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.

ATTENDANCE
Trustees: Mic Armon
       Denny Hague
       Judy Meyer
       Rolly Williams
       Christie Wood
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
              Kathy Christie, Assistant Vice President for Planning, Assessment and Research
              Robert Ketchum, Assistant Vice President for Instruction
              Kent Propst, Assistant to the President for Community Relations
              Marc Lyons, Attorney for North Idaho College
              Nancy Edwards, Staff Assembly Chair
              Bill Richards, Faculty Assembly Chair
              Shelley Cobetto, Senate Chair
              Josh Gittel, ASNIC President

INTRODUCTION OF GUESTS
Guests at the meeting included Suzan Scott of the Coeur d’Alene Chamber of Commerce, Cherie Bates, Human Resources Director for Kootenai County, Fred Ostermeyer, former NIC Trustee, and Tom Greene of the Coeur d’Alene Press

APPROVAL OF MINUTES
Motion was made by Trustee Meyer and seconded by Trustee Hague to approve the minutes of the Special Meeting/Workshop of April 25, 2005, as presented. The motion was unanimously approved.

Motion was made by Trustee Armon and seconded by Trustee Meyer to approve the minutes of the regular meeting of April 27, 2005, as presented. The motion was unanimously approved.

OPEN FORUM FOR PUBLIC REMARKS
None
REQUEST FOR LEAVE WITHOUT PAY
President Burke, substituting for Jerry Gee, said that Tim Christie, Instructor of Photography and Communications, had requested a leave without pay for the Fall 2005 semester, in accordance with Policy 3.04.06. The leave of absence has been approved by Division Chair Virginia Johnson, Vice President Jerry Gee, and President Michael Burke. The following motion was made:

MOTION: 05-25-05: 10 Motion was made by Trustee Hague, seconded by Trustee Meyer, and unanimously approved to grant the leave of absence of Tim Christie for the Fall semester 2005 in accordance with Policy 3.04.06.

ACADEMIC INTEGRITY POLICY 5.06.01
Vice President Gifford explained to the Trustees that the Academic Integrity Policy 5.06.01 was drafted as a result of faculty’s concern with the growing incidents of plagiarism. He said that the initial policy was revised a number of times and ultimately redrafted by a conference committee. It was then approved by the Senate, the President’s Cabinet, and the college attorney. Gifford explained that the policy supercedes one section of the current Student Code of Conduct and that it provides for an appeal and resolution process within the procedure. Board Chair Williams stated that approval on the first reading would facilitate the inclusion in the Fall semester materials to be made available to students. Therefore, the following motion was made:

MOTION: 05-25-05: 11 Motion was made by Trustee Armon, seconded by Trustee Hague, to approve the Academic Integrity Policy 5.06.01 and the Academic Integrity Resolution form as presented. The motion was unanimously approved.

BOT MEETING CALENDAR FOR FY05-06
President Burke stated that the Board of Trustees was required by Idaho Code to adopt an annual meeting schedule of its regular meetings. Burke reviewed the proposed calendar, and the Board agreed to waive a second reading and made the following motion:

MOTION: 05-25-05: 12 Motion was made by Trustee Armon, seconded by Trustee Wood, to approve to Board of Trustees Meeting Calendar for FY05-06 as presented.

MEET & CONFER RECOMMENDATIONS AND ADMINISTRATIVE RESPONSE
President Burke provided a summary of both the faculty and staff requests through the Meet & Confer process, as well as the administrative response to those requests. He reviewed the proposal for the faculty salaries including the funding of the step movement within the salary schedule to recognize longevity, the funding of an increase to the base to move closer to the salaries of comparable institutions, and funding an increase to adjunct faculty. Burke also told the Trustees that an ad hoc committee to Meet & Confer was formed specifically to learn about the PSPC recommendations for staff and to provide feedback to the administration from the staff on the transition to the new market-based compensation model. Burke further explained some of the issues with the current salaries, including employees that are paid below the minimum on the schedule and the compression of salaries of recently hired employees and
employees with seven or more years of service. He said that in the FY05-06 budget he was recommending an increase of 6.5% to the overall salary budget with a 3.5% across-the-board increase to all eligible staff, with the application of remaining funds of the 6.5% increase to address compression, longevity as well as other issues.

The Board discussed the recommendations of Meet & Confer and the administrative response, the ratio of M&O-to-employee salaries as an overall financial indicator, and total compensation packages that include benefits as well as salary as a factor in retaining or attracting quality employees. The Trustees requested a comparison of total compensation (salary and benefits) to local comparator groups before the June Board meeting.

**OPERATING BUDGET FY05-06**

Vice President Jurgens explained the first reading of the Operating Budget for FY05-06, and said it is a budget built with college enrollment growth in mind, as requested by the Board of Trustees. He provided an abbreviated version of the base operating budget and the changes in revenue of approximately $2.5 million, which includes $1 million in foregone taxes. The draft operating budget for the next fiscal year will be $33,107,690. Jurgens reviewed the expenditures including faculty and staff salary increases, reclassifications, employee benefits, health insurance changes, and the proposed new positions.

The Trustees then engaged in discussion regarding the use of foregone taxes. Jurgens explained that NIC had foregone approximately $3.5 million in available property taxes in previous years. Should the Trustee opt to use $1 million in foregone taxes, Jurgens explained that the mill levy rate may be only slightly affected due to new property on the tax rolls in Kootenai County in the approximate amount of $332 million.

It was noted by Jurgens that foregone taxes remain in the college’s base revenue and are available in following years. Jurgens reviewed the operating budget with and without the use of foregone taxes, no increase in the tax levy, and only new property on the tax roles. If foregone taxes are used, approximately 95 cents per month on a $100,000 home, or $11.54 cents per year, would be added to the average taxpayer’s bill. Board Chair Williams noted that in 2003, 85% of taxpayers in Kootenai County paid less than $99 per year in taxes.

