

Board of Trustees
Minutes of the Regular Meeting
South Haven Campus
October 23, 2018

CALL TO ORDER

Chair Lindley called the Regular Meeting of the Lake Michigan College Board of Trustees to order at 6: 01 p.m. The meeting opened with the Pledge of Allegiance.

ROLL CALL

Present: John Grover, Dr. Michael Lindley, Joan Smith, Jeff Curry

Absent: Mary Jo Tomasini, Paul Bergan, Debra Johnson

SETTING OF THE AGENDA

The agenda stands as presented.

APPROVAL OF MINUTES

Minutes of the September 23, 2018 Regular Board Meeting were approved as presented with a motion by Ms. Smith, supported by Mr. Curry.

PETITIONS AND COMMUNICATIONS FROM THE FLOOR

None

PRESIDENT'S REPORT

Dr. Kubatzke reported on the college-wide LMC Day that was held October 16. He thanked those who were involved in the planning, Rebecca Steffen, Anne Erdman, Angela Kurtz, and Candice Elders and Caroline Robinson who orchestrated the wonderful videos.

Community Engagement

Mr. Schaffer recognized the South Haven team and their hard work at keeping everything going for our students. He introduced Mr. Jeremy Burleson, Director of the South Haven campus. Mr. Burleson introduced Mr. Scott Mark from the South Haven Rotary. The Rotary has been presenting a scholarship to the College since 2004 donating over \$121,000. Mr. Mark thanked the College for their partnership and presented Dr. Kubatzke a check for \$4,000.

Mr. Burleson introduced Ms. LaToya Mason the Director of Health Sciences. Ms. Mason reported on the Phlebotomy students who passed their certified phlebotomy exam. She also reported on the Certified Nursing program to begin in the spring.

Mr. Schaffer recognized Mr. Brian Dissette, South Haven City Manager who was in attendance.

Student Engagement

Ms. Craig reported on the SIP grant that was awarded to help students with financial literacy: Beyond Financial Aid. She also reported on the first Homecoming Week.

Academic Affairs

Dr. Kellogg shared activities in academic affairs. She shared information on the upcoming event this Thursday that the phlebotomy students are holding called: Poke Party which allows students to practice blood draws under the direct supervision of an instructor.

Administrative Services

Ms. Erdman gave an update on the three capital projects ranging in stages from demolition to construction.

OLD BUSINESS

None

NEW BUSINESS

RESOLUTION AUTHORIZING ISSUANCE AND SALE OF BONDS

The terms of the Community College Act (Act 331 of the Public Acts of Michigan of 1966, as amended), subject to the provisions of the Revised Municipal Finance Act (Act 34 of the Public Acts of Michigan of 2001), authorizes the board of a community college to issue bonds to pay for various capital improvements to be made or acquired with regard to community college facilities.

ACTION

Administration recommended that the Board of Trustees approve the following resolution to issue up to \$20,000,000 of bonds, to be designated 2018 College Facility Bonds. These bonds are to be used to construct, renovate, improve, furnish, equip, and re-equip various College facilities located within the College’s taxing district. Such instruments are secured by College’s full faith and credit, and are to be negotiated by the Chief Financial Officer without further resolution of the Board of Trustees.

MOTION by Ms. Smith with support by Mr. Curry to approve the following resolution to issue up to \$20,000,000 of bonds, to be designated 2018 College Facility Bonds. These bonds are to be used to construct, renovate, improve, furnish, equip, and re-equip various College facilities located within the College’s taxing district. Such instruments are secured by College’s full faith and credit, and are to be negotiated by the Chief Financial Officer without further resolution of the Board of Trustees.

