

BOARD OF TRUSTEES
CHARLES STEWART MOTT COMMUNITY COLLEGE
OFFICIAL MINUTES OF SPECIAL MEETING, MAY 16, 2007
VOLUME 38

SCHEDULED MEETING:
1:30 p.m.

BOARD CONFERENCE ROOM:
Applewood Cafe,
MCC Main Campus

TRUSTEES PRESENT:
Lenore Croudy
James Bettendorf
Andrew (Andy) Everman
Albert J. Koegel
John L. Snell, Jr.
Celia M. Turner

TRUSTEES ABSENT:
Ehren Gonzales

PRESIDING OFFICER: Lenore Croudy, Chairman
Special Board Meeting: 1:30 p.m. to 2:30 p.m.

Certified As Correct:

Lenore Croudy, Chairman

James B. Bettendorf, Secretary

BOARD OF TRUSTEES
CHARLES STEWART MOTT COMMUNITY COLLEGE
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Minutes of Special Meeting of May 16, 2007

I. CALL TO ORDER:

Chairman Croudy called the meeting to order at 1:35 p.m.

II. ADDITIONS TO THE AGENDA

There were no additions to the agenda.

III. ADOPTION OF AGENDA

Chairman Croudy called for a motion to adopt the agenda.

MOVED BY TRUSTEE SNELL, SUPPORTED BY TRUSTEE TURNER THAT THE BOARD ADOPT THE AGENDA AS PRESENTED.

Chairman Croudy called for a vote on the adoption of the agenda as presented.

ALL PRESENT VOTED AYE. MOTION PASSED.

VI. COMMENTS FROM THE PUBLIC

There were no comments from the public.

VII. NEW BUSINESS

Item 1.44 Administrative Millage Reports

Chairman Croudy called on President Shaink to present the Administrative Millage Reports.

President Shaink called on Kelli Sproule, Chief Financial Officer. Ms. Sproule provided a report about the impact of the millage on college finances. (See attached report labeled as Attachment A)

President Shaink called on Dr. Steve Robinson, President of the MCCEA. Dr. Robinson reported that the faculty supported the Board should it decide to pass the resolution seeking a millage renewal. (See attached report labeled as Attachment B)

President Shaink called on Michael Kelly, Director of Public Information, to report on the college's need to seek voter approval at the August election. (See attached report labeled as Attachment C)

Item 1.45 Resolution to Submit Millage Renewal to Voters

Chairman Croudy called for a motion.

MOVED BY TRUSTEE EVERMAN THAT THE BOARD MODIFY THE RESOLUTION TO PRESENT THE MILLAGE RENEWAL TO VOTERS AT THE NOVEMBER ELECTION AND TO ASK FOR RESTORATION OF THE ORIGINAL .65 MILLS.

There was no support. The motion failed.

MOVED BY TRUSTEE TURNER, SUPPORTED BY TRUSTEE SNELL THAT THE BOARD APPROVE ITEM 1.45 RESOLUTION TO SUBMIT MILLAGE RENEWAL TO VOTERS.

Chairman Croudy asked for any discussion.

Moved by Trustee Everman that the Board adopt informal discussion.

Chairman Croudy allowed it, so long as it remained within the scope of the agenda.

Discussion ensued regarding the costs associated with an election in August and the college's ability to communicate its message to voters.

Chairman Croudy called for a roll call vote to approve Item 1.45

Trustee Bettendorf – Aye

Trustee Snell – Aye

Trustee Turner – Aye

Trustee Everman – Aye

Trustee Koegel – Aye

Chair Croudy - Aye

ALL PRESENT VOTED AYE. MOTION APPROVED.

XIV. ADJOURNMENT

Chairman Croudy declared the meeting adjourned at 2:25 p.m.

