CALL TO ORDER AND VERIFICATION OF QUORUM
Board Chair Williams called the meeting to order at 6:00 p.m. and 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
Jerry Gee, Vice President for Instruction
Rolly Jurgens, Vice President for Administrative Services
Bruce Gifford, Vice President for Student Services
Robert Ketchum, Assistant Vice President for Instruction
Marc Lyons, Attorney for North Idaho College
Donna Ward, Secretary for the Board of Trustees
Nancy Edwards, Staff Assembly Chair
Susanne Bromley, Faculty Assembly Chair
Jim Jeitler, Senate Chair
Emily Compton, ASNIC Vice President

INTRODUCTION OF GUESTS
Board Chair Williams introduced guest Idaho Representative Jim Clark.

APPROVAL OF MINUTES
Motion was made by Trustee Armon and seconded by Trustee Meyer to approve the minutes of the May 26, 2004 meeting. The motion was unanimously approved.

OPEN FORUM FOR PUBLIC REMARKS
None
**Repeating a Course Policy 5.04.03**

Vice President Gee presented the Repeating a Course Policy 5.04.03 for a second reading. He stated that the previous policy was modified to allow the student to repeat any course, as long as the course does not have repeat restrictions. He said that there were no revisions to the policy since the first reading in May. Therefore, the following motion was made:

**MOTION: 06-23-04: 15** Motion was made by Trustee Hague and seconded by Trustee Meyer to approve the Repeating a Course Policy 5.04.03 as presented. The motion was unanimously approved.

**Operating Budget FY05**

Vice President Jurgens presented the second reading of the Operating Budget for FY05 and reviewed the projected changes in revenue and expenditures for next year. Those changes include increases in State allocation, in county tax revenue due to growth, and in tuition and fees. New expenditures for FY05 outlined by Jurgens include increases in employee benefits, salary, and reclassifications. Additionally, the budget includes an overall three percent increase to the maintenance and operations budget. Jurgens said that for the first time, the General Fund operating budget includes the $1.2 million Workforce Training Center budget. Jurgens said that the budget projects no increase in the local property tax levy rate for FY05.

Jurgens responded to the trustees’ questions, including the ratio of personnel costs to M&O (approximately 73% to 27%), the status of the Fort Sherman Institute (now out of operation at Riverbend with all the leases paid and the leased equipment returned to NIC), and the status of the Robin Hood Campground parking lot (awaiting gravel and barriers).

The trustees encouraged the administration to discuss the possible joint purchase of large quantity items with the county, the city, the local school districts or other public agencies, and to provide an update at a future board meeting. The following motion was then made:

**MOTION: 06-23-04: 16** Motion was made by Trustee Armon and seconded by Trustee Ostermeyer to approve the Operating Budget for FY04-05 in the amount of $30,453,523, as presented.

**Plant Fund Budget FY04-05**

Vice President Jurgens explained that this was the second reading of the Plant Fund budget, which is a separate budget within the overall Operating Budget of the college. He said that the Plant Fund is comprised in part by a transfer of funds from the Operating Budget to cover expenses related to the purchase of one-time equipment needs, infrastructure, and physical plant. It also reflects funds awarded to the college annually by the Idaho State Department of Public Works for remodeling and renovation.
projects. Jurgens reviewed the Plant Fund Budget, which includes the purchase and/or lease of property from the University of Idaho, LCSC, NIC Foundation, Idaho Department of Lands, and the Jacklin Land Company. After further discussion, the following motion was made:

**MOTION: 06-23-04: 17** Motion was made by Trustee Armon and seconded by Trustee Hague to approve the Plant Fund Budget for FY04-05 in the amount of $1,596,586, as presented. The motion passed unanimously.

**Auxiliary Services Budget, FY04-05**
Vice President Gifford informed the trustees that no changes had been made to the Auxiliary Services Budget FY04-05 since first reading. He explained the various individual budgets within the Auxiliary Services Budget and reviewed each. Gifford also made clear that the operations (the Union itself, Food Services, the Bookstore, and the Residence Hall) operate solely on the funds generated through sales and are not subsidized with any College funds. Subsequent to discussion by the trustees, the following motion was made:

**MOTION: 06-23-04: 18** Motion was made by Trustee Armon and seconded by Trustee Hague to approve the Auxiliary Services Budget for FY04-05, as presented. The motion was unanimously approved.

