CALL TO ORDER
Board Chair Ostermeyer called the meeting to order at 6:33 p.m.

VERIFICATION OF QUORUM
A roll call verified that a quorum of the Board was present at the meeting.

ATTENDANCE
Trustees: Mic Armon
Denny Hague
Judy Meyer
Fred Ostermeyer
Rolly Williams

Also present: Michael Burke, President
Kathy Christie, Assistant Vice President for Planning and Assessment
Jerry Gee, Vice President for Instruction
Bruce Gifford, Vice President for Student Services
Rolly Jurgens, Vice President for Administrative Services
Robert Ketchum, Assistant Vice President for Instruction
Marc Lyons, Attorney for North Idaho College
Donna Ward, Secretary for the Board of Trustees
Randy Hill, Staff Assembly Chair
Rhena Cooper, Faculty Assembly Secretary
Jim Jeitler, Senate Vice Chair
Joel Crane, ASNIC President

INTRODUCTION OF GUESTS
Due to the large number present, guests were not introduced at the meeting.

STERLING SILVER AWARD
Vice President Jerry Gee introduced Nancy Edwards, recipient of the May Sterling Silver Award.

APPROVAL OF MINUTES
Motion was made by Trustee Meyer and seconded by Trustee Williams to approve the minutes of the meeting of April 29, 2003, with the following amendment to Motion 04-29-03: 13 “to retain membership in the Scenic West Athletic Association by those North Idaho College
athletic teams currently members of SWAAC, and retain membership in the Northwest Athletic Association of Community Colleges by those athletic teams that are currently members of NWAACC, and to follow the rules pertaining thereto of the National Junior College Athletic Association (NJCAA). of each one of those organizations.” The motion was unanimously approved.

Comments by President Burke
President Michael Burke read a tribute NIC soccer coach Bill Eisenwinter, who passed away in an auto accident on Friday, May 23, 2003. Burke stated that he and Vice President Gifford had attended a meeting that day of the executive committee of the Northwest Athletic Association of Community Colleges (NWAACC). NIC was given an extension of an associate membership for the 2003-04 season. Should NIC wish to apply for membership in the NWAACC conference, that application would need to be made by January 1, 2004. Burke said that NIC will need to address requirements of the NWAACC rules for membership as explained in correspondence anticipated from NWAACC officials.

Comments by Chairman Ostermeyer
In addressing the large number of individuals present who were involved in soccer, Board Chair Ostermeyer said that NIC supports soccer and that the Board of Trustees was not considering making a decision to eliminate the NIC soccer program at the meeting. He said that the program consideration is in the hands of the NWAACC Board.

Remarks for the Good of the Order
Large numbers of the Coeur d’Alene soccer community were present. Opportunity was given for audience members to speak the Board. Many requested that the college address concerns about the future of NIC soccer and the NWAACC. Tributes and condolences were shared regarding the untimely death of Coach Eisenwinter.

Kootenai County Commissioner Rick Curry and Jobs Plus board member Paul Anderson spoke to the Board of their support for workforce education, the Workforce Training Center, and Fort Sherman Institute.

Trustee Armon expressed the Board’s appreciation for everyone attending the meeting and sharing concerns. He indicated the need for the trustees to look at facts, listen to and look at the demands of the board of NWAACC, and make decisions based upon the overall interests of the college.

Fort Sherman Institute
President Burke provided the trustees with an update on the Fort Sherman Institute (FSI). He presented the development history, the mission of the program, and said that the Board had been provided with a financial feasibility projection. He explained that the projections included various percentile success levels for FSI.
Burke then requested action by the Board for authority to exempt FSI from certain policies, to be identified by legal counsel and the NIC human resources director, which will be used on an as-needed basis. Discussion occurred regarding the policy exemptions, the reasons therefore, and the timeliness of decisions regarding contract negotiations, and other issues affecting the operations of FSI.

Trustee Meyer then made a motion that the Board of Trustees grant the President the authorization to exempt FSI from certain board policies on a case-by-case basis after review with legal counsel. The President would be required to provide the information to the members of the Board within five working days any time the exemptions were needed as well as the reason for the exemption. The information would also be reported at the next regular board meeting. Discussion was held, and the motion was withdrawn.

