

REPORT OF MINUTES
BOARD OF TRUSTEES
SPECIAL MEETING (BUDGET HEARING)

BAY de NOC COMMUNITY COLLEGE
Catherine Bonifas Board Room (201D)
Escanaba, MI

June 11, 2019

The meeting was called to order at 12:08 p.m. ET by Board Chair Tom Butch.

Roll call was taken by Assistant Board Secretary Laura Johnson.

Board Members Present: Eric Lundin, Phil Strom, Ken Groh, Terri Mileski, Steve Davis, Tom Butch

Board Member Absent: Joy Hopkins

Administration: Laura Coleman, Eileen Sparpana

Guests: Jordan Beck, *Daily Press*; Craig Woerpel, *WDBC*

Recorder: Laura Johnson, Assistant Board Secretary

Tom Butch acknowledged the meeting as a public hearing for the public to consider the College's proposed 2019-2020 budget and the proposed property tax millage rate. There were no comments or questions from the public.

Eileen Sparpana, VP of Finance, reviewed these major budget assumptions:

- The 2019-20 operating budget bottom line is \$52,342 and the capital budget is \$974,917.
- Operating expenses were reduced 2% or \$85,000 during the first round of budget development. Additional cuts of \$130,000 were made later in the process to further reduce expenses, resulting in the total reduction of \$215,000 in operating expenses.
- Student enrollment decrease of 1.5% based on last year's enrollment.
- State Appropriations increase of \$72,000 or 1.3% based on the latest information from the State.
- Delta County property tax increase of ~\$60,000 or 1.6% from the 2018 taxable value.
- The Hannahville Indian Community donation received to fund the expansion and renovation of the College's athletic addition last year is a new line item on the profit and loss statement.

- Staff salary increase of 1.5%; faculty will receive salary increases as outlined in their collective bargaining agreements.
- Health insurance increase of 2% or \$44,000 based on the Hard Cap amounts set forth by PA 152. The 2020 health insurance premium rates for the individual employee health insurance plan options are not yet known and will not be effective until January 2020.
- The Student Development and Success Fee increased \$3 from \$7 to \$10 (up to a maximum of 16 contact hours per semester).
- Twenty-three course specific fees changed from last year. The complete list was provided to trustees.
- A reduction of ~\$103,000 or 10% in Personal Property Tax reimbursement based on the 2018-19 revenue is expected.

Trustees extended thanks to Eileen for her work developing the budget. Dr. Coleman added that besides the work Eileen did studying the budget and learning the College's finances, she also added to the PAC members' knowledge about their department budget and the budget overall.

Eileen added that Administration's request for board approval of the operating budget includes the capital budget of \$974,917 on pages 13-16 of the budget book. Millage revenue allocated for working capital funds \$753,637; Perkins grant revenue funds \$75,837; and College Foundation contributions fund \$50,153.

Dr. Coleman responded to Phil Strom's question that the College is confident the Perkins funding will be received and that the College was approved for two Marshall Plan grant projects. Machine tool equipment will be purchased from the Marshall Plan funding.

Eric Lundin stated that the annual board budget meeting is generally brief because of the work accomplished during the Board's strategic planning meetings which help set the direction of the budget, and the work of Eileen and the Administration to prepare the budget.

Tom Butch extended thanks to the Staff and Administration for their work in cutting expenses during a tough process this year.

Terri Mileski commended Eileen for her diligence in learning about the budget by examining and finding answers to her questions about how and why the budget is setup like it is.

Dr. Coleman added that she was very pleased that the enrollment projection team, led by Eileen, went with actual instead of budgeted enrollment numbers from 2018-19. This has made a huge difference in the accuracy of the daily enrollment reports. The College is operating with a lot of great teamwork.

A. Operating Budget 2019-2020

It was moved by Phil Strom and seconded by Eric Lundin to:

“Approve the 2019-2020 operating budget as presented.”

Roll Call:

Ayes: Phil Strom, Eric Lundin, Terri Mileski, Ken Groh, Steve Davis, Tom Butch

Nays: None

Abstaining: None

Tom asked if there was additional discussion. The budget was developed as part of the Board’s retreat process and trustees had opportunity to review it before the meeting. There was no further discussion. Motion carried unanimously.

B. Tuition and Fees

Eileen reviewed the tuition and fee rates on page 2 of the board book presented for board approval. An international student residency rate is new this year.

Ken Groh clarified that international students would previously have paid out-of-state rates.

