Call to Order

Board Chair Barbara Chamberlain called the meeting to order at 6:00 p.m.

Verification of Quorum

Board Chair Chamberlain verified that a quorum of the Board of Trustees was present at the meeting.

Attendance

Trustees:  Barbara Chamberlain  
W. W. Bill Nixon  
Fred Ostermeyer  
Rolly Williams  
Sheila Wood  

Also present:  Michael Burke, President  
Kathy Christie, Assistant Vice President for Planning and Assessment  
Tim Hansen, Director, Human Resources  
Robert Ketchum, Assistant Vice President for Instruction  
Linda Michal, Interim Vice President for Student Services  
Donna Ward, Secretary for the Board of Trustees  
Mike Ramsden, Attorney for North Idaho College  
Bill Richards, Chair, College Senate  
Randy Hill, Newly-Elected Vice Chair, Staff Assembly  

Absent:  Jerry Gee, Vice President for Instruction  
Bob Bohac, Chair, Faculty Assembly  
Chase Williams, Newly-Elected President, ASNIC
**Guests**

Board Chair Chamberlain introduced the following guests: Erica Curliss of the Spokesman-Review, Elene Jenks of Concerned Businesses, Randy Hill, newly elected Vice Chair for Staff Assembly, Bruce Gifford, new Vice President for Student Services, and Andy Briscoe of the Coeur d'Alene Press.

**Approval of Minutes**

**MOTION:** Motion was made by Trustee Nixon and seconded by Trustee Ostermeyer to approve the minutes of the regular meeting of April 25, 2001, as presented. The motion was unanimously approved.

**Major Capital Budget for Permanent Building Fund Request (SBOE)**

Vice President Jurgens told the Board that each year at this time a capital budget request must be submitted to the State Board of Education and the Department of Public Works. He reviewed the requests to be submitted and said that the budget request is derived from the College’s 1999 Facilities Master Plan. Jurgens told the Board that there was one change in the information provided to them for this meeting. The renovation to Lee Hall would be moved to number 3 on the list, which moves the professional/technical building and the Robin Hood Parking lot construction to positions 4 and 5. Given the full funding of the Health Sciences Building in FY2002, the remaining buildings from last year’s request have been reprioritized to reflect the current facilities needs of the college. Requests for remodeling funds were added as separate projects. The President’s Cabinet has prepared the updated request in accordance with the Facilities Master Plan and the College’s Strategic Plan.

Board Chair Chamberlain asked how items make this list. Jurgens responded that President’s Cabinet prioritizes the projects submitted. These items are then presented to the State Board of Education and the Department of Public Works for review. These entities in turn make funding recommendations to the Legislature according to the need submitted by NIC.

Trustee Williams directed that the Gymnasium be considered for remodeling for additional office space and that this item be added to next year’s priority list. Board Chair Chamberlain suggested that an examination of the costs involved be developed for the Board prior to adding the additional item to the request.

**MOTION:** 5-30-01: 16 Motion was made by Trustee Williams and seconded by Trustee Wood to approved the Major Capital Budget, as amended, with Lee Hall renovation in third place on the list, for submittal to the State Board of Education and the Department of Public Works. The motion was unanimously approved.
ASNIC Budget, FY02

Interim Vice President Linda Michal told the Board that the budget for the upcoming fiscal year for the Associated Students of North Idaho College (ASNIC) is presented annually to the Board. She explained that this budget is funded entirely by student fees. The ASNIC Budget Committee, the ASNIC Board, and their Financial Advisor have reviewed and approved the budget, and it accurately reflects the priorities and goals of the Student Government for the next academic year. The only change from last year’s budget is the addition of a full-time paid student advisor. Michal reviewed changes in the budget in revenue and expenditures for the Board. The budget will be presented at the June meeting for endorsement.

Auxiliary Services Budget, FY02

Interim Vice President Linda Michal told the Board that Vice President Jurgens had supervised the Auxiliary Services Budget this past year. However, the responsibility will be returning to Bruce Gifford, the new Vice President for Student Services. She indicated that the Auxiliary Services Budget comprises the individual budgets of the various operations housed within the Student Union. These operations are the Union itself, the Food Services, and the Bookstore. These budgets are not subsidized by any college funds. The departments within the SUB operate solely on the funds generated through profits from sales.

Nixon noted that only a $10,000 increase in revenue expected from the new residence hall had been set forth. Michal explained that only four months of occupancy would be available in 2002, thus the minimal amount projected. She also told the Board that a review will be made of “free” or community service use of the SUB space. However, she did indicate that allowing community use for fund-raising and/or non-profit entities was an important part of the college’s services to the community.