ROLL CALL VOTE

Yeas: Dr. Lindley, Mr. Grover, Ms. Smith, Mr. Curry

Nays: None

Absent: Ms. Tomasini, Mr. Bergan, Ms. Johnson

APPROVED

**BOARD OF TRUSTEES
LAKE MICHIGAN COLLEGE**

**RESOLUTION TO AUTHORIZE THE ISSUANCE AND SALE OF BONDS,
AUTHORIZE CERTAIN OFFICERS TO UNDERTAKE ACTION FOR AND ON
BEHALF OF THE COLLEGE, AND TO DECLARE INTENT TO REIMBURSE THE
COLLEGE FOR CERTAIN CAPITAL EXPENDITURES**

Boardmember Joan Smith, supported by Boardmember John Grover, moved the adoption of the following resolution:

WHEREAS, Lake Michigan College (the "College") is a community college district operating pursuant to the Community College Act; being Act 331 of the Public Acts of Michigan of 1966, as amended (the "Act 331");

WHEREAS, the College intends to undertake various capital improvements to its facilities as authorized by Act 331 (the "Project");

WHEREAS, Act 331 authorizes the issuance of bonds, subject to the provisions of the Revised Municipal Finance Act, being Act 34 of the Public Acts of Michigan of 2001, as amended ("Act 34"), to pay for all or a portion of the Project;

WHEREAS, the College has determined it to be necessary to borrow the sum not to exceed Twenty Million Dollars (\$20,000,000) to pay for all or a portion of the Project (the "Bonds");

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the College to declare its reasonable official intent to reimburse prior expenditures for the Project with the proceeds of the Bonds (the "Reimbursable Expenditures");

WHEREAS, Act 34 authorizes the College to authorize an officer to, for and on behalf of the College, sell and deliver and receive payment for obligations, approve interest rates or methods for fixing interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters and procedures as may be necessary and proper to complete the transaction; and

WHEREAS, the College intends to authorize its Chief Financial Officer to sell and deliver and receive payment for the bonds without necessity and further action or approval by the Board.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. The Bonds of the College aggregating the principal sum of not to exceed Twenty Million Dollars (\$20,000,000) be issued for the purpose of funding all or a portion of the Project. The Bonds shall be designated 2018 College Facility Bonds.

2. The Bonds shall be dated the date of delivery, or such other date as established at the time of sale; shall be fully registered bonds as to principal and interest; shall be numbered consecutively in the direct order of maturity from 1 upwards; and shall bear interest at a rate or rates to be hereafter determined not exceeding the maximum rate permitted by law.

3. At the request of the Purchaser, the ownership of one fully registered bond for each maturity in the aggregate principal amount of such maturity shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). So long as the Bonds are in the book entry form only, the Paying Agent shall comply with the terms of the Blanket Issuer Letter of Representations to be entered into between the College and DTC, which provisions shall govern registration, notices and payment, among other things, and which provisions are incorporated herein with the same effect as if fully set forth herein. The Authorized Officer is hereby authorized and directed to enter into the Blanket Issuer Letter of Representations with DTC in such form as determined by the Authorized Officer, in consultation with bond counsel, to be necessary and appropriate. In the event the College determines that the continuation of the system of book entry only transfer through DTC (or a successor securities depository) is not in the best interest of the DTC participants, beneficial owners of the Bonds, or the College, the College will notify the Paying Agent, whereupon the Paying Agent will notify DTC of the availability through DTC of the bond certificates. In such event, the College shall issue and the Paying Agent shall transfer and exchange Bonds as requested by DTC of like principal amount, series and maturity, in authorized denominations to the identifiable beneficial owners in replacement of the beneficial interest of such beneficial owners in the Bonds, as provided herein.

So long as the book-entry-only system remains in effect, in the event of a partial redemption the Paying Agent will give notice to Cede & Co., as nominee of DTC, only, and only Cede & Co. will be deemed to be a holder of the Bonds. DTC is expected to reduce the credit balances of the applicable DTC Participants in respect of the Bonds and in turn the DTC Participants are expected to select those Beneficial Owners whose ownership interests are to be extinguished or reduced by such partial redemptions, each by such method as DTC or such DTC Participants, as the case may be, deems fair and appropriate in its sole discretion.

4. The Chair and Secretary are hereby authorized to provide the Bonds in conformity with the specifications of this resolution by causing their manual or facsimile signatures to be affixed thereto, and upon the manual execution by the authorized signatory of the Paying Agent,

the Treasurer is hereby authorized and directed to cause said Bonds to be delivered to the Purchaser upon receipt of the purchase price and accrued interest, if any.

