

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

BAY de NOC COMMUNITY COLLEGE
Besse Center Auditorium
Escanaba, MI

June 16, 2021

The meeting was called to order at 4:31 p.m. ET by Board Chair Steve Davis.

Roll call was taken by Assistant Board Secretary Laura Johnson.

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

Board Member Absent: Jeremy Nastoff

Administration: Laura Coleman, Eileen Sparpana

Recorder: Laura Johnson, Assistant Board Secretary

Steve Davis acknowledged the meeting as a public hearing for the public to consider the College's proposed 2021-22 budget and the proposed property tax millage rate.

Eileen Sparpana, VP of Finance, reviewed the proposed 2021-22 Operating and Capital Budgets.

Major Budget Assumptions:

- Student enrollment projected as consistent with the prior year at 39,000 contact hours
- State Appropriations increase of 2%
- Delta County Tuition Rate increase of \$5
 - Fees: No changes to overall fees. A few course specific fees changed: six course fees decreased and nine course fees increased.
- Several staffing changes: Supplemental Instruction program and Retention Manager position restored; addition of an IT Business Systems Analyst and full-time CIS Instructor; and responsibilities of the Vice President of Operations will be disseminated after the retirement.
- Salary/wage increase of 2.1% for staff and Part-Time Faculty. The Part-Time Instructors Association negotiated a me-too clause in their recent contract.
- Health insurance increase of 3.7% effective January 1, 2022 based on hard cap limit
- Delta County and Dickinson County property tax revenue increase. Adding wind turbines in Delta County and increases in the housing market will add to the tax base next year.
- Depreciation expense increase in capital and minor remodeling of 9%

Operating Expenses:

- Overall, expenses in the 21-22 budget increased by approximately \$1.0 million over last year as the College planned for a gradual return to normal operations after cutting expenses significantly last year due to the coronavirus pandemic.
- Depreciation Expense is \$2,447,579
- Housing expense to move housing students to the hotel next year during the minor remodeling is \$261,000; HEERF funding recorded in non-operating revenue will off-set the incremental expenses due to the minor remodeling of the apartments.
- IT software fees increased \$65,000 due to annual increases and the restoration and addition of products.
- Total pension expense of \$1.8 million

Debt Service and Capital Expenditure:

- The College has five outstanding bonds and will incur \$423,119 in interest expense in 2021-22.
- The capital and minor remodeling project in the student apartments budget totals \$5,040,788.

Tom Butch asked if the College's future bonding ability is affected by the federal funding received for the coronavirus pandemic. Eileen responded the College can delay future bonding because of the grant funding received (CARES Act and HEERF).

Operating Budgets:

- The College is budgeting an increase in Net Assets of \$215,668 with \$200,000 of the increase allocated for critical college infrastructure upgrades. The balance will go into the General Fund.
- The West Campus bottom line increased over last year with a total Year-End Income of \$238,864. The increase is attributable to the increase in online fees since last year.
- The Athletics Department budget is based on enrollment of 100 athletes.

Capital and Minor Remodeling Plan:

- Capital and minor remodeling expenses totaled \$5,040,788 and will be funded by these sources:
 - \$291,735 from West Campus Capital Millage
 - \$759,473 from Main Campus Capital Millage
 - \$34,580 from Perkins Funding
 - \$1.628 million from HEERF II & III grant funding and allocated to specific items allowed
 - \$1.4 million from Bond Funds received last Fall
 - \$959,098 from the net increase in the General Fund (Working Capital).

Tom Butch acknowledged Eileen for the hard work done to present very good budgets and a thorough presentation.

Ken Groh asked if the pandemic funding was a one-time award and if any operational expenses were charged to that funding. Eileen responded all expenses charged to the pandemic funding are one-time expenses and are related to the pandemic. The impact on the budget will be minimal when the funding ends.

Chair Steve Davis presented the operating budgets and tuition and fees for approval.

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

“Approve the 2021-2022 Operating and Capital Budgets as presented.”

Tom Butch stated it is a pleasure to be sitting where we are; particularly after the difficult year, and the Board is grateful and appreciative of everyone’s effort to make this happen. Eric Lundin added it is also nice to see some programs reinstated.

Roll Call:

Ayes: Ken Groh, Eric Lundin, Joy Hopkins, Tom Butch, Terri Mileski, Steve Davis

Nays: None

Abstaining: None

Motion carried unanimously.

