

**HENRY FORD COLLEGE
OFFICE OF THE PRESIDENT**

BOARD REPORT

SUBJECT: Fiscal Year 2019 Mid-Year Budget Adjustment

Mid-year budget adjustments are required for the initial FY2019 adopted budget in order to adjust revenue and expenses based upon actual activity for the first six months of the fiscal year.

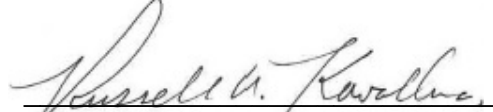
Total tuition and fee revenue is recommended to be decreased by a \$2.2 million to reflect that enrollment for the fall and winter semesters are below what was budgeted, an improvement in bad debt write-offs of \$750,000 since collections have improved over the past two years, and a \$200,000 increase for investment earnings for a net revenue reduction of \$1.25 million. The budget was built with an assumption of a 2.0 percent decline in enrollment. However, fall enrollment was down by 5.4 percent and winter enrollment is projected to be down by approximately 5.1 percent.

Expenses have been reviewed and decreases for the various categories total \$875,000. The largest single item is a \$500,000 decrease in Adjunct Instruction due to lower than anticipated enrollment. Additionally, budgeted compensation was decreased by \$375,000 reflecting several open positions.

With the recommended adjustments, the initial net surplus of \$810,000 is adjusted to a revised surplus of \$435,000.



John S. Satkowski, JD
Vice President of Financial Services



Russell A. Kavalhuna, JD
President

**HENRY FORD COLLEGE
OFFICE OF THE PRESIDENT**

Board Report

SUBJECT: Naming Opportunity – Naming of Physical Property

The HFC Foundation received a significant gift on behalf of the College in support of the HFC Nursing program. The following information is being provided for Board approval pursuant to the HFC Board Policy regarding naming of Physical Property.

The Henry Ford College Foundation is recommending to the Henry Ford College Board of Trustees the naming of the School of Nursing Great Room in memory of Vivian Morton Foster. The recommendation to name the Great Room is based on a meaningful contribution to the College in memory of Vivian Morton Foster.

- ❖ **Monetary amount:** A significant six figure gift in support of student scholarships in the School of Nursing. The donor wishes to remain anonymous
- ❖ **Reputation and character of the donor:** Vivian Morton Foster, a Dearborn resident and retired nursing faculty member, died June 22, 2018 of cancer at Angela Hospice in Livonia, Michigan. In 1955, Ms. Foster became a diploma nurse at St. Luke's Hospital in Marquette, Michigan. She worked in Lapeer General Hospital until 1961 when she moved with her family to Livonia. In 1969, she earned her graduate degree in nursing at Wayne State University in Detroit after winning a government scholarship. Upon graduation, she went to work immediately at Henry Ford College where she taught nursing for more than two decades. Her wisdom and guidance were of great benefit to many young women during her time at HFC, making her a favorite instructor amongst her students. While teaching Ms. Foster saw the struggle many women with children had with school, family and finances. She retired from HFC in 1992.
- ❖ **The purpose of the physical property:** The property is the naming of the Great Room in the School of Nursing.
- ❖ **Length of continuing monetary contributions:** This gift has been paid-in-full to the Henry Ford College Foundation.
- ❖ **Conflicts:** No conflicts of interest.
- ❖ **Prominence:** The Great Room in the School of Nursing is an active community room for HFC nursing students.


RECOMMENDATION:

The Henry Ford College Foundation recommends the naming of the School of Nursing Great Room the School of Nursing Vivian Morton Foster Great Room in memory of Vivian Morton Foster.

This recommendation is based on a meaningful contribution to the College in memory of Vivian Morton Foster.

A handwritten signature in black ink that reads "A. Reginald Best". The signature is written in a cursive style with a horizontal line underneath it.

A. Reginald Best
Vice President of Institutional Advancement

A handwritten signature in black ink that reads "Russell A. Kavalhuna". The signature is written in a cursive style with a horizontal line underneath it.