The trustees then discussed the economic feasibility of the FSI program, the current negative revenue status, the speculative nature of contracts to generate revenue, the further financial commitment in light of current budget challenges, and a potential timeline for program success. Due to the complexity of these issues, President Burke recommended a work session for the trustees prior to the next Board meeting.

**Meet & Confer**
Burke said that all salary negotiations were compressed into a several week time frame because of long legislative session this year. Three percent of NIC’s budget was recently returned to the state to compensate for this fiscal year’s budget shortfall. Burke said the Governor had advised all state agencies to maintain state employees’ current salaries and with no cost of living allowance (COLA) increases or across the board raises. Burke then reviewed the requests of the Meet & Confer committee and gave his response to the requests. With the exception of the holiday campus closure period and of the funding of flu shots for employees, Burke was unable to support the requests of the Meet & Confer Committee. He did indicate, however, that the administration was reviewing the new salary consultant’s recommendations and hoped to be able to work toward implementing the recommendations for the employees who may end up below the minimum on the new salary schedules. He did stress that it was impossible to fully implement the salary consultant’s recommendations during this budget year, and that it would probably take multiple years to reach that goal.

**Operating Budget FY04**
Vice President Jurgens started a review of the Operating Budget FY04. The following motion was made:
MOTION: 05-28-03: 16 Motion was made by Trustee Williams and seconded by Trustee Meyer to support a property tax increase. The motion was denied 3-2.

Roll call vote as follows:
Armon - no
Hague - no
Meyer - yes
Ostermeyer - no
Williams - yes

At this point in the meeting, 11:30 p.m., it was suggested to suspend the agenda and discussion and recess to a future date and time. Whereupon the following motion was made:

MOTION: 05-28-03: 17 Motion was made by Trustee Meyer and seconded by Trustee Armon to recess and continue the meeting until Thursday June 5, at 6 p.m. in the Driftwood Bay room of the SUB. The agenda will be resumed at Tab 5, Operating Budget FY04. The motion was unanimously approved.

CONTINUATION OF MAY 28, 2003 MEETING
The continued meeting of May 28, reconvened on Thursday, June 5, and was called to order by Chair Ostermeyer at 6:04 p.m. He verified that a quorum was present.

OPERATING BUDGET FY04
Jurgens provided a handout entitled, “Tax Increase Calculation”, and explained the levy rate and the calculation of taxes. He said that NIC decides the funding needed to operate the college and the levy rate is adjusted by the County accordingly. Jurgens explained that as property tax value increases, the levy rate charged to taxpayers decreases. A 12-year history indicates that NIC’s levy rate has gone down each year. He further explained that an increase of 3% in property taxes would not mean a 3% increase to the taxpayers.

Jurgens also explained that foregone taxes from prior taxation years can be collected should NIC choose to assess those taxes. Currently the amount of foregone taxes is approximately $2.3 million. Jurgens said that if NIC asks for no tax increase this year, the base levy rate will decrease approximately 6.8%. The long-term effect reduces the levy rate, and the college can take only the highest of 3 years of taxes. Jurgens explained that if the trustees take the maximum dollar amount of tax increase possible without using any foregone taxes, it would result in a decrease of 0.08% in the levy rate. New property on the tax rolls provides the actual dollar increase.
Jurgens said that the Operating Budget FY04 was created using scenario number 6, as outlined in the “Tax Increase Calculation” handout and in the paragraph above.

He reviewed the estimated changes in revenue and expenditures highlighting that no salary increases were included in the budget. Anticipated increased expenditures include a 2.2% increase in utility costs, early retirement cost increases this year, and an increase in liability and property insurance costs.

Jurgens said that the budget is out of balance by approximately $30,000, but would be in balance for the June meeting.

**PLANT FUND BUDGET**

Jurgens explained the Plant Fund Budget was for major purchases and includes some remodeling for compliance with the Americans with Disabilities Act (ADA), the Datatel implementation lease, and the purchase of one lot at the Riverbend property on an existing option-to-purchase agreement with Jacklin Land Co. Jurgens said the Plant Fund Budget was out of balance by $79,556, but it would be in balance by the next Board meeting.