Stein explained to the Board changes in the utilities line items within each budget. He also explained that the Student Union is subsidized by the Bookstore, and the budgets are mutually supportive—with losses by one entity subsidized by the other.

Michal explained that this budget will be brought before the Board for endorsement at the June meeting.

Preliminary Operating Budget, FY02

Vice President Jurgens told the Board that the proposed Preliminary Operating Budget, FY02 reflects both projected changes in revenue and proposed changes in expenditures for next year. The proposed budget, along with any changes the Board deems
necessary, will be used to generate the detailed budget for FY2002, which will then be presented for Board approval at the June Board meeting.

Jurgens explained that the budget presently reflects the increases in state allocation, county tax revenue, and tuition and fees. He specified that $1.6 million received from the State will be used for local property tax relief. The proposed budget includes increased revenue based on a projected 1.5% growth in enrollment for the 2001-02 academic year. The budget also details new expenditures for FY2001-02, including salary increases, benefits increases, reclassifications, and new personnel. In addition, it includes increases to the maintenance and operations budget for infrastructure costs, (e.g. utilities, data and voice communications).

Jurgens emphasized the figures for salary estimates for the operating budget will not reflect the same numbers as those presented later in the meeting by Tim Hansen. This is due to the operating budget reflecting positions that are currently vacant while the total for the proposal from Hansen does not. The revenue projections and projected costs associated with new positions and with benefit increases were shared with the Meet and Confer Committee. While there was substantial discussion of the salary increases, the Meet and Confer Committee's recommendations are not entirely met by this proposed budget.

This budget projects a decrease in the NIC tax levy rate for property tax of nearly 24%, due largely to $1.6 million in tax relief from the State Legislature. It also specifies a minimum number of new faculty and staff, salary increases averaging 5.86% for faculty and 4.0% for staff, and maintenance and operations increases that are necessary to keep essential operations at their current level. A projected increase of $141,700 or 37.5% on existing utilities budgets for heat and power next academic year was shown.

Vice President Jurgens explained that the President's Cabinet prepared and reviewed this budget recommendation. He then reviewed the line item increases to the M & O Budget, which were projected with an increase the tax base by 3% during FY02. Jurgens said the new assessment figure would be $4,616,683 from Kootenai County, and then proceeded to explain that a decrease of 23.9% would be provided for the average taxpayer, in spite of the 3% increase in the current assessment, and said decrease was based upon the increase in new property assessed and new property coming on the tax rolls. Jurgens said that 80% of the parcels within Kootenai County are taxed at $100 or less per year (NIC's levy) according to 1999 data. These figures do not reflect the new, proposed reductions provided to the taxpayers by the legislature.

Steve Ruppel was requested to review the cost of technology increases. He said that the fiber optics and cabling network within the NIC campus need to be upgraded. These are currently 10 years old and are slow due to increased number of computers and servers. Ostermeyer asked if Avista could be requested to supply new fiber optics
to the campus. Ruppel replied that Avista is already providing a router, and that the request could be made.

In response to Jurgens’ presentation, Trustee Williams said that it appeared that the auditors’ concern with the Fund Balance in the FY00 audit will be corrected with this proposed budget. Board Chair Chamberlain indicated that other changes in the budget align NIC with the auditors’ recommendations. Student loan default rates have improved and the inventory for the entire campus has been completed; both were areas of concern reported by the audit.

Upon Board Chair Chamberlain’s request for individual responses from each trustee about an increase in property tax, the following were made:

Trustee Ostermeyer indicated that he saw no problem; the people with whom he discussed this issue believe NIC is a great value.

Trustee Wood said that the community should look at the value received from NIC for the small amount paid in taxes. She feels that NIC has been conservative year after year in the tax assessment for the college, and that the Board has been sensitive to the issues. Anecdotally, Wood said her husband is a major taxpayer. If he had not been able to go to NIC, he would not have been able to enjoy a career as an airline pilot for 35 years, and he would not now be in a position to pay substantial property tax.

Trustee Williams replied that once community people are given the facts on the tax increase, they are amazed at the value. He feels that people do not mind paying a fair share and feels that it is a non-issue with most taxpayers.

Trustee Nixon said he is in agreement with the 3% increase in taxes.