It was moved by Tom Butch and seconded by Joy Hopkins to:

“Adopt tuition rates per contact hour for 2021-22 of \$140 for Delta County Residents, \$207 for Dickinson County Residents, \$240 for In-State Residents, \$293 for Out-of-State Residents, \$324 for International Residents and the fees as incorporated in the budget.” No discussion.

Roll Call:

Ayes: Eric Lundin, Joy Hopkins, Tom Butch, Terri Mileski, Ken Groh, Steve Davis

Nays: None

Abstaining: None

Motion carried unanimously.

These rates for 2021-22 tuition and fees were approved:

Tuition and Fees		
Student Residency	2020-21 Tuition Rate	2021-22 Tuition Rate
Delta County	\$135	\$140
Dickinson County	\$199	\$207
In-State	\$231	\$240
Out-of-State	\$282	\$293
International	\$312	\$324

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). 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	2020-2021	2021-2022
Art Fees (per course)		
• ARTS 100,101 Intro to Art Design I & II	\$40	\$40
• ARTS 115,215 Drawing I & II	\$40	\$40
• ARTS 120,220 Painting I & II	\$40	\$40
• ARTS 130,230 Ceramics I & II	\$40	\$40
• ARTS 125 Sculpture	\$40	\$40
• ARTS 112 Moldmaking for Glass I	\$40	\$40
• ARTS 117,217 Digital Photography I & II	\$80	\$80
• ARTS 134 Intro to Electronic Imaging	\$80	\$80
• ARTS 175 Intro to Visual Structure	\$80	\$80
Welding Fee – per contact hour	\$20	\$20

Course	2020-2021	2021-2022
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)	\$119	\$60
• ACCT 102 (Optional Digital Textbook fee)	\$119	\$60
• ACCT 105 (Optional Digital Textbook fee)	\$110	\$110
• ACCT 110 (Optional Digital Textbook fee)	\$115	\$115
• ACCT 210 (Optional Digital Textbook fee)	\$80	\$62
• ACCT 211 (Optional Digital Textbook fee)	\$62	\$62
• ACCT 215 (Optional Digital Textbook fee)	\$112	\$112
• ACCT 216 (Optional Digital Textbook fee)	\$111	\$69
• BUSN 195 (Optional Digital Textbook fee)	\$89	\$89
• BUSN 253 (Optional Digital Textbook fee)	\$89	\$89
• BUSN 260 (Optional Digital Textbook fee)	\$89	\$89
• BUSN 262 (Optional Digital Textbook fee)	\$89	\$89
• BUSN 263 (Optional Digital Textbook fee)	\$89	\$89
• BUSN 264 (Optional Digital Textbook fee)	\$40	\$40
• MATH097 (Optional Digital Textbook fee)	\$108	\$104
• CHEM 201	\$20	\$20

Course	2020-2021	2021-2022
• 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

Course	2020-2021	2021-2022
• CHEM 104	\$20	\$20
• CJUS 130	\$130	\$130
• OIS 250	\$20	\$20
Allied Health		
• NURS 114	\$256	\$271
• NURS 117	\$256	\$271
• NURS 130	\$496	\$525
• NURS 134	\$496	\$525
• NURS 142	\$472	\$485
• NURS 144	\$472	\$484
• EMT 110	\$133	\$160
• EMT 140	\$133	\$159
• PMED 212	\$80	\$80
• PMED 217	\$80	\$80
• PMED 280 ACLS Cert	\$10	\$10
• PMED 282 PALS Cert	\$10	\$10
• PMED 284 – Paramedic	\$25	\$13
• HLTH 271,272,273,274	\$129	\$129
• HLTH 146 Certification Cards	\$5	\$5
• HLTH 147 Cert Card – Heartsaver	\$20	\$20
• CMAC 272	\$146	\$157

Millage Levy:

Eileen Sparpana requested approval of Administration’s recommendation to levy the full allowable mills of 3.3076.

Discussion was held about the impact of the Headlee Rollback on the College’s property tax revenue; an annual loss of \$250,000. Further discussion will be held about the possibility of a restoration request.

It was moved by Joy Hopkins and seconded by Eric Lundin 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”

No further discussion.

Roll Call:

Ayes: Joy Hopkins, Tom Butch, Terri Mileski, Ken Groh, Eric Lundin, Steve Davis

Nays: None

Abstaining: None

Motion carried unanimously.

Without further discussion, it was moved by Tom Butch and seconded by Eric Lundin to:

“Adjourn the meeting.” No discussion. Motion carried unanimously. The meeting adjourned at 4:57 p.m. ET.

Laura L. Johnson
Assistant Board Secretary

Completion
Date

Approval Date

Stephen T. Davis
Chair

Approval Date