**ASNIC BUDGET**

Vice President Gifford requested Joel Crane, ASNIC President, to join him for explanation. The revenue and expenditures of the ASNIC budget were then reviewed, including a proposed remodel of the Student Services area to ensure the privacy for individuals with personal and/or health-related issues. The major projects undertaken by each student senator was explained, as well as the proposed new position for a program assistant to cover weekend hours in the ASNIC department.

**AUXILIARY SERVICES BUDGET**

Bruce Gifford and Lanny Stein reviewed the Auxiliary Services Budgets, which include the bookstore, food services, student housing, and the student union. It was explained that the Auxiliary Services Budget is not funded by the college and has no revenue from NIC. Items noted by Gifford and Stein included the profitable operation of food services for FY02-03 and the proposed sale of books via the internet by the Mica Peak Exchange.

**REVIEW OF FORT SHERMAN INSTITUTE**

Trustee Meyer said that the Trustees had received an update on projections of contracts by the Fort Sherman Institute (FSI). She indicated that it is like a venture-capital operation, that it has considerable potential, and that the FSI anti-terrorism training is viable. Meyer noted that the standard NIC employment contracts are one-year contracts. Due to the nature of the FSI training, employment contracts for trainers vary based upon the length of class training. The positions also may have unique job qualification requirements that are vastly different than those usually sought by NIC. Meyer said that the forecast for contracts for FSI is good, but the need to identify policies that may not fit the need of FSI was necessary.
Meyer said that because of the unusual nature of short-term employment contracts and other contractual relationships by Fort Sherman Institute, the trustees need to authorize the President to exempt FSI from some college policies on a case-by-case, as needed basis. Therefore, the following motion was made:

**MOTION: 06-05-03: 18** Motion was made by Trustee by Armon and seconded by Trustee Hague that the Board of Trustees provide the President the authorization to exemption Fort Sherman Institute from certain Board policies on an as-needed, case-by-case basis after review with legal counsel and the Human Resources Director. The President will be required to report to the Board any time these exemptions are needed, as well as the reason for the exemption, in a timely manner but no later than the next Board meeting. The motion passed 4-1.

Roll call vote:
Mic Armon - yes
Denny Hague - yes
Judy Meyer - yes
Fred Ostermeyer - no
Rolly Williams - yes

It was then noted that in the draft of NIC’s Operating Budget, FY003-04 funding for FSI was approximately $259,000, but that the business plan prepared by FSI requested $138,000 for FY03-04, based upon expectation that contracts will be fulfilled. Accordingly, the following motion was made:

**MOTION: 06-05-03: 19** Motion was made by Trustee Meyer and seconded by Trustee Armon to direct the President to take whatever actions are necessary to insure that Fort Sherman Institute remains alive and viable as long as possible on FSI’s requested funding level, according to FSI’s business plan. The motion was approved as follows:

Roll call vote:
Mic Armon - yes
Denny Hague - yes
Judy Meyer - yes
Fred Ostermeyer - yes
Rolly Williams - yes

**COLLEGE CALENDAR FY04, FY05**
Tami Haft, Assistant Registrar, reviewed the FY04-05 calendar and the FY05-06 calendar. She explained that the Calendar Committee drafted the calendars, that the Senate had approved them, and that both calendars aligned, for the first time, the
college Spring break with the Spring breaks of the local school districts. Haft said that the calendars would be brought forward at the next Board meeting for approval.

**Budget Status FY02-03**

Vice President Jurgens reported that the FY02-03 budget was on track and very close, percentage-wise, in both revenue and expenditures, to the previous five-years. He said that as requested by the state, due to budget shortfalls, a check from the college General Fund had been sent to the state treasury for approximately $282,300 and the non-vocational funds will be reduced as well by approximately $105,000.

**Internet Fees**

Candace Wheeler, Director of Distance Education, provided a PowerPoint update on tuition and fees charged by NIC and regional community colleges for internet classes. The data Wheeler presented indicated that fees are vary by state and by institution. She said that in order to provide competitiveness, the Board had approved a waiver for out-of-state fees for enrollees of “The Backup”, a law enforcement internet program. Wheeler indicated that any unique programs initiated by Distance Education that might be more marketable by reduced tuition and fees would be brought forth on a case-by-case basis. She said that only 3% of the internet classes were used by out-of-state students. Additionally, she indicated that the philosophy of the Office of Distance Education (as established in 1998) was that 90% of the efforts of that department would be directed at Idaho’s five northern counties.

