based primarily on under-expenditures in various salary line items due to positions that were authorized but unfilled during the fiscal year. Also, savings occurs as positions are vacant during the search process and in cases where replacement is hired at a lower salary than originally budgeted. Finally, overload and adjunct salaries are budgeted based on estimates of contact hours taught and average pay rates per contact hour. For 2006-07 average pay rates were slightly lower than budgeted. Decrease (\$577,030).
- Fringe benefit changes are a result of the changes in the projected salary expense for FICA and retirement. This impact has been offset by adjustments to certain other fringe benefit accounts based on actual expenditures during the fiscal year. Examples include slightly lower projected expenditures for worker's comp, unemployment comp, and liability insurance. Decrease (\$199,254).
- Contracted services – Increase is due to higher projected costs for postage and printing. The recent postal increase was not finalized until March 19, and thus not reflected in the Mid-Year budget. Also, printing and postage costs have increased notably during past few years with increased enrollment, resulting shortfalls in some academic departments. The higher

projected actual expense will be reflected in the 2007-08 proposed budget. Increase \$399,098.

- Decrease is due primarily to significantly lower than anticipated cost for heating fuel. Increased efforts to improve efficiency include more consolidation of classes, shutting down certain floors and buildings during slow times (e.g. weekends) and prudent advance purchasing of fuel at the wellhead. This effort has been assisted by a generally mild winter and stable fuel prices over the past year. The savings in fuel has been partially offset by increase in electric costs, which are due to higher per kilowatt hour prices and strong demand. Decrease (\$413,588).
- Transfers are increased by \$800,392.
- Other Costs – no change from mid-year is anticipated.

Increase in expenses \$9,618

Ending expenses for 2006-07 is \$83,712,813

Mr. Partridge also reviewed the proposed budget for 2007/08.

### **ADJOURNMENT**

The Board adjourned at 5:15 p.m.

No further business was discussed.

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Secretary