



Muskegon Community College

BOARD OF TRUSTEES BOARD MEETING MINUTES June 17, 2020 – 12:30 p.m. Zoom Meeting

Present: Chair Osborn, Vice Chair Mullally, Trustee Frye, Trustee Moore, Trustee Crandall, Trustee Oakes and Trustee Portenga

Chair Osborn called the meeting to order at 12:32 p.m.

1. Vice Chair Mullally moved approval of the Agenda; second. A roll call vote was taken:

Chair Osborn – Yes

Vice Chair Mullally – Yes

Trustee Frye – Yes

Trustee Moore – Yes

Trustee Crandall – Yes

Trustee Oakes – Yes

Trustee Portenga – Yes

2. Trustee Frye moved approval of the Board Meeting Minutes of May 20, 2020; second. A roll call vote was taken:

Chair Osborn – Yes

Vice Chair Mullally – Yes

Trustee Frye – Yes

Trustee Moore – Yes

Trustee Crandall – Yes

Trustee Oakes – Yes

Trustee Portenga – Yes

3. Public Comments and Presentations

- Keith Guy, Director of Athletics at Muskegon Public Schools, addressed the Board about an interest in any available exercise equipment from the Lakeshore Fitness Center for their schools. They have 400 student athletes at the high school, 150 at the middle school, in addition to their PE classes and they have no cardio equipment. They are interested in purchasing and obtaining some updated equipment for their students if MCC or the LFC should have any available.
- Gary Neal presented a proposal for the LFC that he and Roger Rapoport put together. Gary thinks there is common ground and stated there are two things we can agree upon: 1) The LFC is a valuable asset to our community, has a richly diverse membership, is more of a community center, and Gary and Roger have been approached by a number of individuals who would like to keep the fitness center open; 2) We must do everything we can to keep the facility open and serve the diverse community that we have. They proposed: 1) Obtaining a planning study, funded by the community not the College, with a professional planning company, focused on options for the Trustees. They estimate it would take 4-6 months. In the interim, they believe it is critically important to get this facility open, as membership retention is vitally important. They asked the Board to consider leasing the LFC to an operator, who could operate the facility while the planning study is taking place,

relieving the College of the cost. Mike Kordecki has said he is willing to do this and they believe this is a win, win.

- Jon Rooks, developer and owner of Parkland Properties, addressed the Board. They have looked at the LFC and are concerned about its size, but noted it is a great facility and they think there is great potential for a mixed-use development including marine use, a community center, etc. The goal is no tear down. He has the cash and could close quickly on this property.
- Kris Collee, AgeWell Services, asked the Board to consider slowing down the timeline to have crucial conversations with the community about what they can do to continue this facility long-term, noting it is vital to our diverse population.
- Stephon P. VanderWater, a business person in the downtown Muskegon area, asked the Board to look at all the things it can offer a number of people downtown, as well as to the North and East side of town. It is incredibly convenient for those who work and live downtown and allows them the opportunity to work out during their workweek, something Norton Pines is not conveniently positioned to accommodate.

4. Consent Agenda (*Board Action Required - Vote*)

A. Budget/Finance

1. Financial Reports – *Ken Long*
2. Public Hearing and Adoption of the 2020-2021 Budget – *Ken Long*

Trustee Oakes moved to open the public hearing; second. A roll call vote was taken.

Chair Osborn – Yes

Vice Chair Mullally – Yes

Trustee Frye – Yes

Trustee Moore – Yes

Trustee Crandall – Yes

Trustee Oakes – Yes

Trustee Portenga – Yes

Dr. Nesbary stated, “We will be presenting an RFP for the Lakeshore Fitness Center. Every major contract we have been involved in, we bid those out because we want to have the very best services.” Earlier today, he received a call from Keith Guy that the superintendent of Muskegon Public Schools received a contact from Mr. Rapoport about Mr. Guy speaking to our Board, advising him not to speak. This concerns Dr. Nesbary greatly. This is a public body and we are bidding this out. This reinforces the belief that we need to issue an RFP.

