

**DELTA COLLEGE DISTRICT
BOARD OF TRUSTEES
DINNER MEETING
June 12, 2007
Delta College Main Campus
Room N-7**

Board Present: R. Emrich, K. Higgs, T. Lane, K. Lawrence-Webster, J. MacKenzie, E. Selby, B. Stafford, D. Wacksman

Board Absent: K. Houston-Philpot

Others Present: J. Goodnow, D. Lutz, L. Myles-Sanders, C. Atwood, B. Baker, W. Carter, T. Caylor, P. Clark, M. Cooper, T. Cross, C. Curtis, S. Goddard, P. Graves, D. Halog, A. Hill, T. Kubatzke, K. MacArthur, J. Miller, S. Montesi, M. Mosqueda, L. Ramseyer, B. Rickey, P. Seidel, J. Stahl, K. Treadway, L. VandenBosch, M. Wood, A. Ursuy

Press Present: N. Smith, Midland Daily News

Vice Chairperson Jack MacKenzie called the meeting to order at 6:05 p.m.

Karen MacArthur presented an update on the Delta College Foundation. She provided an overview of community college and other public service fundraising nationwide and outlined the growth and major highlights of the Foundation. Community college fundraising in this area is in its infancy and the Delta College Foundation is one of the national leaders, ranking 9th in the 2006 Voluntary Support for Education Survey. Its total endowment had a market value of \$12,104,191.00 in March 2007.

Karen provided Board members with the Foundation's Mission Statement, Values Statement, Vision Statement and Vision in Action Statements, along with goals and objectives, and action steps checklist for 2005-2010. In addition to updated Foundation Bylaws, Gift Acceptance Policies and Gift Procedures and Guidelines, the Foundation is focused on developing a comprehensive Case for Support, the recently launched Alumni program, and a Planned Giving program.

Over half of the 1300 students participating in the Possible Dream program have gone on to college. Scholarship endowments have grown 126% since 1996, and a number of other programs such as the Endowed Teaching Chairs, Student Awards, Faculty/Staff Awards, Currie Student Loans, President's Scholar, the Farmhouse renovation as a conference center, and major gifts campaigns supporting campus and QTV renovations, have been funded. Karen highlighted ten new endowments in 2006-7, and 7 pending endowments. She also emphasized the active commitment of the President, Board members and community leaders as the foundation of these successful fund raising efforts.

Debra Lutz presented the preliminary FY 2007-2008 recommended budget. It is preliminary at this point because the state funding component has not yet been determined. The major sources of revenue for Delta are constrained by reduced state funding and low growth in state equalized valuation, which for the first time this year is below the Headlee cap. In past years property transfers and new development have contributed to SEV growth over the cap. She reviewed the history of state funding, pointing out that the books for 2006-7 will reflect a reduction of \$1.2 million for the delayed August payment of state funds, as well as \$800 thousand in retirement system costs. It is not clear that these funds will be restored as promised during 2007-8 nor that the 2007-2008 state allocation will build these funds back in. If State allocations since 2000-01 had matched inflation, the College would be receiving \$8 million more than was actually received this year. The budget for 2007-2008 assumes level state funding rather than the Governor's recommended increase, and has reserved \$600 thousand to cover the potential that the State will not restore the entire August payment.

She reviewed costs, identifying state and federal retirement system costs totaling 26% on top of wages. The College has worked hard to reallocate and reduce benefit costs. It spends a combined 70% of the budget on instruction and student services, and salaries, wages and benefits account for 77% of total expenditures. The College maintains an 8% fund balance, equivalent to approximately 2.5 months' cash flow, which is essential to allow the College to cope with situations such as the State's delayed August 2007 payment. She also reviewed the designated fund, the reserve for the Midland tax litigation, restricted funds, auxiliary funds which are self supporting and return monies to the General Fund each year to support Board of Trustees scholarships, and the plant fund in which matching dollars are being set aside for the Allied Health Building renovation, and for maintenance.

There being no further discussion, the meeting was adjourned at 7:00 p.m.

Respectfully submitted,

Leslie Myles-Sanders, Board Secretary