

**DELTA COLLEGE
BOARD OF TRUSTEES
DINNER MEETING
June 11, 2013
Delta College Main Campus Board Room**

Board Present: K. Ellison, K. Lawrence-Webster, J. MacKenzie, M. Rowley, E. Selby, D. Wacksman

Board Absent: R. Emrich, K. Houston-Philpot, R. Stafford

Others Present: B. Baker, T. Brown, P. Clark, E. Crane, C. Curtis, C. Dzurka, J. Fogarty, A. Givens, M. Gmeiner, J. Goodnow, L. Govitz, P. Graves, J. Haley, A. Hill, G. Hoffman, J. Kendziorski, G. Luczek, D. Lutz, J. Miller, M. Mosqueda, V. Przygocki, L. Ramseyer, K. Rees, D. Salinas, S. Smith, T. Stitt, A. Ursuy, B. Webb, S. Whitney, M. Wiltse

Press Present: J. Hall (WSGW)

Board Vice Chair K. Ellison called the meeting to order at 6:04 p.m.

Dr. Goodnow and A. Ursuy gave an update on the 2012-2015 Strategic Plan. Strategic planning at Delta College is a collaborative and inclusive process which is led by A. Ursuy. The Strategic Planning and Institutional Effectiveness Steering Committee is charged with guiding the strategic planning process as well as working with our AQIP Accreditation process. The committee is representative of the College as a whole. The college's strategic plan supports our mission, vision, and values. The mission was updated as part of our Student Success Summit in January 2012.

Our Strategic Plan has four Strategic Focus Areas: Student Success, Community Focus, Sustainability, and People Focus. The committee validated the importance of these focus areas through completion of environmental scanning, SWOT Analysis, and an analysis of the key advantages and challenges of the college. Some of the challenges that we are facing include college readiness of high school students, the budget, state funding, changing demographics, competition with other schools in higher education, perception and increasing the awareness of quality education that Delta provides.

These focus areas provide the foundation for our strategic initiatives and annual action projects. There are eight strategic initiatives in the 2012-2015 Strategic Plan which have not changed since the Board approved the plan last year. Institutional action plans have been developed to accomplish these initiatives. These plans are annual and there are 16 for the 2013-2014 year. They are tactical in nature and are designed to move us toward the accomplishment of our strategic initiatives. The action plans are developed by the President, Vice Presidents, and members of Executive Council with guidance from the Strategic Planning

and Institutional Effectiveness Steering Committee. Each plan has identified champions as well as measures that include a baseline and a goal.

Action plan champions present mid-year updates to the Strategic Planning and Institutional Effectiveness Steering Committee. This allows the champions to receive feedback and provide the steering committee with information in how to proceed in guiding the development of the next year's actions that will result in achievement of the initiatives. We will "close the loop" on this year's action plans through year end updates at the conclusion of the 2012-2013 year.

E. Selby asked what the number one goal was that really stood out. A. Ursuy indicated the work with dual enrollment in setting good targets and not just looking to increase head count. She also mentioned the recent approval of Birch Run as additional location. J. Goodnow highlighted developmental education and the goals that they are meeting with Achieving the Dream (AtD) along with community focus and the democracy commitment project.

D. Lutz presented the Budget for FY 2013-2014. D. Lutz began by thanking Budget Cabinet for all of their hard work this year, especially J. Kendzioriski, Budget Cabinet Chair and K. Ellison, Budget Cabinet Board representative. She also thanked the President, Executive Council, E. Gasta, L. Ramseyer, and S. Whitney.

D. Lutz reported that the all funds budget includes total revenues of \$117,581,709 and total expenditures of \$126,208,286. Money that was being set aside for the F-wing renovation is now being used which results in an overall deficient for the college. The general fund which is the largest and most visible, is used to account for the College's academic and instructional programs. The designated fund is used for self-supporting programs such as Corporate Services, Life Long Learning and the 50+ Program. The restricted fund includes the funding of student financial aid, broadcasting, and Michigan Works. The auxiliary fund covers the self-supporting areas of the bookstore, food services, the fitness center and printing. The plant fund covers the capital expenditures related to building and equipment.

This budget includes a 4% increase mostly due to the \$10 million match in the F-wing renovation project. Expenses are up 3.6% from last year also due to the renovation project. In the general fund, revenues are down .2% and expenditures are down .5%. The overall revenues of the general fund are \$65,429,227 and expenditures are \$65,250,860 which results in a revenue over expenditures balance of \$178,367. This is equivalent to around 1,400 credit hours. The budget is based on a projection of 215,000 credit hours. On the revenue side there are increases in both state appropriations of 2.2% and property taxes in the amount of \$125,000. The revenues percentages are 42% tuition and fees, 35% property taxes, 21.6% state appropriations and 1.4% coming from other sources.

D. Lutz discussed the enrollment trends which included a peak in 2009/2010 and have seen a minor decline. Our projections for the upcoming year will put us back to the 2007/2008 mark which is still well above our lowest point. We are looking at a 6.5% reduction in enrollment from what was budgeted and 4.4% reduction of where we expect to end the year.

The percentage of property tax revenue from each county are: Saginaw – 42%, Midland – 33% and Bay – 25%. Property taxes increased by 1.18% which is roughly \$349,000. There is also an estimation of \$250,000 in delinquent and appealed taxes to the College. So far this year Delta has paid back around \$300,000 in tax appeals.

D. Lutz indicated that there are recommendations coming forward tonight in regards to the Support Staff, Administrative Professionals, Facilities and Food Services in regards to salary increases of 1.7% with a total estimated cost of 2% with the performance management system. Design changes to the medical benefits will increase employee contributions to 17.5% of the premium and will give the College a savings of around \$500,000. There is also an increase of \$10 to the adjunct pay rate. The college is required to pay 25% on all employees to help pay for the unfunded liability of the MPSERS System. Total expenditures of \$65,250,860, include 73% of which are related to instruction and support which is similar to the previous year. The college continues to budget and maintain a fund balance of 10% which was adopted by the Board in 2009/2010.

D. Lutz noted that the budget is driven by the strategic plan. Changes to the budget include cuts of \$1.3 million and funding of new projects of \$295,000 which are mostly technology based.

In the designated fund there are revenues of \$6,544,203 and expenditures of \$6,395,701 which are very similar to the previous year. In the restricted fund revenues total \$24,346,549 and expenditures of \$24,302,649. In the auxiliary fund there is a deficient in food services due to the \$125,000 expansion of the Coffee 'n More. There has also been a decline in the fitness center due to new competition in the area. The auxiliary fund transfers back \$250,000 annually to the general fund to support the Board of Trustees Scholarships. Under the plant fund is the capital outlay master plan including the centers project with an estimated cost of \$19.6 million which is next on the priority list. Also listed are projects that were approved and/or in progress along with projects awaiting approval.

There being no further business, the dinner meeting was adjourned at 6:51 p.m.

Talisa Brown, Assistant Board Secretary

Andrea Ursuy, Board Secretary