Russell A. Kavalhuna, JD
President

**HENRY FORD COLLEGE
OFFICE OF THE PRESIDENT**

BID AWARD

SUBJECT: Fitness Center Equipment and Flooring
Sealed Bid #19039

The faculty of the Fitness and Wellness department requests a contract for the labor, materials, equipment and services necessary to furnish and install new weight training equipment and flooring in the Fitness Center in the Athletic Memorial Building. The new equipment includes twelve Cybex-brand exercise machines, a 20-piece set of pro-style dumbbells, and approximately 1400 sq.ft. of 8mm thick rubber flooring. The Cybex equipment will replace a 15-year-old set of Nautilus weight training machines that will be traded in. The Technology Investment Fund provides 100% of the funding for this project.

The College invited bid submissions under Sealed Bid #19039. The bid responses appear below.

Fitness Things & All-Pro Exercise	\$55,612.38
BSN Sports	Disqualified
Cybex	No Reply
Exercise Warehouse	No Reply
Gopher Sport	No Reply
Mondo Contract Flooring	No Reply

Notes:


- 1) Fitness Things & All Pro Exercise used pricing from a U.S. Communities national cooperative purchasing contract for the Cybex exercise equipment.
- 2) BSN Sports submitted a bid that excluded all twelve pieces of the Cybex exercise equipment and failed to attend a mandatory on-site bidders' meeting to assess the Fitness Center for the installation of the new weight equipment and rubber floor.

RECOMMENDATION:

The College administration recommends a contract award totaling \$55,612.38 to Fitness Things & All-Pro Exercise for Fitness Center Equipment and Flooring requested by the Fitness and Wellness department, in accordance with the specifications of Sealed Bid #19039.



John S. Satkowski, JD
Vice President of Financial Services



Russell A. Kavalhuna, JD
President

**HENRY FORD COLLEGE
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BID AWARD

SUBJECT: Intel Core i7 Computer Systems
Sealed Bid #19828

The faculty of the Computer Information Systems department requests a contract for the purchase of forty-six (46) Intel Core i7 Desktop Computer Systems with 16GB RAM, 22" LCD Displays, and related components. These systems will upgrade two computer labs for student use in the Technology Building, Rooms E-189 and E-192. IT Services will cascade most of the existing computers to replace older systems in other areas of the College and will salvage parts from any remaining computers. Federal Vocational Education Equipment Grant (Perkins) dollars provide 100% of the funds for this purchase.

The College solicited proposals under Sealed Bid #19828. The responses appear below.

Access Interactive	\$47,644.00
Office Depot	53,986.06
PCMG	Disqualified
Canton Computer	No Bid
CDW-G	No Reply
Connection	No Reply
Sehi Computer Products	No Reply
Staples Business Advantage	No Reply
Zones	No Reply

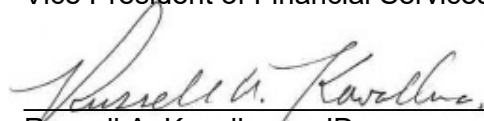
Note: The response from PCMG failed to include a signed acknowledgment form indicating their acceptance of required federal contract provisions (2 CFR Part 200 and Appendix II). The form is a mandatory requirement for federally funded grants.

RECOMMENDATION:

The College administration recommends a contract award to Access Interactive for \$47,644.00 for the purchase of (46) Intel Core i7 Computer Systems and related components requested by the Computer Information Systems department in accordance with the specifications of Sealed Bid #19828.



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Vice President of Financial Services



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BID AWARD

SUBJECT: Cisco Routers and Interface Cards
Sealed Bid #19830

The faculty of the Computer Information Systems department requests a contract for the purchase of twenty-two (22) Cisco 4321 Integrated Services Routers and twenty-five (25) Cisco 4400 Network Interface Cards. These components will upgrade equipment used by students in the department's computer networking labs. Federal Vocational Education Equipment Grant (Perkins) dollars provide 100% of the funds for this purchase.