Blank bonds with the manual or facsimile signatures of the President and Secretary of the Board affixed thereto, shall, upon issuance and delivery and from time to time thereafter as necessary, be delivered to the Paying Agent for safekeeping to be used for registration and transfer of ownership.

5. There is hereby created a separate depository account to be kept with a bank located in the State of Michigan and insured by the Federal Deposit Insurance Corporation, previously approved as an authorized depository of funds of the College, to be designated 2018 BOND DEBT RETIREMENT FUND (hereinafter referred to as the "DEBT RETIREMENT FUND"), all proceeds from taxes levied for the fund to be used for the purpose of paying the principal and interest on the Bonds authorized herein as they mature or are redeemed. Upon receipt of the Bond proceeds from the sale of the Bonds, the accrued interest, if any, shall be deposited in the DEBT RETIREMENT FUND. DEBT RETIREMENT FUND moneys may be invested as authorized by law.

Commencing with the 2019 tax levy, there shall be levied upon the tax rolls of the College in each year for the purpose of the DEBT RETIREMENT FUND a sum not less than the amount estimated to be sufficient to pay the principal and interest on the Bonds as such principal and interest fall due, the probable delinquency in collections and funds on hand being taken into consideration in arriving at the estimate. The College hereby pledges its limited tax full faith and credit for the payment of the principal and interest on the Bonds, payable from ad valorem taxes which will be levied within the authorized constitutional, statutory and charter tax limitations of the College for such purposes and an irrevocable appropriation of a sufficient amount of taxes will be made each year from said millage rate for the payment of principal and interest on the Bonds as due, subordinate only to any first liens on said funds pledged for the payment of state aid notes, lines of credit or tax anticipation notes heretofore or hereafter issued.

The College not having the power to levy taxes for the payment of the Bonds in excess of its constitutional or statutory tax rate limitation, the Bonds will be limited tax general obligations of the College, and, if tax collections are insufficient to pay the principal of or interest on the Bonds when due, the College pledges to use any and all other resources available for the payment of the Bonds.

6. From the proceeds of the Bonds there shall be set aside a sum sufficient to pay the costs of issuance of the Bonds in a fund designated 2018 BOND ISSUANCE FUND (hereinafter referred to as the "BOND ISSUANCE FUND") and any balance remaining shall be deposited in a fund designated 2018 CAPITAL PROJECTS FUND (hereinafter referred to as the "CAPITAL PROJECTS FUND"). Moneys in the BOND ISSUANCE FUND shall be used solely to pay expenses of issuance of the Bonds. Any amounts remaining in the BOND ISSUANCE FUND after payment of issuance expenses shall be transferred to the CAPITAL PROJECTS FUND.

7. The Bonds shall be in substantially the form attached hereto as Exhibit A.

8. CFC Capital, Michigan (the "Purchaser"), is hereby named as senior managing underwriter and further, that the President, Chief Financial Officer, or designee is authorized to negotiate and execute a Bond Owner Agreement with the Purchaser, subject to the requirements of paragraph 11 below. Based upon information provided by the College's financial consulting firm and the Purchaser, a negotiated sale allows flexibility in the timing, sale and structure of the Bonds in response to changing market conditions.

9. The President and Chief Financial Officer are each authorized to approve circulation of a Preliminary Official Statement describing the Bonds.

10. The President and Chief Financial Officer or a designee, if permitted by law, are each hereby authorized to:

- A. File with the Department an application for approval to issue the Bonds, if required, and to pay any applicable fee therefor and, further, within fifteen (15) business days after issuance of the Bonds, file any and all documentation required subsequent to the issuance of the Bonds, together with any statutorily required fee.
- B. If deemed advisable by the College's financial consultant, request a waiver of the maturity limitations as set forth in the Application for Waiver.
- C. Make application for municipal bond insurance if, upon advice of the financial consulting firm of the College, the purchase of municipal bond insurance will be cost effective. The premium for such bond insurance shall be paid by the College from Bond proceeds.