**Educational Corridor Update**

President Burke told the trustees that he had talked with Mayor Bloem that day, and that a meeting of the Public Entities Steering Committee was planned for mid-June. Trustee Meyer asked if funding might be necessary in the FY03-04 budget for the educational corridor project. Burke replied that no funding was necessary until FY04-05, according to Mayor Bloem.

**Reports**

**College President**

President Burke reported that arrangements had been made for Bill Eisenwinter’s memorial service on Sunday, June 8, at 1 p.m. with a reception following. Burke stated that during the public remarks at the May 28 board meeting he did hear the concerns about soccer, and he stated that he is supportive of the soccer program. He and Vice President Gifford met with the NWAACC board, and he is now awaiting formal written direction from NWAACC. In the meantime, other ways of preserving soccer are being explored, he is very encouraged by what has been learned, and he will bring back that information in a future Board meeting. Burke also said that Kent Probst had been hired as the new Assistant to the President for Community Relations, and that Probst comes from Peru State College. He is very experienced in public relations and other areas, and will be in town June 16-18, with a projected start date of August 1.
SENATE
Newly elected Senate Chair Sandra Jacquot, reported that Jim Jeitler was elected Vice Chair and Bob Vogeler as Corresponding Secretary. The Senate reviewed and approved the college calendars, the withdrawal policies, and faculty evaluation policy. These policies would be coming to the Board in the future.

FACULTY ASSEMBLY
Faculty Assembly Chair Rhena Cooper spoke about the positive benefits for the college that can result from difficult circumstances.

STAFF ASSEMBLY
Staff Assembly Chair Randy Hill introduced Peggy Schnell, the incoming Chair. Schnell thanked Hill for his work the past year. She said that a new executive committee is formed and will have a retreat soon. Randy Hill reported that it been a good year for him, personally, to share in the governance process. He said the staff appreciated the longer Christmas break and the approval of the bereavement policy. He also said that the meetings with President Burke and other leaders of the campus constituency groups are good thing to do and important for communication. Hill said that the Extended President’s Cabinet meetings are very informative and should be continued. He also thanked the Board and administration for hiring a new salary consultant, and he urged the Trustees to stick with 50th percentile as a goal for salaries. He said that the longer holiday break was an appreciated benefit, but that two years with no raises was affecting staff morale. He urged the administration and Board to consider this issue.

ASNIC
Joel Crane, ASNIC President, reported that the Student Handbook would be out soon. The students had purchased a handicap accessible computer for the SUB. He said he understand the complications of the budget and the sacrifices that need to be made. He urged the Trustees to consider foregone taxes as a possible resolution to some of the budgetary problems, rather than raising the tuition of students.

BOARD CHAIR
Board Chair Ostermeyer remarked that he wished to express the Board’s total support of the President in light of comments made during the May 28 Board meeting “Public Remarks.” Ostermeyer expressed his disapproval of any disparaging comments, and said that any future, similar expressions would not be tolerated.

REMARKS FOR THE GOOD OF THE ORDER
Trustee Meyer reported that the State Board of Education will be holding the Professional-Technical Education Conference in Coeur d’Alene in two weeks, and she encouraged the business community interested in this topic to attend.
Edwina Stowe said that on May 22 she had attended a meeting of Math Department chairs at other institutions, and that much discussion took place about curriculum and equivalent courses.

Donna Ward thanked the Trustees and administration for their participation in this year’s commencement on May 16.

Lewis Watkins reported that it has been his pleasure to recently witness the award of the North Idaho College President’s and Board of Trustees’ scholarships at Project CDA and other area high schools. He thanked them for the continued support of these scholarships.

**Adjournment**

Motion was made by Trustee Hague, seconded by Trustee Meyer, and unanimously approved to adjourn the meeting.

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Fred Ostermeyer, Board Chair   Mic Armon, Secretary