Ken Long presented the 2020-2021 budget.

- Capital expenditures have been reduced to only items absolutely necessary for the College (nearly half compared to prior years)
- Federal CARES Act funding to the College of \$1.2M equates to 3 percent of total College revenues.
- A significant decline in tuition and fee revenue and enrollment are expected. There is a lot of uncertainty (some of the challenges and uncertainty are related to the economy, students/families out of work, campus health/safety concerns, and online learning, as many students want to be back in person).
- Based on current information, the college has budgeted a 15% decline in enrollment. Assuming a 15% decline in enrollment and the new tuition rates, the result is approximately \$2.3M in lost revenue.

- Contact hours have decreased 30 percent over the last 10 years. In recent years, we averaged a 2 percent decline in contact hours per year, in 2019-2020 (fall & winter) it was a 4 percent decline, and this summer a 13 percent decline.
- There are no improvements budgeted for the LFC, only money to keep utilities going.
- The 15 percent reduction in state aid (\$1.7M reduction) equates to a balance less than what MCC received 10 years ago and there is no expectation the College will receive any of this loss back for the 2021 budget.
- Personal property tax reimbursement was budgeted conservatively at \$600,000.
- Property taxes are increasing 4 percent and there could be some impact on the 2021-2022 budget as well.
- The College had a small Headlee rollback, which permanently reduces our millage every year going forward.
- Nearly 75% of the budget is wages (47%) and fringe benefits (24%).
- Significant reductions in expenses are needed to balance the budget. Personnel expense reductions are necessary, voluntary retirements, healthcare cost increases of 10-15% annually continue to be a concern, across the board reductions to departmental budgets.
 - APS staff will not receive a wage increase and will be doing mandatory 2-week furloughs between July 6 and early August. Administrators are currently in conversations with the other collective bargaining units, with the expectation and goal that the savings would be equivalent to what the APS are doing, a two-week furlough and no wage increase.
 - Based on financial performance this fall, an additional furlough may be necessary.
 - The student worker budget was cut in half, eliminated the national travel pool, reduced most department budgets by 20 percent (in the event we outperform this, we may come back and ask that it be restored), print costs have been reduced and some utility savings are expected.
- Cash preservation is necessary. Facing a very uncertain future, funding is uncertain especially with state aid, so it is imperative the College preserve as much cash as possible. There is a general fund balance of about \$6M, but those funds aren't always available due to our business cycle where expenses are incurred before revenues come in. Actions taken to preserve cash include: hiring freeze, travel freeze, closing of the LFC, significantly reduced capital spending, and longer terms on accounts payable. Based on a forecast, the potential exists for the fall of 2021, that there may not be enough cash in our bank account to cover expenses, obviously there are a lot of unknowns at this time. The plan is to continuously monitor this cash with regular updates to inform the Board of our position.
- After fall semester, when we get a true understanding of where we are at, we will need to revisit the budget. In the event things turn out much better, could departmental budgets and some wages be restored, we will need Board approval for any of these items going forward.

Trustee Portenga moved the public hearing be closed; second. A roll call vote was taken.

Chair Osborn – Yes
Trustee Frye – Yes
Trustee Crandall – Yes
Trustee Portenga – Yes

Vice Chair Mullally – Yes
Trustee Moore – Yes
Trustee Oakes – Yes

Trustee Moore moved the Board approve the proposed 2020-2021 budget; second.
A roll call vote was taken.

Chair Osborn – Yes

Vice Chair Mullally – Yes

Trustee Frye – Yes

Trustee Moore – Yes

Trustee Crandall – Yes

Trustee Oakes – Yes

Trustee Portenga – Yes

The 2020-2021 budget was approved.

