DELTA COLLEGE
BOARD OF TRUSTEES
DINNER MEETING
June 12, 2012
Delta College Main Campus Room N 7

Board Present:	K. Ellison, R. Emrich, K. Higgs, K. Houston-Philpot, J. MacKenzie , E. Selby, R. Stafford, D. Wacksman
Not Present:	K. Lawrence-Webster
Others Present:	B. Baker, E. "Q" Beckman, T. Boudrot, T. Brown, P. Clark, L. Dull, S. Enriquez, A. Givens, J. Goodnow, L. Govitz, P. Graves, T. Grunow, G. Hoffman, L. Holoman, D. Lutz, J. Miller, M. Moore, M. Mosqueda, L. Myles-Sanders, F. Peters, G. Przygocki, L. Ramseyer, J. Stahl, J. Sorrels, A. Ursuy, B. Webb, S. Whitney, M. Wood
Press Present:	Jon Hall, WSGW; Z. Reichard, Bay City Times

Board Chair Robert Emrich called the meeting to order at 6:00 p.m.

Dr. Goodnow drew the attention of Board members to the Strategic Plan which is part of the Strategic Planning and Budget book for 2012-2013 enclosed with the agenda materials received by the Board. She noted that the Board is being asked to approve the Strategic Plan as part of the Regular meeting agenda later in the evening. The College has combined the formed AQIP and Strategic Planning Committees into the Strategic Planning & Institutional Effectiveness Steering Committee, whose members are listed at page 9.

The College Mission was updated in the 2012 Student Success Summit, and the committee has used environmental scanning and SWOT (strengths, weaknesses, opportunities, threats) analysis to update the Strategic Plan. The 2012-2013 top 3 challenges were identified as student readiness for college, budget, and the perception of the college in the community. Andrea Ursuy explained the 2012-15 Strategic Focus Areas and Strategic Initiatives, and the measurable 2012-2013 Action Plans addressing them, noting that the challenges are addressed in the Action Plans.

Debra Lutz described the Budget Cabinet membership and budget planning process beginning in Fall, in which each revenue and expenditure item is reviewed in depth, comparing projections with history and with other community colleges and local colleges and universities. She thanked Budget Cabinet members including Chairperson and faculty member Wendy Baker, Controller Shelly Whitney, and Trustee Kathy Ellison, the Board's representative on the Budget Cabinet. Dr. Emrich asked about the number of meetings, emphasizing the amount of time and effort that goes into development of the budget, and Deb responded that the Budget Cabinet schedules meetings for Friday mornings from October or November through April but only meets as necessary to complete its work. The Executive Council and the President also spend considerable time on the budget.

Ms Lutz reviewed the All Funds budget, and reviewed detail of the General Fund, Designated Fund, Restricted Fund, Auxiliary Fund and Plant Fund. She reviewed sources of revenue, describing the history of enrollment, property values and state contributions, noting that the 2012-2013 budget assumes a 6.3% decline in enrollment based on current year trends, the improving economic climate in the state, and the decline in K12 enrollment in the region. She identified a 2.1% decline in property tax revenues, pointing out the 4.5% decline in Midland County due to settlement of the MCV tax litigation. She also described the years of decline in state funding and the 3.6% increase for 2012-13 which almost offsets last year's cuts.

On the expenditure side, Ms. Lutz identified the agreed 1% increase in faculty salaries which with steps and longevity results in an increase of 3.1%, the corresponding proposed 1% for A/P and Suppport staff resulting in an overall 1.27% increase based on the Performance Management system, and the AFSCME agreements, also for a 1% salary increase. She pointed out a 12.3% decrease in medical expenses based in part on the decision to self-fund. Employees have also increased their contribution to 15%. Life insurance and disability costs are projected to remain level, with a 5% increase for dental and 5.6% for vision/hearing. The MPSERS contribution continues to be problematic, with an increase to 27.27% of salary at October 1, and an increase to 31% projected for the fiscal year beginning October 1, 2013. She pointed out that this is primarily a K12 system in which community colleges are required to participate, and that it is underfunded by approximately $45 billion statewide.

Seventy-three percent of the budget is devoted to instruction and student services, and 80% represents people. Ms. Lutz noted that the fund balance was originally set at 8% and was increased to 10% by Board action in the 2009-10 budget. Capital projects currently identified would require $62.2 million dollars over the next five years, of which approximately $10 million may be available from the state. Given the appraised value of facilities is approximately $300 million dollars, most life cycle replacement projections would require annual expenditures of $6 to $7 million; however, the college ordinarily sets aside considerably less each year.

Dr. Emrich thanked Ms. Lutz for an excellent, thorough, clear and lucid budget explanation, and Jack MacKenzie also thanked her for keeping the Board well informed.

There being no further business, the dinner meeting was adjourned at 6:45 p.m.

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Leslie Myles-Sanders, Board Secretary