The College solicited proposals under Sealed Bid #19830. The responses appear below.

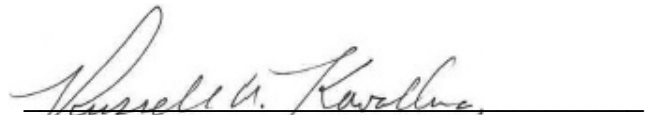
Sentinel Technologies	\$32,284.00
Access Interactive	33,708.50
KLA Labs	34,846.99
Office Depot	36,883.36
Connection	37,463.54
PCMG	Disqualified
CDW-G	No Reply
Logicalis	No Reply
SIGMAnet	No Reply
Staples Business Advantage	No Reply

Note: The response from PCMG failed to include a signed acknowledgment form indicating their acceptance of required federal contract provisions (2 CFR Part 200 and Appendix II). The form is a mandatory requirement for federally funded grants.

RECOMMENDATION:

The College administration recommends a contract award to Sentinel Technologies for \$32,284.00 for the purchase of (22) Cisco 4321 Integrated Services Routers and (25) Cisco 4400 Network Interface Cards requested by the Computer Information Systems department in accordance with the specifications of Sealed Bid #19830.


John S. Satkowski, JD
Vice President of Financial Services


Russell A. Kavalhuna, JD
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BID AWARD

SUBJECT: Hill-Rom Hospital Beds
Sealed Bid #19832

The faculty of the School of Health and Human Services requests a contract for the purchase of ten (10) Hill-Rom 1000 Hospital Beds with a VB255 Base Frame. This equipment will be used by students in the School of Nursing (8 beds) and the Physical Therapy program (2 beds), allowing them gain experience and training on advanced technology currently used in the healthcare industry. Federal Vocational Education Equipment Grant (Perkins) dollars provide 100% of the funds for this purchase.

The College solicited proposals under Sealed Bid #19832. The responses appear below.

Hill-Rom Company	\$64,493.00
DiaMedical USA	24,945.00
Krasy's Medical & Surgical Bed Techs	No Bid
Emed Hospital Beds	No Reply
McKesson General Medical	No Reply
Venture Medical ReQuip	No Reply

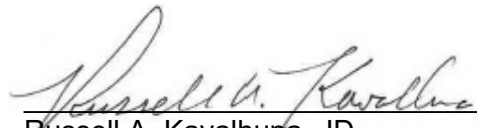
Note: The response from DiaMedical USA did not meet bid specifications. The firm quoted a reconditioned, older model Hill-Rom CareAssist bed.

RECOMMENDATION:

The College administration recommends a contract award to Hill-Rom Company for \$64,493.00 for the purchase of (10) Hill-Rom 1000 Hospital Beds requested by the School of Health and Human Services in accordance with the specifications of Sealed Bid #19832.



John S. Satkowski, JD
Vice President of Financial Services



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CONTRACT AWARD

SUBJECT: Physics/Mechanics Lab Equipment

The faculty of the Physics department requests a contract for the purchase of fourteen (14) Pasco Scientific Mechanics 850 Systems with associated software and instructional manuals for classroom use. The Mechanics 850 System includes the key equipment to perform a wide variety of mechanics experiments, including: Acceleration Down an Incline, Newton's Second Law, Kinetic Friction, Impulse and Momentum, Conservation of Momentum, Conservation of Energy, and Simple Harmonic Motion. Pasco Scientific is the designer, manufacturer, distributor, and marketer of the requested products and software. The College requests a sole source award.


The cost of all equipment, supplies, software, manuals and shipping charges totals \$30,769.00. The Technology Investment Fund provides 100% of the funding for this project.

RECOMMENDATION:

The College administration recommends a contract award to Pasco Scientific for \$30,769.00 for the purchase of (14) Pasco Scientific Mechanics 850 Systems requested by the Physics department, in accordance with Quote #QT109797 dated December 11, 2018.



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Vice President of Financial Services



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CONTRACT AWARD

SUBJECT: Apple iMac Computer Systems

The faculty of the Music department requests a contract for the purchase of twenty (20) Apple iMac 21.5-inch Computers configured with a 3.6GHz quad-core Intel Core i7 Processor, 16GB DDR4 Memory, 1TB Fusion Drive, and Logic Pro X software. These systems will be used in the department's Music Technology Lab to provide students with updated technology that reflects the industry's current work environment. The new computers replace 8-year-old systems that have limited capacity to run required software. IT Services will cascade the older models to other labs in the College where possible and will salvage parts from any remaining systems.

Under the Apple Collegiate Partnership Program, Apple gives institutions of higher education exclusive discounts which local dealers cannot offer. Orders must be placed directly with Apple Inc. The College requests a sole source award.


The cost for the computers and software totals \$37,179.80. The Technology Investment Fund provides 100% of the funding for this project.

RECOMMENDATION:

The College administration recommends a contract award to Apple, Inc. for \$37,179.80 for the purchase of (20) Apple iMac 21.5-inch Computers with Logic Pro X software requested by the Music department, in accordance with Proposal #2103571873 dated January 2, 2019.



John S. Satkowski, JD
Vice President of Financial Services



Russell A. Kavalhuna, JD
President

STAFF RECOMMENDATIONS

Recommended action: Move to approve the following staff recommendations at HFC:

Resignation (A-6)

Andrew Roy, appointed 7/5/17, Admissions Recruiter, Admissions and Recruiting, submitted 1/4/19, effective 1/18/19.

Jennifer Wickenheiser, appointed 1/2/19, Lab Associate II - Nursing, School of Health and Human Services, submitted 1/2/19, effective 1/2/19.

Appointment (B-6)

James Knack, Trades Instructor, School of Business, Entrepreneurship and Professional Development, \$76,233 (prorated), MA30, Step 7, effective 1/2/19, 10 Months, BS from Southern Illinois University with a major in Occupational Education; MA from the University of Northern Colorado. This is a temporary, full-time assignment for the Winter 2019 semester.

Change in Classification (C-6)

Elizabeth Hall-Knight, from Records Associate II, Registration and Records, to Assistant to Associate Dean, School of Science, Technology, Engineering and Mathematics, effective 1/23/19, \$17.41 per hour, \$1.03 increase, total \$18.44 per hour, Step 5, 12 months; REASON: Promotion to replace Lisa Pompa-Oppenlander who retired effective 12/31/18.

Anna Kiluk, from Records Associate II, Registration and Records, to Records Associate III, Registration and Records, effective 1/23/19, \$15.99 per hour, \$0.67 increase, total \$16.66 per hour, Step 1, 12 months; REASON: Promotion to replace Lindsey Hansen who was promoted to Catalog Manager, Academic Services.

Reappointment to Professional Staff (D-6)

Jessica Shamberger, School of Liberal Arts, ELI Instructor, effective 1/2/19; REASON: Reappointment to temporary, full-time faculty for the Winter 2019 semester.

Salary Schedule Change of Status (E-6)

Joseph Cosenza, Hospitality Instructor, School of Business, Entrepreneurship and Professional Development from Level LMA, Step 10 Schedule HFCC Federation of Teachers, to Level MA, Schedule HFCC Federation of Teachers; REASON: Completed requirements for a MA degree in Business Administration, effective 1/2/19.

Diane Smith, Computer Instructor, School of Business, Entrepreneurship and Professional Development from Level MA30, Step 13 Schedule HFCC Federation of Teachers, to Level PhD, Schedule HFCC Federation of Teachers; REASON: Completed requirements for a PhD degree in Education, effective 1/2/19.