B. Required Approvals – *Chair Osborn*

5. Administrative Reports

A. President's Report – Dr. Nesbary reported we have been working diligently on campus reopening planning. Our planning information has been shared with other colleges and the MCCA website includes a series of reopening strategies. He thanked Dr. Selmon, Kelley Conrad and others for their hard work on this. He also referenced work we have done with consultants on the LFC. He also noted that he included his entire remarks on the George Floyd issue in his report for those following these issues.

B. Student Success Report – *Dr. John Selmon*

1. Enrollment – all hands are on deck, it's a challenge at this time and faculty and staff across the College are working on this every day as follows: there are a lot of virtual events with a lot of participation, virtual student town hall meetings, we are ramping up our marketing campaign, instituted a calling campaign to reach out to 4,000 students weekly, testing waived for next year making sure our students can get in and self-place. We are also expecting governmental programs for short-term training will be coming and we are poised and ready to help people get back into the workplace in terms of employment and training.

2. Student Success Completion Agenda

C. Kristine Anderson presented the Personnel Report. HR has been working with retirees on their retirement information and continuing to build the MCC community while we are all working remotely. A moving virtual retirement was held last Friday at the All Staff meeting. Special thanks to Rachel Stewart, Emily Busch, Paula Halloran and JB Meeuwenberg for their help with that presentation and recognizing the retirees. Brad Pretzer, one of our Math faculty, has resigned. With the hiring freeze, only absolutely critical roles are being filled. Matthew Cooper is a new hire in the biology area. HR has been working very closely with the physical plant team and the emergency planning team to make sure we are keeping campus safe and that campus is being readied to bring back faculty, staff and students. A few more face-to-face classes began this week and that has been successful.

6. Business Non Operational

A. MCCA Report – Trustee Crandall gave a quick update on the Michigan Transfer Network. Currently they have 28 members of the MCCA, 15 members of the Michigan Association of State Universities and 8 independent colleges and universities from Michigan. Initially they developed protocols for the transfer of biology, business, criminal justice and psychology, which have been available for the last year or two. They just finished final agreements for art, communications, exercise science, mechanical engineering, public

health, and social work, which should be available by the end of summer, with transfer protocols in place for all our students at that time.

- B. Foundation Update – *Ken Long*

7. Old Business

- A. Project Updates – Dr. John Selmon gave updates on the FARM project.

- B. Lakeshore Fitness Center Discussion – Chair Osborn made the following statement: For 94 years now, Muskegon Community College has been dedicated to graduating successful students and we continue to reaffirm our commitment to our core mission of educating students. However, we've also worked tirelessly at serving our community in a number of different ways and one of them was the Lakeshore Fitness Center. As Trustee Moore indicated, we have been trying to operate that facility and it is not sustainable at this point in time and we have to find some way to move forward. She thanked everyone for their presentations, time and efforts. Now we need to come together and later in the agenda we talk about a Request for Proposal. She asked for comments from the Board.

Trustee Portenga stated at the Study Session, he emphasized for those who are interested that we have to be creative, think outside the box. He feels strongly that there has to be some public involvement. Everybody has talked about needing this fitness center in this county, this community facility and we know it fulfills a great mission. The longer we wait to save this facility, the more likely it is to fail because people have to go elsewhere. We need to have it continue to run as a fitness center. In the interim, whoever the private people are who may wish to get involved in this, somehow the building itself and what's going on inside the building needs to have some public input. The owner would own 51% of the building and what's going on in the building, then and a public board could have 49% of the shares and they don't have to buy that, somehow it's given to that group in the deed but they would have a say on how the fitness center operates. In the deed restrictions, it can be added that it continues to run as a fitness center. Trustee Portenga believes we have to move ahead with the RFP. Considering our budgetary concerns today, this is disastrous for our school and something has to be done quickly. He personally wants those that respond to the RFP to come back with very creative private public collaborative type of arrangements.

Trustee Frye agrees with Trustee Portenga. She asked the Board how much time should be given to come up with a solution.