11. The President and Chief Financial Officer's authorization to accept and execute a Bond Owner Agreement with the Purchaser is subject to the following parameters:

- A. The underwriter spread shall not exceed .5%;
- B. The average true interest rate on the Bonds shall not exceed 5%;
- C. The term for the Bonds shall not exceed 9 years; and
- D. The receipt of express written recommendation of the College's financial consulting firm identified below to accept the terms of the Bond Purchase Agreement.

12. The President and Chief Financial Officer are further authorized and directed to (i) execute any and all other necessary documents required to complete the approval and sale of the Bonds to the Purchaser in accordance with the terms of the Bond Purchase Agreement; (ii) appoint a paying agent for the Bonds; (iii) select a bond insurer, accept a commitment therefore and authorize payment of a bond insurance premium to insure any or all of the Bonds if recommended in writing by the Financial Advisor; (iv) deem the Preliminary Official Statement

for the Bonds final for purposes of SEC Rule 15c2-12(b)(1); and (v) execute and deliver the final Official Statement on behalf of the College.

13. The Chair or Vice Chair, the Secretary, the Treasurer, the President, the Vice President of Business Services/CFO, and/or all other officers, agents and representatives of the College and each of them shall execute, issue and deliver any certificates, statements, warranties, representations, or documents necessary to effect the purposes of this resolution, the Bonds or the Bond Owner Agreement.

14. The officers, agents and employees of the College are authorized to take all other actions necessary and convenient to facilitate the sale and delivery of the Bonds.

15. Barnes & Thornburg LLP, is hereby appointed as bond counsel for the College with reference to the issuance of the Bonds authorized by this resolution. Further, Barnes & Thornburg LLP has informed this Board that it represents no other party in the issuance of the Bonds. Barnes & Thornburg LLP represents the Purchaser in matters unrelated to the issuance of the Bonds. The Board waives any conflict of interest that could be asserted by virtue of Barnes & Thornburg LLP's representation of the Purchaser in such other unrelated matters.

16. The financial consulting firm of PFM Financial Advisors LLC, is hereby appointed as financial consultants to the College with reference to the issuance of the Bonds herein authorized.

17. The Board covenants to comply with existing provisions of the Internal Revenue Code of 1986, as amended, necessary to maintain the exclusion of interest on the Bonds from gross income.

18. The Chief Financial Officer is hereby authorized and directed to execute and deliver a written continued disclosure undertaking to the extent required to ensure the Purchaser complies with the requirements of SEC Rule 15c2-12.

19. The College expects that it will pay certain Reimbursable Expenditures in connection with the Project prior to the issuance of the Reimbursement Bonds.

- A. The College will use amounts other than proceeds of a borrowing to pay the Reimbursable Expenditures.
- B. The College reasonably expects that it will reimburse itself for the use of such funds with the proceeds of the Bonds to be issued by the College.
- C. This statement of official intent to reimburse constitutes a declaration of official intent under Section 1.150-2 of the Treasury Regulations.

20. That all resolutions or parts of resolutions in conflict herewith are, and the same shall be, rescinded.

YEAS: Boardmembers Jeff Curry, John Grover, Michael Lindley, Joan Smith

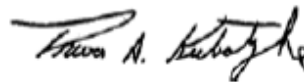
NAYS: Boardmembers None

ABSTAIN: Boardmembers None

ABSENT: Boardmembers Debra Johnson, Mary Jo Tomasini, Paul Bergan

RESOLUTION DECLARED ADOPTED.

Dated: October 23, 2018



Trevor A. Kubatzke, College President

CERTIFICATION

I, the undersigned duly qualified and acting Secretary of the Lake Michigan College Board of Trustees (the "Board") do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Trustees at a regular meeting held on October 23, 2018, and that public notice of said meeting was given pursuant to Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: October 23, 2018



John Grover, Board Secretary

CAPITAL REQUEST – COMPUTER REPLACEMENT

LMC currently has 170 Desktop PCs and 110 Micro PCs that are scheduled to be end of support in December 2019. Each of these PCs is over 5-years old and considered end of life. While this equipment has served us well, the difficulty in obtaining software updates and manufacturer support makes replacement of this equipment necessary. The new PCs will support student success by providing a faster computing experience, current operating system, as well as provide security with up-to-date patching.