**PLANT FUND FY05-06**

Vice President Jurgens explained that the Plant Fund is a separate budget within the overall college operating budget, and it is funded in part by transfer of funds from the operating budget. It also includes funds awarded by the Department of Public Works (DPW) for remodeling and renovations projects. This year, funds from the fund balance will provide for Health & Science Building furniture purchases.

Jurgens reviewed the long-term obligations, DPW projects, and other remodeling, purchase, and moving costs in the proposed $2.4 million plant fund budget. Jurgens noted that some of the line items within the plant fund budget may change between the first and second readings; however, the totals will remain the same.

Trustee Armon asked Jurgens for identification of one-time only expenses that could be paid from the fund balance, in order to avoid the use of foregone taxes in this year’s budget building. The trustees also discussed the present balance of salary to M&O or the 73%/27%
Trustees Wood and Hague both agreed that NIC needs to increase the base budget, if growth is the vision of the Board of Trustees. Wood stated that achieving property acquisition and salary competitiveness are necessary in order to sustain growth, increase enrollment, and attract and retain quality employees. Trustee Meyer requested three-year projections of the college operating budget in order to anticipate planning. She stressed that the budget did not provide for property acquisition, and suggested that a property acquisition fund be developed. The Trustees then entertained the following motion:

**MOTION: 05-25-05: 13 Motion was made by Trustee Wood, seconded by Trustee Hague, to accept the draft Operating Budget FY05-06 with the inclusion of $1 million in foregone taxes as additional revenue. The motion was approved by roll call vote as follows:**

- Mic Armon: no
- Denny Hague: yes
- Judy Meyer: yes
- Rolly Williams: yes
- Christie Wood: yes

**ASNIC OPERATING BUDGET FY05-06**

Vice President Gifford explained that he was representing the students and presenting the ASNIC budget for fiscal year 05-06. He introduced Josh Gittel, the new ASNIC President. Gifford said the budget is funded entirely by student fees, and it accurately reflects the priorities and goals of the student government for the next academic year. The ASNIC Budget Committee, the ASNIC Board, and their advisor have reviewed and approved the budget. This budget is presented to the Board as an information item, and it will be brought to the Board for approval in June.

**AUXILIARY SERVICES BUDGET FY05-06**

Vice President Gifford explained that the Auxiliary Services Budgets comprise the individual budgets of the various operations within the Student Union, including the residence hall, food services and the bookstore. He said that the budgets are not subsidized by any college funds and operate solely on the funds generated through profits from sales. Gifford said that food services had a deficit of approximately $30,000 during FY04-05. The proposed budget is drafted with decreased labor costs and food services increases of approximately 4%. The budget will be presented at the June meeting for approval.

**BOARD SELF-EVALUATION AND PRESIDENT'S EVALUATION PROCESS**

President Burke reviewed the process for the Board and the President’s evaluations in accordance with the Board policies and procedures. The timeline for the evaluations was discussed and finalized.

**REPORTS**

**PRESIDENT**

President Burke summarized his activities of the past month, including travel to Iowa at the request of their community college system to present a diversity workshop for the Iowa State Community College system. In addition, he reviewed the activities and events of
commencement week and expressed his gratitude to the Commencement Committee for their efforts. Burke also noted that both President Bowen of ISU and President Meyerhoeffer of CSI are retiring.

**SENATE**
Shelley Cobetto, newly-elected Senate Chair, announced the new officers elected to the Senate: Jim DeMoss, Vice Chair; Gayne Clifford, Parliamentarian; and Jim Jeitler, Corresponding Secretary.

**FACULTY ASSEMBLY**
Recently elected Faculty Assembly Chair Bill Richards thanked the Board for their sponsorship of the All-Employee Breakfast. He announced the Faculty Assembly officers and stated that he looked forward to representing faculty for the next academic year.

**STAFF ASSEMBLY**
Nancy Edwards, Staff Assembly Chair, reported on the elections results and noted that this was her last meeting. She thanked the Board for the opportunity to participate in the governance process. Edwards also reported on the staff professional improvement funds and expressed appreciation on behalf of the staff for making those funds available.

**ASNIC**
Josh Gittel, ASNIC President for the 2005-06 school year told the Board that the student leaderships’ major projects had been completed and that the transitioning of new officers was underway. He said that he wanted to keep the recreational center planning underway, and he will continue to communicate with Vice Presidents Gifford and Jurgens and with the consultants on the progress of the recreational center. Gittel reported that the new student orientation sessions went well, and he is looking forward to working with the Board and College administration.

**BOARD CHAIR**
Board Chair Williams reminded the other Trustees to fill out their evaluation forms so that the evaluations processes can be finished by end of June.

**REMARKS FOR GOOD OF ORDER**
Vice President Robert Ketchum said that he visited Wenatchee Valley Community College to help with their workforce training program.

Trustee Wood expressed her appreciation for all the work that goes into budget building process and for the diversity of opinions on the Board, which allows them to learn from each other.

Trustee Armon apologized for missing the commencement ceremony and other events. He said that he was attending the state track meet where his son won two state championships.
EXECUTIVE SESSION
MOTION: 05-25-05:14 Motion was made by Trustee Meyer and seconded by Trustee Hague to adjourn to executive session under Idaho Code Section 67-2345(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:
- Mic Armon aye
- Denny Hague aye
- Judy Meyer aye
- Rolly Williams aye
- Christie Wood aye

Time: 9:30 p.m.

RECONVENE/ADJOURNMENT
There being no other business to conduct, the following motion was made:

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

Time: 10:30 p.m.