Board Chair Chamberlain, concluded the responses by stating that she is one of the examples used in the meeting handout and will be sending $24 in tax savings to the NIC Foundation and in so doing, feels somehow that she is still getting a tax break. Whereupon, the following motion was made:

**MOTION: 05-30-01: 17 It was moved by Trustee Williams and seconded by Trustee Wood to adopt the property tax increase for FY01-02 at three percent (3%) as outlined in the proposed budget. The motion was unanimously approved.**

Subsequent to this motion, Trustee Ostermeyer said that Board welcomed comments and participation by the community and that the NIC Board meetings are open to the public. Additionally, he stressed that the budget development at NIC is an on-going process, and that the budget is formulated through policy and practice guidelines delineated at nearly every Board meeting. He added that those individuals who expect
to participate in budget development but who only attend the budget approval meeting each year are inadequately prepared to contribute to the process.

Finally, Jurgens noted that the Operating Budget FY2001-02 will be presented at the June meeting for approval.

**Preliminary Plant Fund Budget, FY02**

Vice President Jurgens explained to the Board that the Plant Fund is separate from the college’s Operating Budget, but it is funded in part by a transfer of funds from the Operating Budget to cover expenses related to the college’s Physical Plant. It also reflects funds awarded to the college by the Department of Public Works for remodeling and renovation. The budget comprises those Physical Plant items that are major in size and generally cost in excess of $15,000 per project or are one-time equipment purchases. Typically, all property acquisitions and major capital improvements to facilities are included in the Plant Fund Budget. As such, it is a self-balancing fund. The Plant Fund Budget is funded from either the annual transfer of funds from the Operating Budget or from the College’s Fund Balance. Jurgens said that the Fund Balance will not be used.

He reviewed the line items in the plant fund budget including the Jacklin Land purchase the WFTC foundation building, the Robin Hood Campground purchase, the Department of Lands purchase, and other remodeling (where office space would be included). He included one-time equipment purchases detail and the Department of Public Works projects for the upcoming year.

Jurgens told the Board that this budget will be presented for approval at the June meeting.

**Compensation Package and Salary Schedules, FY02**

Tim Hansen, Director of Human Resources, said that at their April meeting the Trustees heard the Meet & Confer recommendation. In addition, the Board of Trustees heard a preliminary response from Administration and asked for a side-by-side comparison of the two proposals for the May meeting. Hansen told the Board that the proposed compensation package and the salary schedules satisfy some but not all of the points identified by Faculty and Staff Assembly representatives in their recommendations. He reviewed the proposed salary and benefits schedules for the Trustees. Chamberlain asked if there was a figure available for maintaining the 50th percentile. Hansen said there was no dollar figure, but the multiplier is 2.96%. Williams asked if there are plans to consider reexamining the salaries of the older faculty. Hansen said his office has been willing to work with a task force to do so. The Board asked if more faculty fell in the higher pay scales requested a schedule of the number of staff and faculty within each range. Hansen replied that it would be provided by the next Board meeting.
Meet and Confer Chair Satake asked to address the Board to present additional information since the last Board meeting. Board Chair Chamberlain denied his request to address the Trustees in depth, indicating that his information could be submitted in writing through the President’s Office. Satake said he has uncovered data from 1992-1997 and that the multiplier had increased over time for the longer-term faculty. Chamberlain said that it was necessary to approve the salary and compensation package at this meeting, and she would rather not rework the budget at this particular meeting due to data that has surfaced and had been approved by previous Boards in prior years. Chamberlain indicated that the salary proposal that the Board would be approving is a compromise between the proposal from Administration and that of the Meet and Confer Committee. She indicated that the President’s Office had prepared a memorandum very early in the Spring which outlined Administration’s views, and that a member of the Administration had been present in meeting of Meet and Confer. She stressed that this particular meeting was not the first time the Board had reviewed Administration’s proposal.

Chamberlain concluded by stating that the staff, not just the faculty, should have equal opportunity and representation in salary competitiveness issues raised by Satake. Whereupon, the following motion was made:

**MOTION: 5-30-01: 18:** Motion was made by Trustee Nixon and seconded by Trustee Williams to approve the benefit package and Salary Schedules, FY02 as presented. The motion was unanimously approved.