In compliance with the College’s Purchasing Policy, a Request for Proposal for the PC replacements were issued. The RFP was sent to the following companies, and their responses are below:

CDW-G	Did Not Bid
Dell	\$ 273,645
PCM-G	Did not Bid

The proposal received was reviewed and graded relative to pre-determined criteria including specs, experience, capability, approach, fee, and references.

ACTION:

It was recommended that the Lake Michigan College Board of Trustees authorize College administration to bind a contract with the low bidder, Dell, in an amount not to exceed \$273,645.

MOTION by Mr. Curry with support by Mr. Grover to authorize College administration to bind a contract with the low bidder, Dell, in an amount not to exceed \$273,645.

ROLL CALL VOTE

Yeas: Dr. Lindley, Mr. Grover, Ms. Smith, Mr. Curry

Nays: None

Absent: Ms. Tomasini, Mr. Bergan, Ms. Johnson

APPROVED

BOARD OF TRUSTEES 2019 MEETING CALENDAR REVISION

A modification in the 2019 Board of Trustees Meeting Calendar is proposed due to scheduling conflicts. The requested change is to move the February 25 Workshop to March 7, 2019.

ACTION:

It was recommended that the Lake Michigan College Board of Trustees adopt the revised 2019 Meeting Calendar, as presented.



LAKE MICHIGAN[®]

C O L L E G E

BOARD OF TRUSTEES 2019 MEETING CALENDAR

All regular meetings begin at 6:00 p.m. and will be held in the Board Room at the Todd Center unless noted otherwise.
Board workshop begins at 3:00 p.m.

January 7, 2019 Board Election – 8:30 a.m.

January 22, 2019

March 7, 2019 Workshop Only – 9:00 a.m. – 12:00 p.m.

March 26, 2019

April 23, 2019

May 21, 2019 (*Niles Campus*)

June 25, 2019

No Meeting in July

August 27, 2019

September 24, 2019 (*South Haven*)

October 22, 2019

No Meeting in November

December 10, 2019

MOTION by Mr. Curry with support by Ms. Smith to adopt the revised 2019 Meeting Calendar, as presented.

ROLL CALL VOTE

Yeas: Dr. Lindley, Mr. Grover, Ms. Smith, Mr. Curry

Nays: None

Absent: Ms. Tomasini, Mr. Bergan, Ms. Johnson

APPROVED

2019 EMPLOYEE HEALTH BENEFITS RENEWAL

The College solicited bids for health care benefits with the assistance of Arthur J. Gallagher & Co. in accordance with the College's Purchasing Policy. Benefits operate on a calendar year, January 1, 2019 – December 31, 2019.

President Kubatzke appointed a Benefits Task Force to review proposals and make recommendations to him for consideration. Membership for FY '19 includes:

Gerry Cox, Faculty, Math

Anne Erdman, Administration, Administrative Services

Kelli Hahn, Administration, Finance

Shawn Hisle, Faculty, CIS

Jim Larson, Faculty, Math

Leah Parkinson, Faculty, Chemistry

Charmae Sanders, Pro/Tech, Start to Finish Program

Annmarie Sawyer, Pro/Tech, Human Resources and Task Force Chair

Kathleen Szymanski, Faculty, Nursing

Pam Weir, Classified, Student Support Services

Benefit recommendations include medical, dental, vision, life and long term disability plans. In addition, voluntary benefits receiving consideration include voluntary life, accidental death and dismemberment, spouse and child life; flexible spending accounts; legal plans and identify theft protection coverage; and worksite benefits including critical illness, whole life and accident insurance.

PA 152

PA 152 limits the public employer's expenditures for employee medical benefit plans. The Act was signed into law on September 27, 2011, and took immediate effect. Each year, the College must determine whether compliance will be accomplished via the "80/20" method or hard cap.