**Mott Community College
Voted Millage Renewal 2007
Key Facts & Figures
K.Sproule, CFO, May 2007**

1. Property Taxes are one of MCC’s largest revenue sources:

- MCC has a \$65,000,000 operating budget (FY2006-07)
- Although tuition & fees are slightly higher, property tax revenues are the 2nd largest source of unrestricted operating revenue, all of which is used to carry out our mission and purpose:

■ **FY07-08 Revenue Sources**

- 36% Tuition & Fees
- 36% Property Taxes
- 22% State Appropriations
- 6% Grants & Other

2006 Millage Calculations

There are 17 Townships and 11 Cities in Genesee County and 3 Counties; a total of 31 taxing units

2006 Total Taxable Value Based on SEV (Ad Valorem)		11,882,680,770.00
Operating Millage @1.9896	1.9896	23,641,781.66
Debt Millage @0.6900	0.6900	8,199,049.73
	2.6796	31,840,831.39

- Of the total operating millage, the voted portion is 32%:

(68%) Charter Millage = 1.4000 authorized; 1.3486 levied in 2006
 (32%) Voted Millage = .6500 authorized; 0.6410 levied in 2006
(100%) Total Op Mill = 2.0500 authorized; 1.9896 levied in 2006

2. History of MCC’s Voted Operating Millage

1. Since June 9, 1969, MCC has had a perpetual charter operating millage of 1.4000 mills that doesn’t expire.
2. On June 11, 2001, voters approved a 7-year millage of 0.6500 mill to support MCC’s “community college purposes.”
3. Effective tax years 2001 through 2008 (MCC’s FY2001-02 through FY2007-08).
4. Permanent MCL211.34 “Headlee” reductions to voted millage from .6500 mill in 2001 to .6410 mill in 2006 have cost approximately \$110,000/year in foregone tax revenues.
5. Expect further reduction in 2007 by a rollback factor yet to be determined by the Equalization Department.

3. Budget Impact of Voted Millage Renewal before June 30, 2008:

- If the voted Millage is not renewed, MCC would face an immediate critical budget shortfall:
 - **Annual Est. Operating Revenue, Voted Portion (FY08-09) = \$8,200,000**
 - **7-Year Est. Operating Revenue (FY2008-09 to 2014-15) = \$61,900,000**
- It would take a 32% tuition rate increase to replace this shortfall with tuition and fee revenues the first year.

4. Cost to Taxpayers:

- This voted portion is expected to cost taxpayers with a \$100,000 SEV home

Taxable Value \$50,000
X voted millage (2006 levy) .6410
 = \$32.05 per year

- According to surveys, the community believes MCC is fiscally responsible in using taxpayer dollars wisely

5. Peer Comparison:

- Even including the voted Millage, MCC ranks 6th lowest out of 8 among our peers in terms of taxable value and operating Millage levied:

Peer Comparison: Taxable Value and Millage Rates (2004-05 ACS Data)			
	TAXABLE VALUE (‘000)	FYES	LEVIED OPERATING
GROUP 3			
WAYNE COUNTY	\$28,966,809	7,599	2.4844
GRAND RAPIDS	\$18,364,399	9,363	1.7865
SCHOOLCRAFT	\$13,332,206	6,815	1.7967
WASHTENAW	\$12,539,706	7,430	3.4148
DELTA	\$10,665,874	6,547	2.0427
MOTT	\$10,612,707	6,234	1.9907
KALAMAZOO VALLEY	\$6,801,268	6,300	2.4089
HENRY FORD	\$4,386,238	8,363	2.4596
Peer Average	\$13,208,651		2.2980
State Average	\$8,710,379		2.1907

6. Proposal – Board Resolution 1.44, May 16, 2007

- Renewal of 2007 rate (not yet determined, equal to 2007 rate and likely less than .6410)
- No restoration of rollback amounts to the original .6500; thus
- Less cost to taxpayers than what was originally voted in 2001
- August 7, 2007 election date
- Renewed Millage would be levied for tax years 2008-2017 (FY08-09 through FY17-18)

Statement in Support of August 2007 MCC Millage Renewal Election

**Dr. Steve Robinson, President
Mott Community College Education Association
Wednesday, May 16, 2007**

I am pleased to have been invited to speak on behalf of the Mott Community College Education Association in support of placing a ballot question for millage renewal on the August 2007 election. In anticipation of potential action on the part of MCC Trustees, our Board of Directors passed the following resolutions at the April 2007 meeting of the MCCEA Board of Directors. This action was taken in advance because the MCCEA Board typically does not meet in the Spring and Summer months.

