

## REPORT OF MINUTES

### BOARD OF TRUSTEES SPECIAL BOARD MEETING

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

**August 5, 2019**

Chair Tom Butch called the meeting to order at 4:02 p.m. ET.

Roll call was taken by Assistant Board Secretary, Laura Johnson.

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

Members Absent: None

Administration: Laura Coleman, Christine Williams, Eileen Sparpana

Guests: Johnson Controls, Inc (JCI): John Crawford, Ron Stimac, Jim Teunas, Tim Konsdorf, Thomas Evers;  
*Daily Press*: Jordan Beck and Kaylin Johnson;  
WDBC: Craig Woerpel

Recorder: Laura Johnson, Assistant Board Secretary

#### **1) Follow-up with Johnson Controls, Inc. (JCI)**

Dr. Coleman stated that after a lot of hard work between college employees, led by Christine Williams, and Johnson Controls, adjustments to the performance contract were made to reduce the project cost, allowing for a reduction in the amount of millage that will be proposed to voters.

Ron Stimac, Johnson Controls Senior Account Executive, presented their final performance contracting project recommendation. The presentation is attached. Highlights included:

- The project bid was reduced from \$13.8 million to \$11.8 million.
- The current interest rate is 3.3% based on several letters of intent with national banks. A lower rate is expected in upcoming months, with preference for business with local banks. The project would be financed through a Tax Exempt Lease Purchase (TELP) loan for the maximum of 20 years.
- Annual energy savings of \$173,658 and \$40,000 in operational savings equate to almost \$4 million at the end of the project life of 20 years.

Dr. Coleman added that she would like to budget for the full loan payment of \$790,866, the amount throughout most of the length of the loan. The energy savings could be used for other things the College needs to do going forward, including the cost of apartment renovations not included in the project. She has asked JCI to review the apartments to determine that project.

- Jim Teunas of JCI explained that performance contracting ensures ongoing support to make sure the College will have the support needed throughout the first few years of the project through training for high technology tools and expert support. Jim shared that the College's facility staff is second to none and the College has been a sustainability leader long before 2013. Standard maintenance tasks will become focused on pro-active tasks to achieve desired efficiency outcomes.
- Ron Stimac added that the project will significantly reduce the College's environmental impact.

Ken Groh asked if window replacements were part of the project. VP of Operations Chris Williams responded windows would be replaced in the Catherine Bonifas building and the student apartments if state dollars are awarded through Capital Outlay.

Joy Hopkins added that although Bay has been a leader among peer community colleges in security efforts, adding access readers is important. Even though safety improvements are a small part of the project, it is very important.

Eric Lundin stated that JCI and college employees have put in countless hours preparing this project, sharing feedback, and reviewing these figures multiple times to be as conscious and conservative as possible.

Dr. Coleman recalled that at the initial meeting with JCI, it appeared the millage request should be .9924 mills but after receiving more information, it became apparent that it could be decreased. Administration's recommendation is for .8924 mills which would also allow for the student apartments to be upgraded for the first time in over 40 years. This project will make the campus very sustainable and the Community, Students, Board, and Employees can feel good that all campus buildings are sustainable and ready for the next 30 years. The cost factors for Delta County households is a reasonable amount to ask residents to spend: \$2.97/month for homeowners with an \$80,000 home and \$7.44/month for homeowners with a \$200,000 home.

Dr. Coleman also recognized Chris Williams and the Facilities team for the amount of time and effort spent preparing for this project and JCI for their diligence, generosity with their time, and willingness to travel to our campus multiple times to answer our questions.

Tom Butch noted the College has not asked for an operational tax increase since 1968. The renewal millage in 2013 was not an increase.

The millage proposal for .8924 mills combines the request for an increase in operating expenses with the restoration of .1924 mills lost from the Headlee Amendment. The 2.5 millage for operating purposes is reduced .1924 to 2.3076 mills collected. The millage request would restore those lost funds.

Eric Lundin added that although the Board does not want to ask for a tax increase, they have to do it because the state is not helping the College. State appropriations were 52% of the College's budget in 2000 compared to 35% in 2017.

