

March 12, 2019 Board Retreat

3:34:55 David DeVarti – This is going to be a big philosophical discussion for me, and I feel that we have property - a lot of value in property – including newly built property in the County that we could draw on the goodwill of the voters to help with our construction projects. Also, I'd like us to start thinking about – and I talked about this as we were eating dinner – of maybe including some climate-change oriented, sustainability oriented proposals, like including some solar in our re-do of the Morris Lawrence, and I know that's going to be more design cost and everything. I would encourage us to be thinking more along the lines of getting it to be a ob –millage-supported obligation bond as opposed to a tuition-fee paid bond. I think we're in a position in this community to draw on our goodwill and people will step forward and help – help us do this capital outlay program. People throughout the community use the Morris Lawrence Building. They know how important it is to the community, and I just see it as something that is a very saleable thing for us to bring to the voters and get their support. Now, maybe we have to mobilize that on a different timeline, I'm not sure, but I feel much more comfortable doing that and using the possibility of adding this fee, which is really an increase in the cost for students to attend our classes, to hold that in abeyance only if the voters won't support us. And that's just a philosophical thing and I – I'll broach it at the next meeting in a public venue – and speak to it among other community activities that I go to, but I see this as something that's really a philosophical thing that we should not be adding that fee to our – and I don't care how – actually – the fact that we're cheaper is going to help us maintain our level of – of – attendan – our ...our enrollment and our credit hours. You know people are going to look at us favor – way more favorably to Oakland Community here, LCC or any of the other competing colleges. And I see that's another reason to keep our fees low. And I look at this whole thing as a – students look at the cost per hour, and I don't care how you - what kind of line items you put it out as – tuition, facilities fee, technology fee, whatever you add on – they're going to look at the total per credit hour, and that's what I'm looking at.

3:38:22 Bill Johnson – And that's how we've always looked at it as well. I would say that one of the reasons why we have such low tuition rates is that we have some of the highest level of support in property taxes from our residents – if you look at the millage rates that our residents pay to our community college – right – are fairly high relative to everybody else, and so it's because of the existing strong support that we have that we've been able to keep our rates as low as we have. And so, again, it gets back to a balance of how we're trying to derive our revenue sources. We have one of the highest percentages of our whole budget that come from property taxes in the state now –

3:39:12 Richard Landau – Yeah, my concern, Dave - and I get your philosophical issue here, but you know, um, you will recall that - um - there have been some unfortunate – um - campaigns against tax increases in this County – um - losing ones – in the past 10 years -um- and my concern would be if somebody leverages on what Bill just said, which is Washtenaw County arguably is already disproportionately subsidizing WCC compared to some of its neighboring counties. You could end up – we've been very fortunate to never have problems when we went to the voters with millages, but I – you know – it's a pretty – um – going to that well, which is unpredictable, and running the risk that we could alienate the voters - I mean you're essentially – in order to save a few dollars from students on a fee – you're running the risk of essentially killing the goose that lays the golden egg for us in terms of

millage. And I'd be super conservative and cautious about us doing anything to the millage. We're already getting a boatload of money from that millage, and you want to get more? I mean I just -

3:40:40 David DeVarti – Well, this – this is a separate cap – this isn't an operational millage.

3:40:41 Richard Landau: I – I get that –but it's still a tax that we're essentially using to finance Washtenaw Community College and, I mean, I just think that – you know – we're already – we're very, very fortunate to have the level of tax support that we have - and I kind of get your philosophical point, but you know - I don't have a whole lot of trouble going for bond money – I don't give a shit – excuse me, I don't care about bond money. You know, I think bond money is out there. I mean debt financing for capital improvements, that's what we all do to buy our houses. That's how your dad built a real estate empire, so I mean – that's – that's how we do things in this country, so I have no problem with debt being used to finance this, and we obviously have cash flow that we can support debt for – you know – easily. Even if we were a bank, we could get a loan for this money, and – but we're fortunate that we're a public entity that can get – you know – get – um, you know - public money – public financing done. Man, going to the voters again -

3:41:38 David DeVarti - I want to point out, we deliver a lot to this community

3:41:44 Richard Landau - Oh, and - but we also - we take a lot, too.

3:41:47 David DeVarti The community supports us greatly.

3:41:49 Richard Landau - We do

3:41:49 David DeVarti - But the voters - you say that there have been millages that have failed.

3:41:53 Richard Landau - Right.

3:41:53 David DeVarti - There have been. There have also been the county – this county community mental health and public safety millage that just got passed – what? – a year ago.

3:42:05 Richard Landau - Which was, I think, you know, a really wonderful thing

3:42:08 David DeVarti It was passed by a substantial margin.

3:42:11 Richard Landau - It was.

3:42:11 David DeVarti - But when people – when the voters in this county see the value in public service like that, they back it.

3:42:19 Richard Landau Yeah, and I'm not disputing that. That was for, I think, a need that everybody understood in the county. It was not being dealt with elsewhere. I mean, we're already taking a pretty significant bite out of property taxes and you know, to run the risk that somebody could say, "Hey, what the hell are these people doing?" you know, uh, um – they're building a community center with our

money? You know, we already give 'em a lot of money. You know, if that public sentiment even turned a little bit, it could jeopardize one of the legs of the three legged stool that essentially supports this College. I mean, I'm willing to explore that concept, but I would – it would – it would take a lot to convince me that that – rather than, you know, a modest increase in fees, which is not going to create any kind of public outcry – or you know, debt financing, which, you know, is I think a no-brainer, um, I just think tax in this environment, you know, tax increases, I'm just concerned. I mean, I suppose we can't control you know the climate of any , you know... of ... you know, if a recession comes up right before – you know – we go to the voters and we lose it, you know, um, I mean, it's a... a really risky move to me but uh, I get your point.