1) Support of 2007 Millage Renewal Election

The MCCEA Board of Directors unanimously approved a resolution in support of a YES vote on millage renewal in the event that the MCC Board of Trustees elected to place it on the August 2007 ballot. As with previous elections, this support will be accompanied by communication with our members and grassroots political support for the “Say Yes to MCC” Ballot Question Committee.

2) Campaign Contribution of \$15,000 to “Say Yes to MCC”

During the past several election cycles, the MCCEA has been proud to be one of the major donors to the “Say Yes to MCC” committee. Because renewal of the current millage is of vital importance to our students, our members, and the community we serve, the MCCEA Board has authorized the largest campaign contribution in its history: \$15,000. This contribution represents the deep investment MCCEA members have in the continued fiscal health of Mott Community College.

It should be noted that these are official actions of the elected representatives of all MCC faculty, and not decisions made by a small group of individuals. The pledge of political and financial support is made on behalf of the nearly 500 members of the Mott Community College Education Association and represents the strong support of teaching faculty for MCC.

Broad-Based Employee Support

In addition to my role as the elected President of MCC’s largest labor organization, I am also proud to be an active member of the “Say Yes to MCC” campaign leadership. In that capacity, I have heard from dozens of MCC employees from other bargaining units on campus. Of the MCC employees I have spoken with, I have heard nothing but unanimous and emphatic support for the proposed millage renewal. A great deal of employee education has taken place on the financial background of the College; employees understand the vital nature of the millage and bond funding for MCC. For the reasons above, I strongly recommend that the MCC Board of Trustees pass a resolution authorizing that a Millage Renewal Ballot Question be placed on the August 2007 ballot.

Mott Community College
Proposed Millage Renewal August 2007
Michael Kelly
May 16, 2007

1. In 2001, voters of Mott Community College's district voted the college 0.65 of a mill in property taxes to assist the college in general operations.
2. The revenue from that millage now provides 12% of the college's total operating budget.
3. This millage will expire next year.
4. It would be irresponsible to wait until the last minute to seek renewal of this essential millage, so the committee recommends asking voters for a renewal this year.
5. Rather than seek renewal of the full 0.65, we are seeking only to renew the millage at its current Headlee-reduced rate, which is approximately 0.641.
6. Under the new state election laws, a proposal may be presented to the voters at one of only four specified election dates. No special elections are allowed. Those election dates in 2007 are February 27, May 8, August 7 and November 6.
7. The Headlee-reduced rate for 2007 could not be established until mid-May, meaning the February 27 and May 8 elections could not be used.
8. To legally be a renewal, the proposal had to be presented before the current millage expired in June 2008.
9. Therefore, there were only four possible election dates to be considered: August and November 2007 and February and May 2008. The last three dates each had significant problems.
10. The November election will feature heated mayoral elections in Flint and Burton that would overshadow our proposal and make it very difficult to get our message out.
11. The February election is still new to Michigan voters and risks making "snowbirds" and others believe MCC was trying to "slip one by them" and pass a tax measure when voters weren't paying attention.
12. The May 2008 election was the last one possible to legally call the proposal a "renewal" rather than a new tax, leaving us no second chance should the proposal be defeated.

13. That left us this August as our best option. There will be many jurisdictions that do not have an election on August 7 but that would be the case no matter which date we selected.
14. In the past, we have used either the June school election or a special election. Clearly, we are not trying to *hide* this election from anyone. Just the opposite, using the traditional August primary date would likely be the *largest turnout election* we have ever used to present a millage question to the voters.
15. To save costs, we are recommending that the term of this millage be ten years. Although it is tempting to ask that the millage be made permanent, we believe that would risk angering voters and believe that ten years is a reasonable length of time, giving voters the opportunity to revisit the issue in the future.
16. A survey done in March 2007 asked whether people would agree or disagree with the following statement: "If it meant our taxes stayed the same, I would vote to renew Mott's operating millage." Of those surveyed, 90% agreed with the statement; 42% *strongly* agreed.
17. That same survey asked whether people would agree or disagree with this statement: "Mott is an important asset to our community, renewing its operating millage helps to protect this important asset." Of those surveyed, 90% agreed; 46% *strongly* agreed.
18. On the basis of the information outlined above, the committee strongly recommends that the MCC Board of Trustees approve the proposed language to seek a renewal of the college's operating millage in the August 7 election.

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