Vice Chair Mullally agreed with what's been said, stating we all share a vision that we want to see this go forward, centered around a continuation of a fitness center accessible by the public. He would support some sort of interim agreement that gets the doors opened as soon as possible, if there's no cost to the College, while we find a permanent solution.

Dr. Crandall noted we have had a couple of offers, one was someone willing to take over the operations of the facility, open it and continue operating it in the short term. We've also had an offer from a community group to finance a community-wide survey. If a short-term lease were accepted to continue operating the facility, that would give enough time for the other group to survey the community to get a broad-based opinion on how they want to move forward, and it would alleviate the financial burden for the College. It would open the facility in the short term and, hopefully, create a long-term plan, which he believes could be done in the next 3-4 months. The Board could then evaluate all of the options and make a final decision on how to move forward. The survey would help to

determine whether we're meeting the needs of the community. He would like to close this as rapidly as we can.

Trustee Portenga stated the survey needs to be moved up a little quicker given our financial situation. We want to save this and the longer we wait the harder it is to save it.

Chair Osborn stated a decision needs to be made on whether to do something in the interim and we need to move forward on the RFP, so we can look at the long-term and moving forward with the fitness center.

8. New Business

- A. Request to Re-Offer Voluntary Early Retirement Incentive Plan – Trustee Oakes moved approval; second. Trustee Moore was curious as to why the reoffer. Dr. Nesbary and Kristine Anderson responded that COVID-19 did impact this and some inquiries were received after the deadline. The criteria was also changed slightly, moving the combined years of service and age from 68 to 66 in this offer. A roll call vote was taken.

Chair Osborn – Yes

Vice Chair Mullally – Yes

Trustee Frye – Yes

Trustee Moore – Yes

Trustee Crandall – Yes

Trustee Oakes – Yes

Trustee Portenga – Yes

- B. Permission to Seek Bids and Purchase New Host Machines for the Datacenter at a budgeted cost of \$35,000 – Trustee Portenga moved approval; second. A roll call vote was taken.

Chair Osborn – Yes

Vice Chair Mullally – Yes

Trustee Frye – Yes

Trustee Moore – Yes

Trustee Crandall – Yes

Trustee Oakes – Yes

Trustee Portenga – Yes

- C. RFP Planning for the Lakeshore Fitness Center – Dr. Nesbary noted the RFP included five options around acquiring the LFC from the College and the due date may be modified. Anyone seeking to purchase or operate the building from the College would assume the costs of the building and running the programs at the LFC.

Trustee Crandall moved that the Board approve a short-term RFP for opening and management of the LFC facility for the next six months; second.

Discussion ensued. The Board is looking at a triple net lease, where the operator covers the cost of operations and any maintenance or improvements and would have full control over setting membership rates. The College would have no financial responsibility, but would still own the facility. Administration will need to look into insurance coverage to determine who is responsible, what type of insurance is required, and who will be responsible if something happens at the facility over the term of the six-month lease. The Board does not need to review the short-term RFP before it goes out, but they will review the proposals once they are received. A roll call vote was taken.

Chair Osborn – Yes

Vice Chair Mullally – Yes

Trustee Frye – Yes

Trustee Moore – Yes

Trustee Crandall – Yes

Trustee Oakes – Yes

Trustee Portenga – Yes

Trustee Portenga suggested the following changes to the RFP boilerplate language:

- Change the date for receipt of RFP responses to September 15, 2020.
- The boilerplate language on Page 5, #5 - *MCC reserves the right to accept the proposal for services deemed to be in the best interests of MCC, this proposal may not necessarily be the **lowest bid**.*— change that language to the **highest bid**.
- All dates must be moved forward accordingly. For example – where it reads: *Oral presentations by final candidates, if deemed necessary by MCC, will take place in **September 2020**.* This would be changed to **October 2020** and so on.
- For consistency in section I it reads: *One (1) original and (5) identical copies should be submitted and then under PROPOSAL FORMAT AND CONTENT it reads Six (6) copies of the proposal are to be submitted for consistency; **use the language I original and 5 copies throughout the document.***
- Again, **use consistency in the address**, one mentions a room number and the other doesn't.