Discussion was led by Eric Lundin about the tuition rate student athletes are billed. Student athletes are provided the in-county rate and it was agreed that to maintain consistency, international student athletes should also be charged the in-county rate. International student athletes also bring diversity to the College. Out-of-county student athletes will continue to be provided the in-county rate. Trustees agreed maintaining this billing procedure for student athletes is a service the College can provide to student athletes.

It was moved by Steve Davis and seconded by Terri Mileski to:

“Adopt tuition rates for 2019-20 of \$129 for Delta County Residents, \$190 for Dickinson County Residents, \$221 for In-State Residents, \$270 for Out-of-State, \$299 for International Residents and the fees as incorporated in the budget.”

Roll Call:

Ayes: Terri Mileski, Ken Groh, Steve Davis, Phil Strom, Eric Lundin, Tom Butch

Nays: None

Abstaining: None

No further discussion. Motion carried unanimously.

These rates for 2019-20 tuition and fees were approved:

Tuition and Fees

Student Residency	2018-2019 Tuition Rate	2019-2020 Tuition Rate
Delta County	\$124	\$129
Dickinson County	\$183	\$190
In-State	\$213	\$221
Out-of-State	\$260	\$270
International		\$299

Dual Enrollment Fees

The College will continue to charge qualifying students under the Early College/Dual Enrollment program where Dickinson-Iron Intermediate School District schools pay a rate \$5 higher than the rate Delta-Schoolcraft Intermediate School District (DSISD) schools pay in the Early College/Dual Enrollment program. Surrounding county Early College/Dual Enrollment students pay a rate of \$10 higher than the DSISD rate.

Student Development and Success Fee

All students are assessed a \$10.00 per contact hour student development fee (up to a maximum of 16 contact hours per semester). This is a \$3.00 per contact hour increase from the prior year. The increase will further fund the Campus Activities Board and Co-Advising. These fees are used to fund many student events, academic support services, athletics and commencement. Payment of this fee entitles the student to reduced price tickets to all events provided by the Campus Activities Board.

Technology Fee

Students are charged a \$30.00 per contact hour technology fee for technology services including on-line support and use of the Student Computing Centers (up to a maximum of 16 contact hours per semester).

Facility Fee

A \$13.00 per contact hour facility fee is charged to all students who are not residents of Delta or Dickinson Counties **and** who are attending classes at the Escanaba or West Campus (excludes clinics, co-ops, and internships).

Transcript Fee

A \$5.00 per transcript fee will be charged for each transcript requested.

Course Specific Fees

Course	2018-2019	2019-2020
Art Fees (per course)		
• Intro to Art Design I & II	\$40	\$40
• Drawing I & II	\$40	\$40

• Painting I & II	\$40	\$40
• Ceramics I & II	\$40	\$40
• Sculpture	\$40	\$40
• Moldmaking for Glass I	\$40	\$40
• Digital Photography I & II	\$80	\$80
• Intro to Electronic Imaging	\$80	\$80
• Intro to Visual Structure	\$80	\$80
Welding Fee	\$20	\$20
Course Fees		
• ACCT 101	\$20	\$20
• ACCT 102	\$20	\$20
• ACCT 105	\$20	\$20
• ACCT 110	\$20	\$20
• ACCT 210	\$20	\$20
• ACCT 211	\$20	\$20
• ACCT 215	\$20	\$20
• ACCT 216	\$20	\$20
• ACCT 225	\$20	\$20
• ACCT 101 (Optional Digital Textbook fee)	\$0	\$119
• ACCT 210 (Optional Digital Textbook fee)	\$0	\$80
• ACCT 215 (Optional Digital Textbook fee)	\$0	\$112
• ACCT 216 (Optional Digital Textbook fee)	\$0	\$111
• BUSN 195 (Optional Digital Textbook fee)	\$80.44	\$89
• BUSN 242 (Optional Digital Textbook fee)	\$80.44	\$89
• BUSN 253 (Optional Digital Textbook fee)	\$80.44	\$89
• BUSN 260 (Optional Digital Textbook fee)	\$80.44	\$89
• BUSN 262 (Optional Digital Textbook fee)	\$80.44	\$89
• BUSN 263 (Optional Digital Textbook fee)	\$80.44	\$89
• BUSN 264 (Optional Digital Textbook fee)	\$0	\$40
• CIS 101 (Optional Digital Textbook fee)	\$57.06	\$57.06

