

PROCEEDINGS
OF
GRAND RAPIDS COMMUNITY COLLEGE
BOARD OF TRUSTEES
OFFICIAL
REGULAR MEETING
(BUDGET WORK SESSION)
BOARD CHAMBERS
MONDAY, MAY 5, 2008

I. CALL TO ORDER

Meeting called to order at 4:18 p.m., Chairperson Schenk in the chair.

Present: Handlin, Chairperson Schenk, Verburg, Anderson, Maggini, Stearns - 6

Absent: James - 1

II. COMMENTS FROM THE FLOOR

There were no comments from the floor.

III. PRESIDENT'S REPORT

A. Motion for Closed Session following the budget worksession.

Motion by Trustee Maggini to call for a closed session immediately following the regular meeting for strategy and negotiation of a collective bargaining agreement. This meeting is called in accordance with the Open Meetings Act, Section 8, Article C. Roll call vote taken at 4:20 p.m. Motion unanimously carries. Board entered into closed session at 5:20 p.m.

B. Approval of the Presidential Search Committee

i. Stearns called for the motion to approve the presidential search committee as presented. Motion unanimously carries.

C. 2007-08 Budget Update

Robert Partridge, Executive Vice President of Business and Financial Services, reviewed the 2007/08 Budget Update:

- Enrollment remains strong
 - Fall and winter enrollment slightly exceeded budget.
 - Dean's have a goal to increase summer enrollment by 15% - increasing net revenue by approximately \$220,000.
- There is a possibility of increasing general fund support for technology projects, deferred maintenance, and future capital outlay.

IV. 2008-09 Budget Proposal

Revenue Summary

- ▲ State Aid
 - 2% increase (337,500)
 - Governor's proposal calls for a 3% increase (an additional \$169,000), however, legislation is far from complete.
- ▲ Property Taxes
 - 3.7% increase (\$1,090,500)
 - This is based on preliminary data from Kent County Equalization. The increase is due to the increase in taxable values, plus new construction.
 - The future area of concern is if district property values continue to decline.
 - Property taxes make up 34% of operating revenue.
- ▲ Enrollment
 - Enrollment is flat at 358,815 contact hours, which is the same as 2007/08 projected actual.
 - If an increase in summer enrollment is realized, adjustments will be made at mid-year.
- ▲ Other
 - Investment earnings down \$100,000 due to lower interest rates.

Expense Summary

- ▲ Salaries
 - Contractual increases for Faculty, and CEBA.
 - BOT guidelines fro ESP, POLC, and Meet & Confer
 - Full year impact of new positions/increased hours approved at mid-year (counseling, Institutional Research, Criminal Justic, Diversity Learning Center, Student Financial Aid, Payroll & Benefits, and Communications)
- ▲ Fringe Benefits

- MPSERS rate to decline from 16.72% to 15.54% on October 1, 2008
– cost increase = \$257,000
 - Health care rate increases projected at only 3% (COST INCREASE = \$196,000), due to very competitive pricing from MESSA, WMHIP, and GVHP
 - ▲ Insurance/Utilities
 - Overall increases of 5% to 15% anticipated
 - Heating fuel – too volatile to predict increase
 - Waste Disposal – impacted by fuel surcharges and increased recycling
 - Energy education savings have not yet been reflected
- New Requests
- ▲ New personnel requests = \$2,500,000
 - ▲ New operating requests = \$4,300,000
 - ▲ Many of these requests are directly related to student support services.
- Problems
- ▲ All requests are legitimate and justifiable
 - ▲ Even with increased tuition, we only have \$1,200,000 available
- CLC/PVP Work
- ▲ Prioritize requests and decide which ones to fund
 - ▲ Allocation of approximately \$500,000 to personnel requests and approximately \$500,000 to operating requests
 - ▲ Mandatory requests identified to date = \$366,000
- Auxiliary Fund Update
- ▲ Projected fund balance at June 30, 2008 = \$5,100,000.
- Plant Fund – Technology Projects
- ▲ Estimated cost of current priority projects for 2008/09 = \$2,100,000.
 - ▲ This cost could increase due to the rapid evolving of technology.
- Plant Fund – Deferred Maintenance
- ▲ Estimate cost of deferred maintenance needs = \$24,000,000
- Plant Fund – Capital Outlay
- ▲ Lifelong Learning Center – estimated cost = \$33,000,000
 - ▲ Funding Plan
 - State Capital Outlay = \$11,000,000
 - Capital Campaign = \$11,000,000
 - Additional Bond Debt = \$11,000,000
 - ▲ The concern with this project is the cost of operating the facility once it is built. Initial estimates are \$750,000 - \$1,000,000 annually.
- Holland Mi-Town Campus
- ▲ Goal – offering academic programs in downtown Holland, with no cost to GRCC district taxpayers.
 - Lakeshore communities are in the process of fundraising for start-up costs of approximately \$250,000(primarily facilities costs)
 - Ongoing operating costs are projected to be approximately \$570,000, and will be offset by the revenue from academic programs.

V. ADJOURNMENT

The Board adjourned at 5:18 p.m.

The Board entered into closed session at 5:20 p.m.

The Board re-entered into open session at 6:18 p.m.

The Board adjourned at 6:20 p.m.

No further business was discussed.

Secretary