Joy Hopkins asked that the compliments to the Facilities team from JCI be relayed to them as testament to their hard work.

## **2) Millage Proposal**

Tom Butch reviewed the millage proposition resolution and exhibits presented for board approval:

### **“WHEREAS:**

- 1. This Board intends to submit a proposition at a special election to be held on Tuesday, November 5, 2019.**
- 2. On or before 4:00 p.m. on Tuesday, August 13, 2019, the Board shall certify any ballot proposition to be submitted to the voters at such election to the election coordinator or coordinators designated to conduct elections within the College district (the “Election Coordinator”).**

### **NOW, THEREFORE, BE IT RESOLVED THAT:**

- 1. A special election of the electors of the College district be called and held on Tuesday, November 5, 2019.**
- 2. The proposition to be voted on at the special election shall be stated on the ballots in substantially the form as set forth in Exhibit A.**
- 3. The Election Coordinator is requested to:**
  - a. Utilize The Escanaba Daily Press, a newspaper published or of general circulation within the College district, for publication of notices in accordance with the election law requirements.**
  - b. Utilize ballot proposition summary information, as prepared by legal counsel, in the forms of the notices of last day of registration and election in substantially the form as set forth in Exhibit B attached hereto.**
  - c. Provide a proof copy of the ballot to the College and its legal counsel in sufficient time to allow the ballot to be proofread prior to printing.**
- 4. The Secretary of this Board is hereby authorized and directed to file a copy of this resolution with the Election Coordinator and with any Election Clerk or clerks designated to conduct elections within the College district by 4:00 p.m., on Tuesday, August 13, 2019.**

**5. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are hereby rescinded.**

**EXHIBIT A**

**BAY DE NOC COMMUNITY  
COLLEGE OPERATING  
MILLAGE PROPOSAL**

**This proposal will allow the community college to restore its charter millage to the full amount previously approved by the electors and to increase the same.**

**Shall the limitation on the amount of taxes which may be assessed against all property within the district boundaries of Bay de Noc Community College, Michigan, be increased by .8924 mill (\$0.8924 on each \$1,000 of taxable valuation) for a period of 20 years, 2019 to 2038, inclusive, to provide funds for operating and other legally permissible purposes; the estimate of the revenue the community college will collect if the millage is approved and levied in 2019 is approximately \$1,054,256 (this millage is to restore millage lost as a result of the reduction required by the Michigan Constitution of 1963 and to increase the same)?**

**EXHIBIT B**

**SUMMARY OF BALLOT PROPOSITION TO BE INSERTED  
IN THE NOTICES OF LAST DAY OF REGISTRATION AND  
ELECTION:**

**BAY DE NOC COMMUNITY  
COLLEGE OPERATING  
MILLAGE PROPOSAL  
.8924 MILL FOR 20 YEARS**

**Full text of the ballot proposition may be obtained at the administrative offices of Bay de Noc Community College, 2001 North Lincoln Road, Escanaba, Michigan 49829-2511, telephone: (906) 786-5802.”**

It was moved by Joy Hopkins and seconded by Terri Mileski to:

**“Support the resolution and exhibits presented as prepared and approved by legal counsel in regard to the use and amount of the millage language proposition.”**

**Roll Call:**      **Ayes:**            Terri Mileski, Steve Davis, Phil Strom, Eric Lundin, Joy Hopkins, Ken Groh,  
Tom Butch  
                         **Nays:**            None  
                         **Abstentions:**   None

No further discussion. Motion carried unanimously. Resolution declared adopted.

Tom Butch extended thanks to Chris Williams and JCI representatives for all their work on the project and presentation.

### 3) Adjournment

It was motioned by Joy Hopkins and seconded by Eric Lundin to:

**“Adjourn the meeting.”** No discussion. Motion carried unanimously. The meeting adjourned at 4:53 p.m. ET.

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Laura L. Johnson Assistant Board Secretary	Completion Date: 8.6.19	Approval Date
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Thomas L. Butch Chair	Approval Date
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