• CHEM 201	\$20	\$20
• CHEM 202	\$20	\$20
• CNSS 265	\$20	\$20
• BIOL 103	\$20	\$20
• BIOL 104	\$20	\$20
• BIOL 108	\$20	\$20
• BIOL 110	\$20	\$20
• BIOL 112	\$20	\$20
• BIOL 213	\$20	\$20
• BIOL 214	\$20	\$20
• BIOL 226	\$20	\$20
• CHEM 107	\$20	\$20
• CHEM 108	\$20	\$20
• CHEM 110	\$20	\$20
• CHEM 112	\$20	\$20
• CNSS 101	\$20	\$20
• CNSS 105	\$20	\$20
• CNSS 110	\$20	\$20
• CNSS 115	\$20	\$20
• CNSS 130	\$20	\$20
• CNSS 150	\$20	\$20
• CNSS 220	\$20	\$20
• CNSS 225	\$20	\$20
• CNSS 230	\$20	\$20
• CNSS 231	\$20	\$20
• CNSS 245	\$20	\$20
• CNSS 250	\$20	\$20
• CNSS 251	\$20	\$20
• CNSS 260	\$20	\$20
• CNSS 262	\$20	\$20
• CNSS 263	\$20	\$20
• CIS 130	\$20	\$20
• CIS 140	\$20	\$20
• CIS 240	\$20	\$20
• OIS 150	\$20	\$20
• CHEM 103	\$20	\$20
• WATR 230	\$20	\$20
• WATR 240	\$20	\$20
• WATR 250	\$20	\$20
• EDUC 202	\$10	\$10
• CHILD 125	\$10	\$10

• CHEM 104	\$20	\$20
• CJUS 130	\$130	\$130
• OIS 250	\$20	\$20
Nursing		
• NURS 114	\$250	\$227
• NURS 117	\$250	\$227
• NURS 130	\$480	\$495
• NURS 134	\$480	\$496
• NURS 142	\$444	\$456
• NURS 144	\$444	\$457
• EMT 110	\$133	\$133
• EMT 115	\$0	\$0
• EMT 130	\$0	\$0
• EMT 140	\$133	\$133
• PMED 212	\$102	\$80
• PMED 217	\$102	\$80
• PMED 280 ACLS Cert	\$10	\$10
• PMED 282 PALS Cert	\$10	\$10
• PMED 284 – Paramedic	\$0	\$25
• HLTH 271,272,273,274	\$129	\$129
• HLTH 146 Certification Cards	\$5	\$5
• HLTH 147 Cert Card – Heartsaver	\$20	\$20
Other Fees		
• Biology 276	\$0	\$0
• Fisdap Testing (EMT)	\$105	\$105
• Fisdap Testing (Paramedics)	\$143	\$143
• Nursing HESI Testing PN	\$354	\$308
• Nursing HESI Testing RN	\$798	\$827
• Nursing HESI testing RN Bridge	\$742	\$767
• EMT HESI	\$0	\$0
• EMT Students Insurance	\$17	\$17
• Paramedic Insurance	\$17	\$17
• Nursing Insurance	\$35	\$35
• Liability Insurance	\$17	\$17
• Allied Health CBC	\$129	\$129

C. Millage Levy

Eileen stated that Administration recommended the full allowable mills of 3.3076 be levied.

Tom stated that the College does not collect the 3.5 original mills approved by voters. Under the Headlee Amendment the College receives 2.3076 out of the 2.5000 mills approved by the voters for operating expenses. The debt and capital mill of 1.0000 is not subject to Headlee reduction. The maximum millage the College can levy is 3.3076 and that is what we are seeking. The voters have been kind to the College and if needs arise, hopefully they would continue to be so. The College doesn't receive the funding it should through the State; mostly because much of the property in the U.P. is exempt from state and federal taxes, even though the College has one of the higher millage levies approved by the voters.

It was motioned by Ken Groh and seconded by Terri Mileski to:

“Levy the full voted 3.5000 mills of the current voter millage, subject to such modification as imposed by the provision of Section 31 of the Constitution of the State of Michigan (Headlee Amendment):

Type	Original Millage	Max Millage Allowable Under Headlee
Operating Mills	2.5000	2.3076
Debt & Capital Mills	<u>1.0000</u>	<u>1.0000</u>
Total	3.5000	3.3076”

Roll Call:

Ayes: Eric Lundin, Terri Mileski, Ken Groh, Steve Davis, Phil Strom, Tom Butch

Nays: None

Abstaining: None

Discussion was held to clarify the amount the College can levy is 3.3076. The motion carried unanimously.

Dr. Coleman thanked the Board for approving the budget and their input in developing it.

It was moved by Eric Lundin and seconded by Terri Mileski to:

“Adjourn the meeting.” No discussion. Motion carried unanimously. The meeting adjourned at 12:39 p.m. ET.

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Laura L. Johnson
Assistant Board Secretary

Completion
Date: 06/12/19

Approval Date:

Thomas L. Butch
Chair

Approval Date: