

**ST. CLAIR COUNTY COMMUNITY COLLEGE
BOARD OF TRUSTEES
*Minutes of Regular Meeting Held August 13, 2015***

CALL TO ORDER:

Chairman DeGrazia called the Regular Meeting to order at 4:30 pm.

AT ROLL CALL:

Members Present

at Roll Call: Robert Tansky, Nicholas DeGrazia, John Ogden, Denise Brooks, John Adair

Members Absent

at Roll Call: Geoffry Kusch, David Oppliger

Also Present:

Dr. Kevin Pollock, Pete Lacey, Celina Grondin, Dr. Janice Fritz, Dr. Jerry Thompkins, Jessica Brown

AGENDA ADOPTION:

It was moved by Mr. Tansky, seconded by Ms. Brooks, to add the item “***Consideration of Adair Disclosure of Conflict***” as New Business J.2. and to adopt the agenda as amended.

Motion carried: 5-0

APPROVAL OF MINUTES:

It was moved by Mr. Adair, seconded by Mr. Ogden, to approve minutes of the Regular Meeting held July 9, 2015 as printed and circulated.

Motion carried: 5-0

FINANCIAL REPORTS:

Chairman DeGrazia acknowledged that financial reports for the month of July 2015 had been provided to Trustees.

COMMUNICATIONS & PETITIONS:

Dr. Pollock provided Trustees with presentation materials he planned to share with the McMorran Authority Board on Wednesday, August 19.

REPORT AND RECOMMENDATIONS OF THE PRESIDENT OF THE COLLEGE

1. INFORMATIONAL ITEMS & PRESENTATIONS

- a. Overview of Presentation at ACT Enrollment Planners Conference - *Dr. Pollock*
- b. Overview of VFA Data – *Pete Lacey/Celina Grondin*
- c. Overview of TRIO Grant – *Dr. Jerry Thompkins/Jessica Brown*
- d. Improvement of Student Success in Anatomy & Physiology Course – *Dr. Janice Fritz*

2. ACTION ITEMS:

Acceptance of Gift

It was moved by Mr. Adair, seconded by Mr. Ogden, to accept with appreciation a donation of mineral and fossil specimens from Madeline Page of Mt. Clemens, MI.

Motion carried: 5-0

OLD BUSINESS: N/A

NEW BUSINESS:

Proposed Changes to Conflict of Interest Policy – first reading

An opportunity for discussion was provided during a first reading of proposed changes to the Board of Trustees' Conflict of Interest Policy. (Copy attached.)

Consideration of Adair Disclosure of Conflict of Interest

In compliance with Board Policy 2.23, Mr. Adair disclosed that his employment with the Kelly Law Firm may be an item for formal Board consideration in relation to future discussion and/or action on the proposed city property agreement; therefore, he temporarily left the meeting* so that his disclosure could be discussed and voted upon, as appropriate.

It was moved by Ms. Brooks, seconded by Mr. Tansky, to provide approval for Mr. Adair to continue participating in discussions and to vote, as may become necessary, on the proposed city property agreement.

Motion carried: 4-0

*Mr. Adair returned to the meeting following this agenda item.

STAFF CHANGES: N/A

TRUSTEE REPORTS:

Governance Committee: Trustee Brooks noted that work was continuing on items that were shared at the August 7 Board Retreat and, further, that the Governance Committee would be meeting again the following week.

Trustee Professional Development Reports: Trustee Tansky reported that the Trustee In-service portion of the MCCA Summer Workshop included an array of presenters on topics such as: presidential hiring, federal policy priorities, Title IX compliance, and Trustee fiduciary responsibility.

Trustee Ogden reported that he attended the Board of Directors' meeting during the MCCA Summer Workshop and was elected to the executive committee. In addition, Ogden

provided an overview of presentation topics from the July 24th meeting including competency-based education, guided pathways, and generational differences.

CLOSED SESSION:

It was moved by Ms. Brooks, seconded by Mr. Tanksy, to enter into Closed Session at 6:00 pm to discuss labor negotiations strategy.

Motion carried: 5-0

It was moved by Ms. Brooks, seconded by Mr. Tansky, to return to Open Session at 6:39 pm.

*** Trustee Departure: Mr. Odgen left the meeting during Closed Session at apx. 6:30 pm.

Motion carried: 4-0

ADJOURNMENT:

It was moved by Ms. Brooks, seconded by Mr. Adair, to adjourn the meeting at 6:39 pm.

Motion carried: 4-0

Respectfully submitted,

Certified by,

Mary L. Hawtin
Board Secretary

John Adair
Board Vice Chair

ST. CLAIR COUNTY COMMUNITY COLLEGE
PROPOSED CONFLICT OF INTEREST POLICY
FIRST READING – AUGUST 13, 2015

I. PURPOSE OF THE CONFLICT OF INTEREST POLICY

St. Clair County Community College (SC4) attempts to avoid situations in which a trustee, officer, committee member, or employee's business or personal interests may unduly influence its decision-making process. SC4 depends upon a governing board whose members freely give of their time for the benefit of the organization. Because of the varied interests and involvement of board members and committee members, their service may, at certain times, result in situations involving real or apparent conflicts of interest. Believing that service should not be rendered impossible solely by reason of these conflicts, SC4 has adopted a policy requiring full disclosure of any such interests and abstention from voting wherein a conflict is involved.

The foregoing requirements should not be construed as preventing a trustee, officer, committee member or staff member from stating his/her position in any matter or from answering questions from other board members. The purpose of this conflict of interest policy is to protect SC4 when it is contemplating entering into a contract, transaction or arrangement that has the potential for benefiting the private interest of a "Significant Person" as defined below. This Policy is intended to supplement, but not replace, any applicable state and federal laws governing conflict of interest.

II. STATEMENT OF POLICY

SC4 will not engage in any contract, transaction or arrangement involving a Conflict of Interest without establishing appropriate safeguards to protect the interests of SC4. To that end:

- a. Each Significant Person must promptly, fully and timely comply with the disclosure requirements set forth in this policy, or as otherwise adopted by the Board in accordance with this policy.
- b. All transactions, contracts or arrangements involving a conflict of interest must be reviewed by the board or by a designated body of disinterested persons.
- c. The Board, or designated body, must determine by a majority vote of disinterested persons that appropriate safeguards are in place to protect the interests of SC4 and are consistent with the purposes of this Policy.
- d. Where appropriate, the Board or designated body shall seek advice of legal counsel.

This Policy applies to (a) Significant Persons, and (b) any contract, transaction or arrangement involving SC4.

III. DEFINITIONS APPLICABLE TO THE POLICY

Significant Person.

Any director, officer, key employee, or committee member with board delegated powers is a Significant Person.

Conflict of Interest.

A "Conflict of Interest" exists whenever a Significant Person has a significant personal interest in a proposed contract, transaction or arrangement to which SC4 may be a party. *Note: Attention should also be placed on the organizational costs associated with the "appearance" of impropriety created by a personal interest even if it does not constitute an actual conflict of interest.*

Self-Dealing

Where a board member, officer, employee or a member of his or her family has a financial interest, or appears to have a financial interest in a decision.

A self-dealing situation is any transaction or decision from which a board member, officer, employee or a member of his or her family may profit or receive a monetary benefit. It includes prohibitions falling within the Internal Revenue Code (generally Section 4941 IRC). It also includes situations where a board member, officer, employee or a member of his or her family who owns (1) 35% or more of the voting stock of a corporation or (2) a partnership interest or (3) other substantial

financial or beneficial interest in other organizations that are involved in a transaction involving SC4.

Loyalty

Where a board member, officer, employee or a member of his or her family who has another affiliation or loyalty that may lead to or suggest influence in a decision involving SC4.

An individual will be in a position of divided loyalties in any relationship, which may significantly impact or bias a board member, officer or employee's decision-making ability. Relevant factors in determining a conflict of loyalty includes the duration, strength and intimacy of any personal or business relationship, which is relevant to a decision.

Significant Personal Interest.

A Significant Personal Interest exists if the Significant Person, directly or indirectly, through business, investment, or family member, has a(n):

- a. ownership or investment interest in any entity with which SC4 has a contract, transaction or arrangement;
- b. compensation arrangement with SC4;
- c. compensation arrangement with any entity or individual with which SC4 has a contract, a transaction or arrangement;
- d. potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which SC4 is negotiating (or is proposing to negotiate) a contract, a transaction or arrangement; or
- e. fiduciary position (*e.g.*, member, officer, director, committee member), whether compensated or uncompensated, with another, unaffiliated organization (1) which directly competes with SC4 in terms of services or for charitable contributions; or (2) with which SC4 has (or is proposing to enter into) a contract, transaction or arrangement.

Compensation includes direct and indirect remuneration, consulting fees, board or advisory committee fees, honoraria, as well as gifts or favors that are not insubstantial.

A Significant Interest is not necessarily a conflict of interest. Article IV describes the procedure that will be used to decide whether or not a conflict of interest exists.

Family Member.

With respect to a Significant Person, a "Family Member" means:

- a. the Person's spouse;
- b. a brother, sister, parent, grandparent, child, grandchild, great grandchild (by whole or half -blood) of the Person or the Person's spouse, or
- c. the spouse of an individual listed in paragraph (b),

However, a Family Member includes individuals listed in paragraphs (a) and (b) (other than a child) *only* if the individual lives in the Person's household, the Person manages the individual's financial affairs, or the Person is aware without special inquiry that the Family Member holds a particular Interest.

IV. PROCEDURES FOR IDENTIFICATION OF POTENTIAL CONFLICTS OF INTEREST

Annual Disclosure.

Each Significant Person shall completely, accurately, and timely submit the annual *Conflict of Interest Disclosure* (Annual Disclosure) as prepared and distributed by the Board.

Duty to Disclose.

A Significant Person must disclose the existence of any Interest and be given the opportunity to disclose all material facts to the persons the board has designated to consider the proposed contract, transaction or arrangement. Such information must be provided so that

decisions are made with full knowledge and understanding of the Significant Person's interest.

Continuing Disclosures.

If, after completion of the Annual Disclosure, any Significant Person becomes aware of anything that could give rise to a potential Conflict of Interest with respect to a proposed contract, transaction or arrangement involving SC4, the Significant Person shall promptly disclose that Interest to the Board.

V. PROCEDURE FOR DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS

The Board shall determine by a majority vote of disinterested directors whether the disclosed Interest may result in a conflict of interest after meeting, discussing and voting on the matter. The Board or Committee shall:

- a. review responses to the Annual Disclosure and any continuing disclosures that are made during the year
- b. take such steps as are necessary to identify Interests and review any so identified;
- c. make such further investigation as it deems appropriate with regard to Interests disclosed or identified; and
- d. determine whether any such Interest gives rise to a Conflict of Interest.

The Board may request additional information concerning the relevant Interest from all reasonable sources before reaching a determination. A Significant Person may make a presentation at the Board or Committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

VI. PROCEDURE WHEN A CONFLICT OF INTEREST EXISTS

Where a conflict of interest is determined to exist, SC4 shall not enter into the proposed contract, transaction or arrangement unless the Board has complied with the following:

- a. The chairperson of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed contract, transaction or arrangement.
- b. After exercising due diligence, the Board shall determine whether SC4 can, with reasonable efforts, get a more advantageous contract, transaction or arrangement from a person or entity without a conflict of interest.
- c. If a more advantageous transaction or arrangement is not reasonably possible, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in SC4's "best interest," for its own benefit, and whether it is fair and reasonable.

In conformity with the above determination, the Board shall make its decision as to whether to enter into the contract, transaction or arrangement.

VII. PROCEDURE FOR VIOLATIONS OF THE POLICY

If the Board has reasonable cause to believe a Significant Person has failed to comply with the disclosure requirements in this Policy, it shall inform the Person of the basis for such belief and afford the Person an opportunity to explain the alleged failure to disclose.

If after hearing the Significant Person's response and after making further investigation as warranted by the circumstances, the Board determines the Significant Person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

VIII. DOCUMENTATION OF PROCESS

The minutes of the Board shall contain:

- a. The names of the Significant Persons who disclosed or otherwise were found to have an Interest being considered at such meeting by the Board, the nature of the Interest, any action taken to determine whether a Conflict of Interest was present, and the Board's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions relating to the contract, transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.
- c. If appraisals (for tangible property) or third party comparable data (for compensation) were considered by the Board, the nature and source of the data.

IX. ANNUAL AFFIRMATION STATEMENT

Each Significant Person shall annually sign the statement at the end of the attached Annual Disclosure and affirm:

- a. The person has received a copy of this Conflict of Interest Policy,
- b. The person has read and understands the Policy,
- c. The person agrees to comply with the Policy,
- d. The person understands SC4 is a charitable organization and, in order to maintain its federal tax exemption, it must continuously engage primarily in activities that accomplish one or more of its tax exempt purposes.

X. PERIODIC REVIEWS

To ensure that SC4 does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, are based on competent survey information, and are the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to SC4's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

XI. USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Article VII, SC4 may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

CONFLICT OF INTEREST DISCLOSURE

Name: _____

Present Employer: _____

Title: _____

(If applicable) Spouse's Name: _____

Spouse's Present Employer: _____

Spouse's Title: _____

Please list the names of community boards or corporations which you or a member of your family may have a potential self-dealing or conflict of interest situation. Please also list any other relationship or involvement that may create self-dealing or a conflict of interest.

I hereby state that:

- **I have received a copy of SC4's Conflict of Interest Policy.**
- **I have read and understand the Policy.**
- **I agree to comply with the Policy.**

The information contained on this disclosure is true and accurate to the best of my knowledge and belief as of the date below. I agree to report changes that occur prior to the next disclosure.

Signature: _____

Printed Name: _____

Date: _____