ACTION:

Administration recommend that the Board of Trustees authorize the College President to contract for health care benefits for the 2019 calendar year based upon his assessment of price and relative value of renewal quotes received from Arthur J. Gallagher & Co., considering recommendations of the Benefits Task Force. Additionally, we recommend that the Board of Trustees authorize the College President to determine the College's 2019 method of compliance with Public Act 152.

MOTION by Mr. Curry with support by Ms. Smith to authorize the College President to contract for health care benefits for the 2019 calendar year based upon his assessment of price and relative value of renewal quotes received from Arthur J. Gallagher & Co., considering recommendations of the Benefits Task Force. Additionally, we recommend that the Board of

Trustees authorize the College President to determine the College's 2019 method of compliance with Public Act 152.

ROLL CALL VOTE

Yeas: Dr. Lindley, Mr. Grover, Ms. Smith, Mr. Curry

Nays: None

Absent: Ms. Tomasini, Mr. Bergan, Ms. Johnson

APPROVED

FY '20 STATE OF MICHIGAN SUBMISSION – FIVE-YEAR CAPITAL OUTLAY PLAN

Annually, the State of Michigan requires all community colleges update their capital outlay plans and post on their respective college websites. Complying with this request allows community colleges to request and receive capital outlay grant funding.

Lake Michigan College recently received a State of Michigan capital outlay grant for renovation of the College's Benton Harbor Campus Main Building.

ACTION:

It was recommended that the Lake Michigan College Board of Trustees approve the submission of the FY' 20 Five-Year Capital Outlay Plan, as proposed.

MOTION by Ms. Smith with support by Mr. Curry to approve the submission of the FY' 20 Five-Year Capital Outlay Plan, as proposed.

ROLL CALL VOTE

Yeas: Dr. Lindley, Mr. Grover, Ms. Smith, Mr. Curry

Nays: None

Absent: Ms. Tomasini, Mr. Bergan, Ms. Johnson

APPROVED

COMMUNITY COLLEGE LOCAL STRATEGIC VALUE RESOLUTION

As part of the various reporting requirements in the FY 2018-19 community college budget, Michigan Public Act 265 of 2018, Section 230 (2), includes qualifications that must be met in order to receive the portion of each college's performance funding appropriation earmarked for local strategic value. To qualify for full funding, the statute lists 15 separate best practices for community colleges to achieve. Institutions must satisfy four of five best practices in each of three different categories:

- Economic Development and Business or Industry Partnerships
- Educational Partnerships
- Community Services

The law requires the Lake Michigan College Board of Trustees to pass a resolution certifying that the College meets at least four out of five of the best practices under each of the three categories.

ACTION

Administration recommended that the Lake Michigan College Board of Trustees approve the following resolution, as presented, which provides specifics as to how Lake Michigan College meets the best practice measures within each category.

MOTION by Mr. Grover with support by Ms. Smith to approve the following resolution, as presented, which provides specifics as to how Lake Michigan College meets the best practice measures within each category.

ROLL CALL VOTE

Yeas: Dr. Lindley, Mr. Grover, Ms. Smith, Mr. Curry

Nays: None

Absent: Ms. Tomasini, Mr. Bergan, Ms. Johnson

APPROVED

ADJOURNMENT

MOTION by Mr. Curry to adjourn the Regular Meeting of the Lake Michigan College Board of Trustees at 6:42 p.m.



Lake Michigan College Mission Statement

The philosophy of Lake Michigan College, an institution of higher education, is founded on the belief that education is for all who wish to develop their potential. It is fundamental that a community college assist in meeting the educational, career, cultural, wellness and recreational needs of the community it serves through its courses (credit and non-credit), certificates, degrees, and state-authorized baccalaureate programs. This involves a five-fold obligation:

- to provide for the educational aspirations, needs and learning expectations of the individual and the community;
- to provide for the occupational needs and desires of the learner and the community;
- to provide for the cultural interests and the wellness and recreational needs of the individual, and thus contribute to the development of effective citizens;
- to provide an assurance of quality in programs and in people;
- to develop an international perspective that prepares students, and develop employees and community members for a world economy and global citizenship.