

Board Digest

George A. Bee Administration Center

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Regular Meeting

April 15, 2002

Chancellor's Comments

Chancellor Thompson made the following observations and comments:

- Several significant college events are scheduled in the near future including an Automation Alley exhibit and mixer (April 18); the fire academy evening graduation at the Troy Fire Training Facility (April 18); OCC's annual Excellence Day Celebration (April 26); and the annual legislators' luncheon in Lansing (April 30).
- Chairperson Towar is being honored by two organizations, the Michigan Women's Foundation at its annual "Women of Achievement and Courage" banquets, and the Pontiac Creative Arts Center at its Distinguished Citizen Award Celebration.
- The annual Economic Outlook Luncheon, which OCC co-sponsors, will take place at the Northfield Hilton on May 1.
- Commencement is scheduled for June 7 at the Palace of Auburn Hills. The traditional pre-commencement gathering will again take place.
- Three reports are scheduled for this evening: the final results of the Colleague program audit conducted by KPMG; an analysis of college debt refinancing options by Al Diebel of Comerica Bank; and a final report on 1995 millage construction projects by Director of Physical Facilities Dan Cherewick. In addition, Vice Chancellor Clarence Brantley will present the draft of the 2002-2003 budget.
- Tonight's student report will be presented by Mary Jane Bellaver of the Highland Lakes Campus PTK Chapter.
- One new staff member will be introduced.
- Mr. Thompson extended his apologies to the membership of AFSCME Local 2042 for remarks he made at last month's meeting.

Tami Perriello, managing director of higher education consulting for KPMG, provided a summary of the firm's findings with respect to questions raised by the board regarding Colleague. The KPMG team, Ms. Perriello noted, interviewed both college staff members and consultants, reviewed project plans, controls and how consultants were utilized. KPMG also contacted six other community colleges and one university

now implementing Colleague, and found that many do not track costs as rigorously as does OCC. KPMG's conclusion is that this is a difficult project, and nothing that OCC is doing is "out of range" with respect to cost, project management or timeframes.

In response to a board request, Al Diebel, debt/bond handler for Comerica, provided an overview of OCC's bond debt and presented some alternatives for refinancing. The board passed a motion to further investigate advantages of a new \$7 million bond issue, part of which would cover the CREST project's burn building. Director of Physical Facilities Dan Cherewick made a presentation on the accomplishments of the 1995 millage-funded building restoration program. As the books are about to close, the program has expended \$75.2 million, nearly \$1.7 million below budget. The new restoration program financed by the ten year millage renewal passed in June, 2001 begins, Mr. Cherewick noted, on July 1, 2002. New staff member Andrew Hillberry was introduced to the board by Chancellor Thompson.

College Resources

The faculty appointment of Beverly Stanbrough, educational counselor (OR) was approved, as were the classified appointments of Jessica Irwin, accounting specialist, Workforce Development (AH); Louis Kilbert, science paraprofessional (HL); and Anya Sanko, EMT/PLS paraprofessional (AH).

Vice Chancellor Brantley conducted the public hearing for the draft 2002-2003 General Fund Budget as required by law. As proposed, the new budget will see a 5.6% increase over 2001-02 totaling \$127.5 million. On the revenue side, \$75 million will be generated by property taxes, \$29 million through tuition and fees and \$21.7 million through state appropriations, which remain static for the coming year. A tuition rate increase of 2.8 percent (based on last year's inflation rate) is recommended.

In the expenditure side \$83 million is allocated for personnel costs, \$24 million for non-personnel costs (utilities, debt service, staff development, new initiatives and operating expenses) and \$19.8 million for capital costs. A \$700,000 contribution to the college's fund balance is also planned.

The board requested that it be presented with three cost saving options at the next meeting to obviate the need for a tuition hike.

The following purchases and contracts were approved via consent agenda procedure: authorization for the George W. Auch Company to enter into a construction contract for the replacement of the roof of Building C, Auburn Hills Campus, in the amount of \$329,800; similar authorization to conduct ductwork cleaning of Buildings D, E, F, FA, G, J, K, L and M, Orchard Ridge Campus, in the amount of \$358,900; similar authorization to replace ceiling and lights, Building M,

Orchard Ridge Campus in the amount of \$321,200; similar authorization to replace the roof of the maintenance building, Royal Oak Campus, in the amount of \$47,000. The monthly progress report on millage-funded renovation projects was presented. The following Workforce Development contracts with third party providers were approved via consent agenda procedure: New Horizons, to provide training and materials for employees of the Walbridge Aldinger Company for \$41,720; Society of Automotive Engineers International, to provide automotive training for Denso employees for \$75,000; Landis Corporation, to provide training and materials for DaimlerChrysler employees for \$45,000; Valentine Robotics, to provide additional robotics training to Daimler Chrysler employees for an additional \$40,000 (modification to original contract).

Academic and Student Affairs

Mary Jane Bellaver of the Highland Lakes Phi Theta Kappa chapter provided an overview of the group's upcoming projects, including preparations for various competitions, orientation and induction of new members. The group will undertake a cancer project in cooperation with the American Cancer Society for its 2002-04 service activity.

New Business

The board passed a motion to bypass the standard evaluation for the chancellor in the coming year and grant him the same 3.1 percent pay increase as provided in the faculty contract.

The board passed a motion establishing the chancellor's focuses for the coming year in the following areas: Commission on Higher Learning North Central Association Focus visit; Datatel; CREST; a distillation of best practices in presidential searches. The chancellor will provide periodic reports on these topics over the next year, and a final report at the end of twelve months.

The election of board officers for 2002-04 will be conducted at the regular July board meeting.

The board will jointly purchase a truck raffle ticket for the CREST fundraiser. Should the ticket win, the truck will be turned over to the college.

Comments

Trustee Scott noted that a bill to establish a powerful state bureau of career development was proposed in Lansing. The measure would have taken Workforce Development functions away from community colleges and was strongly opposed by the MCCA. The bill has since been re-drafted by the governor's office "into something we can work with," Ms. Scott said.

For further information on this session, contact College Communications (248) 341-2122.