**Insurance Plan Changes**

Vice President Jurgens told the Board that the Meet and Confer Committee and representatives of the Staff and Faculty Assemblies had reviewed options for health insurance changes and cost increases for FY2001-2002. Jurgens introduced Marilyn Leedom who provided the Board with information regarding the decisions of the insurance committees and subsequent agreement from the Meet and Confer Committee. It was recommended that NIC no longer offer the Blue Cross Point of Service Medical Plan while continuing to offer Blue Cross Preferred Provider Organization and Group Health insurance to employees. Jurgens explained the proposed changes to the insurance would result in an estimated 9.5% increase in current health care insurance costs. After discussion, the following motion was made:

**MOTION: 5-30-01: 19:** Motion was made by Trustee Wood and seconded by Trustee Ostermeyer to approve the North Idaho College health care plan for FY2002 as presented. The motion was unanimously approved.
Privacy Policy and Procedures

Tim Hansen, Human Resources Director, told the Board that as computerized personal data becomes more available and accessible, it is important to develop a college policy that describes North Idaho College's commitment to maintaining the appropriate level of privacy of these records. Hansen outlined the proposed Privacy Policy and explained that it had been endorsed by the College Senate and President's Cabinet. Nixon asked if counsel approved. Ramsden said he had just reviewed it, and he approves it. The policy will be presented at the next meeting.

Board of Trustees Self-Evaluation Policy

President Burke explained that as an outgrowth of the Carver model of policy governance, boards of trustees of community colleges have begun to adopt systematic methods by which they periodically review their performance. Additionally, accreditation agencies have begun to expect boards of trustees to adopt processes for self-review. The proposed draft Policy and Procedure for Performance Review of the Board of Trustees was presented for a first reading and will be brought to the Board for approval at the June meeting.

Budget Status, FY 2000-01

Vice President Jurgens told the Board that expenditures have exceeded the five-year average, and significant changes in the expenditure patterns did not materialize as anticipated. Jurgens said that the budget restrictions on the maintenance and operations portion of the budget have not greatly impacted the level of expenditures. He indicated that salaries and compensation may be the line item which contributes to the increases. He indicated that the Board would be kept advised.

College President

President Burke reported that the TRIO Grant had been awarded to NIC by the Department of Education. He also reported that Manuelita Burns has been hired as the new Director of Health Professions, and he indicated that the Assistant Vice President for External Relations and the Admissions Director searches were being conducted. Burke publicly thanked all of the people involved in the commencement ceremony, and he said that this was the largest number of graduates and audience members in NIC history.

Senate

Senate Chair Bill Richards reported that the following were elected as new officers: Senate Chair - Roberta Black, Vice Chair - Edwina Stowe, Secretary - Dan Erlacher. Richards said they were working on the Student Code of Conduct and Calendar
Committee issues. Richards expressed his pleasure working with the Board and said that this would be his last meeting.

**Staff Assembly**

Randy Hill, current Vice Chair, said that the following officers had recently been elected: Chair - Ray Keevy, Vice Chair - Randy Hill, Secretary - Candi Norris. He said that they were working on the Staff Assembly agenda for next year.

**ASNIC**

No report.

**Board Chair**

Board Chair Chamberlain said that she had enjoyed attending the GED graduation and was sorry to have missed the general commencement ceremony.

**Remarks for the Good of the Order**

Donna Ward said that NIC had been recognized in the International Association of Administrative Professionals (IAAP) regional meeting as an outstanding employer. Microsoft Corporation was chosen as winner of Outstanding Employer of the Year by IAAP.

Robert Ketchum said that he will again be going to China, and that projected gross revenues from partnerships with business in China and the Workforce Training Center will more than cover the costs of the trips. He indicated that the contracts being considered are quite lucrative.

**Executive Session**

MOTION: 05-30-01: 20 Motion was made by Trustee Wood and seconded by Trustee Ostermeyer to adjourn to Executive Session under Idaho Code Section 67-2345 (c) to conduct deliberations concerning labor negotiations or to acquire an interest in real property which is not owned by a public agency and (f) to consider and advise its legal representatives in pending litigation or where there is a general public awareness of probable litigation.

Roll call vote was as follows:

Barbara Chamberlain       aye
Fred Ostermeyer           aye
Present in Executive Session were Michael Burke, Barbara Chamberlain, Bill Nixon, Fred Ostermeyer, Rolly Williams, Sheila Wood, Tim Hansen, Mike Ramsden, and Donna Ward. The Board of Trustees met in Executive Session to discuss charges brought against an employee and to conduct deliberations concerning labor negotiations.

**RECONVENE**

The Board returned to open session at 10:30 p.m. No further business was discussed or action taken at that time.

**Adjournment**

Motion was made by Trustee Ostermeyer and seconded by Trustee Wood, and unanimously approved that the meeting adjourn.

Time: 10:31 p.m.

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Barbara Chamberlain, Board Chair  Sheila Wood, Secretary