Trustee Portenga moved the RFP for proposals/reinvention of the LFC be adopted with the modification to the date by which proposals must be received be **September 15, 2020**, and that **all other dates referred to in the document be consistent with that movement of the date**; that all copies always be referred to as **original plus 5 copies**; and that whatever addresses the College is giving in this RFP for responses, contact, etc. be **the same address**; second.

Trustee Oakes made one additional edit at the end of document the final signature says Vendor, she asked if we should use Firm or Organization instead of Vendor.

Trustee Portenga accepted the friendly amendment that the **name on the last page be Vendor/Organization/Firm**; second.

A roll call vote was taken.

Chair Osborn – Yes
Trustee Frye – Yes
Trustee Crandall – Yes
Trustee Portenga – Yes

Vice Chair Mullally – Yes
Trustee Moore – Yes
Trustee Oakes – Yes

Trustee Crandall moved that we ask for an RFP for a publicly or privately funded survey of the community that could be used in evaluating the community's interest in the development of the Lakeshore Fitness Center property; Trustee Portenga seconded the motion with no cost to MCC.

Discussion ensued. The thought is to have the survey and have the results back to the College by September 15, 2020, to use in making decisions on the permanent RFP for the long-term. Dr. Nesbary noted we have done multiple surveys by George K. Baum, GVSU, Plante Moran and many other nationally respected firms. Dr. Nesbary would like to know who would be doing the work and what their credibility is, so he can feel confident that whoever is doing the work is doing it up to our standards. Trustee Crandall suggested Administration put some of the caveats they are concerned about in the RFP including the quality of the survey, when the results should be available, and guidelines for the survey then see if that meets the needs of the people who are willing to do the survey. The Board determined a motion is not needed for the survey since it is not being conducted by MCC. Trustee Crandall withdrew his motion; Trustee Portenga withdrew his second to the motion.

Trustee Portenga moved that the Board will consider the results of the survey done by others, so long as it is submitted to us by October 15, 2020, and the Board will have no other involvement in that survey financially or otherwise; second.

A roll call vote was taken.

Chair Osborn – Yes	Vice Chair Mullally – Yes
Trustee Frye – Yes	Trustee Moore – Yes
Trustee Crandall – Yes	Trustee Oakes – Yes
Trustee Portenga – Yes	

9. Board of Trustees Policy Governance – *Chair Osborn*

A. [Policy Updates](#)

B. Future Agenda Items

10. Announcements

A. Board Comments

- There will be a Closed Session to discuss negotiation issues.
- Trustee Frye noted she heard that Trynette Lottie-Harps was going to be retiring. While she doesn't want to see Trynette leave, she offered kudos to her.
- Trustee Frye stated she liked the information received from students who took a survey gathering data from the visiting team. It provided an opportunity for students to participate in the HLC accreditation process and she was very pleased with the results. The highest scores: The Faculty who teach are knowledgeable about their subject areas - 4.41 and Faculty are available when I need help - 4.20. That says a lot about our College.

At 3:27 p.m., Trustee Portenga moved going into closed session to deal with negotiations; second. A roll call vote was taken.

Chair Osborn – Yes	Vice Chair Mullally – Yes
Trustee Frye – Yes	Trustee Moore – Yes
Trustee Crandall – Yes	Trustee Oakes – Yes
Trustee Portenga – Yes	

Negotiation issues were discussed.

Trustee Portenga moved going out of closed session; second. A roll call vote was taken.

Chair Osborn – Yes	Vice Chair Mullally – Yes
Trustee Frye – Yes	Trustee Moore – Yes
Trustee Crandall – Yes	Trustee Oakes – Yes
Trustee Portenga – Yes	

With no further business, the meeting was adjourned at 3:53 p.m.

Minutes submitted by Secretary Nancy Frye.

/csd