**HENRY FORD COLLEGE
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BOARD REPORT

SUBJECT: Financial Institution Designations and Practices Resolution

Designation of Depositories

RESOLVED, that Bank of America, Comerica Bank, Fifth Third Bank, UBS, JP Morgan Chase, PNC Bank, and Michigan Liquid Asset Fund Plus be and they are hereby designated as depositories of this corporation.

BE IT FURTHER RESOLVED, that anyone or more of the persons authorized hereby to withdraw funds deposited hereunder be and they are hereby authorized to enter into, in behalf of this corporation, with Bank of America, Comerica Bank, Fifth Third Bank, UBS, JP Morgan Chase, PNC Bank, and Michigan Liquid Asset Fund Plus, the contract set forth in the specimen signature cards provided by said organizations for use with respect to any account or accounts of this corporation provided for hereunder.

BE IT FURTHER RESOLVED, that funds of this corporation deposited in said Bank of America, Comerica Bank, Fifth Third Bank, UBS, JP Morgan Chase, PNC Bank, and Michigan Liquid Asset Fund Plus, may be withdrawn upon checks, drafts, notes, orders and receipts of this corporation, when executed by James Thorpe, Treasurer, whose signature shall be duly certified to said banks, and that no check, draft, note or other order drawn on said bank shall be valid unless so executed, and that no person shall sign and countersign the same instrument.

BE IT FURTHER RESOLVED, that Bank of America, Comerica Bank, Fifth Third Bank, UBS, JP Morgan Chase, PNC Bank, and Michigan Liquid Asset Fund Plus, are hereby authorized and directed to honor and pay any drafts, checks, notes or orders so drawn, whether such drafts, checks, notes or orders payable to the order of any persons signing or countersigning said drafts, checks, notes or orders, or any such persons in their individual capacities or not, and whether such drafts, checks, notes or orders deposited to the individual credit of the person so signing or countersigning said drafts, checks, notes or orders or to the credit of any other persons or not. These resolutions shall continue as set forth in the certificates, contained in specimen signature cards delivered to say banks for use with respect to any account or accounts provided for hereunder or in any similar certificate subsequently executed, until written notice to the contrary is duly served on said banks.

Establishing Depository Maximum Amounts

That, WHEREAS, there may not be and may hereafter come from time to time into the hands of James Thorpe, Treasurer of the Board of Trustees of Henry Ford College, certain public monies belonging to said Henry Ford College; and

WHEREAS, under Section 2 of Act No. 40 of the Public Acts of Michigan of 1932 (1st Ex. Sess.), this Board of Trustees is required to provide by resolution for the deposit of all public monies, including tax monies, coming into the hands of said Treasurer, in one or more banks or trust companies to be designated therein, and in such proportion and manner as may be therein provided,

NOW, THEREFORE, BE IT RESOLVED, that said James Thorpe, Treasurer, is hereby directed to deposit all public monies, including tax monies, coming into his/her hands as Treasurer in the following financial institutions, and in the amounts not to exceed the amount set opposite the name of the said financial institution.

<u>Financial Institution:</u>	<u>Maximum Amount:</u>
BANK OF AMERICA	\$150,000,000.00
COMERICA BANK ²	\$175,000,000.00
FIFTH THIRD BANK	\$150,000,000.00
UBS	\$150,000,000.00
JP MORGAN CHASE ¹	\$175,000,000.00
PNC BANK	\$150,000,000.00
Michigan Liquid Asset Fund Plus (MILAF+)	\$ 25,000,000.00

¹ Primary Bank

² Secondary Bank

Investment Practices

(NOTE: The following is copied from the Community College Act of 1966)

389.142 Investment of funds; restrictions; commingling prohibited; disposition of earnings; limitation on investment or deposit of additional funds; "eligible collateral" defined.