**ASNIC Budget**
Vice President Gifford said that the Associated Students of North Idaho College budget had not changed since the first reading. He reviewed the process used by ASNIC to formulate the budget and the line items within the budget, and he responded to questions from the trustees. Whereupon, the following motion was made:

**MOTION: 06-23-04: 19** Motion was made by Trustee Armon and seconded by Trustee Meyer to approve the ASNIC Budget for FY04-05, as presented. The motion was unanimously approved.

**Renewal of President's Contract**
Board Chair Rolly Williams said that each year the Board of Trustees conducts a thorough performance review of the president. That review was conducted in executive session on June 9, 2004. Williams reported that the goals of the trustees and president for the past year and for the next year were discussed and that the review was satisfactory. The following motion was then made:
MOTION: 06-23-04: 20 Motion was made by Trustee Hague and seconded by Trustee Armon to approve and renew the three-year employment contract, reflecting a seven percent increase, of Dr. Michael L. Burke, as President of North Idaho College, with the effective date of July 1, 2004. The motion was unanimously approved.

BUDGET REPORT, FY03-04
Vice President Jurgens reported that a five-year comparison of previous budgets to the FY03-04 budget indicates that revenue as a percentage of the budget is slightly higher to date. Expenditures for the same periods are on track and very comparable to the previous five years. He does not anticipate any concerns from auditors regarding the budget, and he projected that the fiscal year would end with a carryover that can be transferred to the fund balance.

REPORTS
COLLEGE PRESIDENT
President Burke reported on his activities during the past month, including attending the State Board of Education meeting in Moscow, meeting with Bonners Ferry officials to discuss an outreach center in that area, and meeting with VPNet (Virtual Possibilities Network) members. He provided information about the VPNet and its intended use and possibilities. Burke also stated that the NWAACC had eliminated the associate status under which the NIC soccer team participated in that conference. Steps will be taken in the next year to transition soccer to affiliation with the NJCAA.

SENATE
Jim Jeitler, Senate Chair, had no report.

FACULTY ASSEMBLY
Faculty Assembly Chair Susanne Bromley said that the instructors teaching this summer were anticipating mid-term exams the following week. She reviewed the list of faculty accomplishments since the last board meeting.

STAFF ASSEMBLY
Nancy Edwards, Staff Assembly Chair, told the trustees the names of the newly-elected Staff Assembly officers and senators. At the last meeting of the staff, a representative of Harris-Dean Insurance (the college’s insurance agent) discussed insurance changes and the cafeteria plan. The executive board of Staff Assembly will have a retreat on July 14, and will be seeking ways to reduce health insurance costs, how to involve new employees in Staff Assembly, and ways to increase staff participation in community events, such as the Relay for Life and the March of Dimes walks, and others that promote physical activities.
ASNIC
Emily Compton, ASNIC Vice President reported that recent student activities include building coffee area in the basement of the SUB, purchasing new sound system for SUB events, and restructuring of the student club system.

BOARD CHAIR
Williams remarked that he had enjoyed the past year of having things run efficiently with no legal matters to resolve.

REMARKS FOR THE GOOD OF THE ORDER
Rayelle Anderson, Executive Director of the NIC Foundation, said that the Really Big Raffle was close to selling out the tickets and that the drawing will be held on July 7.

Trustee Ostermeyer reported that he, President Burke, and another trustees met with the Community Colleges of Spokane District (CCSD) Chancellor and Board Chair regarding recent activities of one of the CCSD employees. Ostermeyer reported that misinformation regarding that college’s athletics budget had been erroneously reported to the Athletic Review Committee. He also stated that CCSD’s and NIC’s board members and administration will be meeting in the future.

EXECUTIVE SESSION
MOTION: 06-23-04: 21 Motion was made by Trustee Armon 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.

Roll call vote was as follows:

Mic Armon: aye
Denny Hague: aye
Judy Meyer: aye
Fred Ostermeyer: aye
Rolly Williams: aye

Time: 7:48 p.m.
**RECONVENE/ADJOURNMENT**

The meeting reconvened at 8:25 p.m. at which time no other business was conducted. The following motion was then made:

*Motion was made by Trustee Ostermeyer, seconded by Trustee Armon, and unanimously approved to adjourn the meeting.*

Time: 8:26 p.m.

__________________________________________  ________________________________
Board of Trustees Chair   Board of Trustees Secretary