Sec. 142. (1) The Treasurer of a community college district, if authorized by resolution of the board of trustees, may invest debt retirement funds, building and site funds, building and site sinking funds, or general funds of the district as provided in subsection (3). The investment shall be restricted to the following:

- A. Bonds, bills, or notes of the United States, or of an agency or instrumentality of the United States, or obligations of this state.
- B. Negotiable certificates of deposit, saving accounts, or other interest-earning deposit accounts of a financial institution. As used in this section, "financial institution" means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this state under the laws of this state or the United States.
- C. Bankers' acceptances that are issued by a bank that is a member of the federal deposit insurance corporation.
- D. Commercial paper that is supported by an irrevocable letter of credit issued by a bank that is a member of the federal deposit insurance corporation.
- E. Commercial paper of corporations rated prime by at least 1 of the standard rating services.
- F. Mutual funds, trusts, or investment pools composed entirely of instruments that are eligible collateral.
- G. Repurchase agreements against eligible collateral, the market value of which must be maintained during the life of the agreements at levels equal to or greater than the amounts advanced. An undivided interest in the instruments pledged for these agreements must be granted to the community college.
- H. Investment pools, as authorized by the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.118, composed entirely of instruments that are legal for direct investment by a community college.

2. Money in the funds of a community college district shall not be commingled for the purpose of making an investment authorized by this section, and all earnings on an investment shall become a part of the funds for which the investment was made.

3. Notwithstanding subsection (1), additional funds of a community college district shall not be invested or deposited in a financial institution that is not eligible to be a depository of surplus funds belonging to this state under section 6 of 1855 PA 105, MCL 21.146.
4. As used in this section, "eligible collateral" means all securities which otherwise would qualify for outright purchase under this act.

History: 1966, Act 331, Eff. Oct. 1, 1966;—Am. 1976, Act 401, Imd. Eff. Jan. 5, 1977;—Am. 1979, Act 78, Imd. Eff. Aug. 1, 1979;—Am. 1984, Act 299, Imd. Eff. Dec. 21, 1984;—Am. 1997, Act 23, Imd. Eff. June 12, 1997.

If in the course of an investment, physical securities are received by the College; they shall be safe kept at the financial institution having the particular fund from which the obligation was purchased.

Safekeeping of investment securities, at other than College depositories, shall require third party verification of College transactions with brokers or dealers by their respective banking depository for customer accounts, upon request of the College or its authorized representative.

Safekeeping of securities by issuers is acceptable if purchased directly by the College and prompt written confirmation of each transaction is received by the College.

The following personnel are authorized to conduct investment transactions on behalf of the College:

James Thorpe, Treasurer

John Satkowski, Vice President of Financial Services

David Cunningham, Director of Financial Services

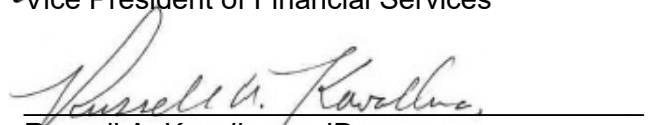
Resolution for Facsimile Signature

RESOLVED, that Bank of America, Comerica Bank, Fifth Third Bank, UBS, JP Morgan Chase, PNC Bank, and Michigan Liquid Asset Fund Plus, all being designated as depositories of Henry Ford College, be and they are hereby requested, authorized and directed to honor checks, drafts, or other orders for the payment of money drawn in the name of Henry Ford College, when bearing or purporting to bear the facsimile signature of James Thorpe, Treasurer of the Henry Ford College, or the manual signature of same.

BE IT FURTHER RESOLVED, that Bank of America, Comerica Bank, Fifth Third Bank, UBS, JP Morgan Chase, PNC Bank, and Michigan Liquid Asset Fund Plus, shall be entitled to honor and charge the appropriate account for such checks, drafts and other orders regardless of by whom or by what means any actual or purported facsimile signature may have been affixed thereto if the same resembles the facsimile specimen duly certified to or filed with said bank.



John S. Satkowski, JD
Vice President of Financial Services



Russell A. Kavalhuna, JD
President