

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

BAY de NOC COMMUNITY COLLEGE
Board Room CB 201D
Escanaba, MI

June 19, 2024

- I. Call to Order:** The meeting was called to order at 4:30 p.m. ET by Chair Eric Lundin.
- II. Roll Call:** Roll call was taken by Assistant Board Secretary Laura Johnson.
- Members present: Wendy Middaugh, Terri Mileski, Joy Hopkins, Nick Chenier, Eric Lundin
- Tom Butch attended by phone as a reasonable accommodation for a disability.
- Member absent: Steve Davis
- Administration: Beth Berube, Travis Blume, Kim Carne, Cindy Gallagher, Nerita Hughes, Jonathan Lane, Lynn Martinson, Penny Pavlat, Amy Reddinger
- Faculty: Amber Kinonen
- Recorder: Laura Johnson, Assistant Board Secretary
- III. Citizen Introductions and Comments:** Chair Eric Lundin stated this meeting also served as a public hearing for the public to consider the College's proposed 2024-25 budget and the proposed property tax millage rate. There were no attendees from the public.
- IV. Approval of Agenda:** The agenda was approved by unanimous consent.
- V. Declaration of Interest:** None

The meeting was turned over to Lynn Martinson, VP of Finance & Operations, to review the budget assumptions for the 2024-25 Operating Budget for board approval.

The major assumptions were presented in the attached presentation. Additional discussion included:

- Although the state appropriations are presumed at a 2.8% increase, the state budget has not yet been approved so the budget is proposed with a conservative increase of 2.5%, the amount the College has received in the past. If the 2.8% increase is approved, the budget will be adjusted.
- The maximum allowable property tax millage rate to be levied for 2024 was reduced due to property values increasing 12.6% over the last three years in Delta County. A current year millage reduction fraction of .9956 has been applied to the 2.3076 Headlee affected operating mills, reducing the maximum allowable operating millage rate for 2024 to 2.2974 mills. The reduction fraction is used to offset a rapid increase in property values.

Tom Butch stated that the Board has talked about the revenue lost through the Headlee Amendment over the years and advised that in the future, they consider asking voters to restore the millage lost under Headlee.

- Dr. Hughes added that the proposed state budget includes a one-time additional 2.5% in appropriations if certain metrics are met. The MCCA Legislative Committee and Board of Directors are recommending to the Governor's Office that the one-time funding be awarded as ITEMS funding instead of based on meeting the metrics since it is one-time funding and so institutions can use the funds as they see fit. Not all colleges have met the proposed metrics. Once the state budget is approved and the one-time funding is moved to ITEMS funding, the employees would receive a bonus in addition to the 1.25% salary and wage increase.

Tom Butch suggested that some of the state funding to support the Billerud Escanaba Mill that fell through, be requested to support the Catherine Bonifas building renovation that was not approved for state capital outlay funding.

- A Profit and Loss statement for Athletics was not prepared because it is included in the overall college budget.

Trustees thanked Lynn Martinson for her work throughout the months of planning the budget.

The FY25 budget, including tuition and fee rates and the property tax millage rate to be levied, were presented for board approval as detailed in the budget assumptions reviewed and presented.

VI. Board Action: Tuition & Fees for 2024-2025

The 2024-2025 tuition and fee rates were presented for approval:

It was moved by Joy Hopkins and seconded by Nick Chenier to:

“Adopt tuition rates per contact hour for 2024-25 of \$155 for Delta County Residents, \$231 for Dickinson County Residents, \$267 for In-State Residents, \$327 for Out-of-State Residents, \$361 for International Residents; the Student Development and Success Fee of \$12 per contact hour up to a maximum of 16 contact hours per semester for all students; the Technology Fee of \$37 per contact hour up to a maximum of 16 contact hours per semester for all students; and additional fees as incorporated in the budget.” No further discussion.

Roll Call:

Ayes: Tom Butch, Wendy Middaugh, Terri Mileski, Nick Chenier, Joy Hopkins, Eric Lundin
Nays: None
Abstaining: None
Motion carried unanimously.

VII. Board Action: Millage Levy for 2024-2025

Administration’s recommendation to levy the full allowable mills of 3.2974 was presented for approval:

It was moved by Tom Butch and seconded by Joy Hopkins 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	2.2974
Debt & Capital Mills	<u>1.0000</u>	<u>1.0000</u>
Total	3.5000	3.2974”

No further discussion.

Roll Call:

Ayes: Wendy Middaugh, Terri Mileski, Nick Chenier, Tom Butch, Joy Hopkins, Eric Lundin
Nays: None
Abstaining: None
Motion carried unanimously.

VIII. Board Action: Operating & Capital Budgets

The 2024-2025 Operating and Capital Budgets were presented for approval:

It was moved by Joy Hopkins and seconded by Nick Chenier to:

“Approve the 2024-2025 Operating and Capital Budgets as presented on June 19, 2024.” No further discussion.

Roll Call:

Ayes: Nick Chenier, Tom Butch, Wendy Middaugh, Terri Mileski, Joy Hopkins, Eric Lundin
Nays: None
Abstaining: None
Motion carried unanimously.

IX. Adjournment

It was moved by Joy Hopkins and seconded by Wendy Middaugh to:

“Adjourn the meeting.” No discussion. Motion carried unanimously. The meeting adjourned at 4:52 p.m. ET.

Laura L. Johnson Assistant Board Secretary	Completion Date	Approval Date
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Eric L. Lundin Chair	Approval Date
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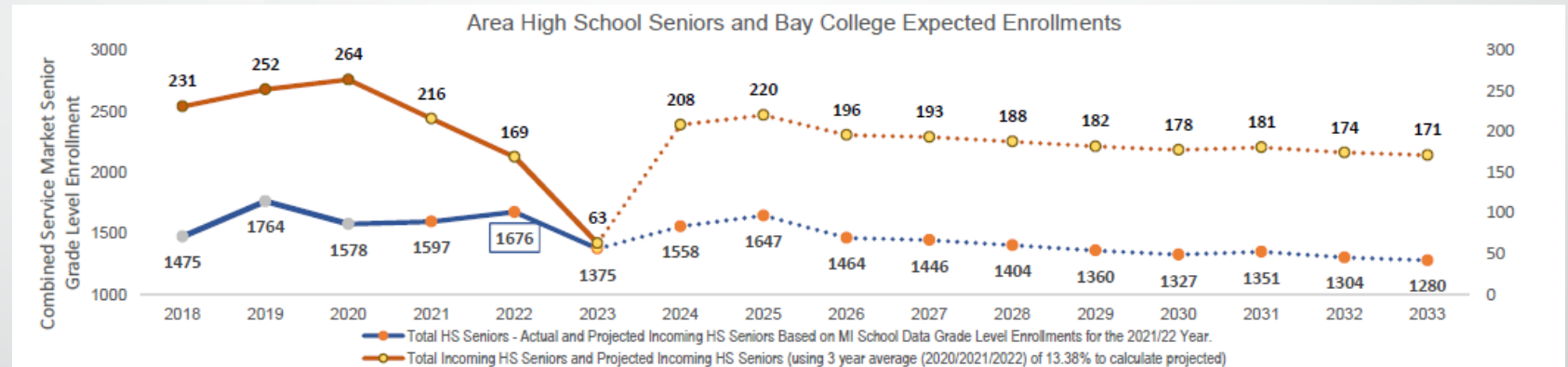
John and Melissa
Besse Center

2024-2025 Budget Review

Budget Assumptions

Revenue

- Flat enrollment – 35,275 actual 23-24 contact hours
 - We anticipate a 1% increase in enrollment



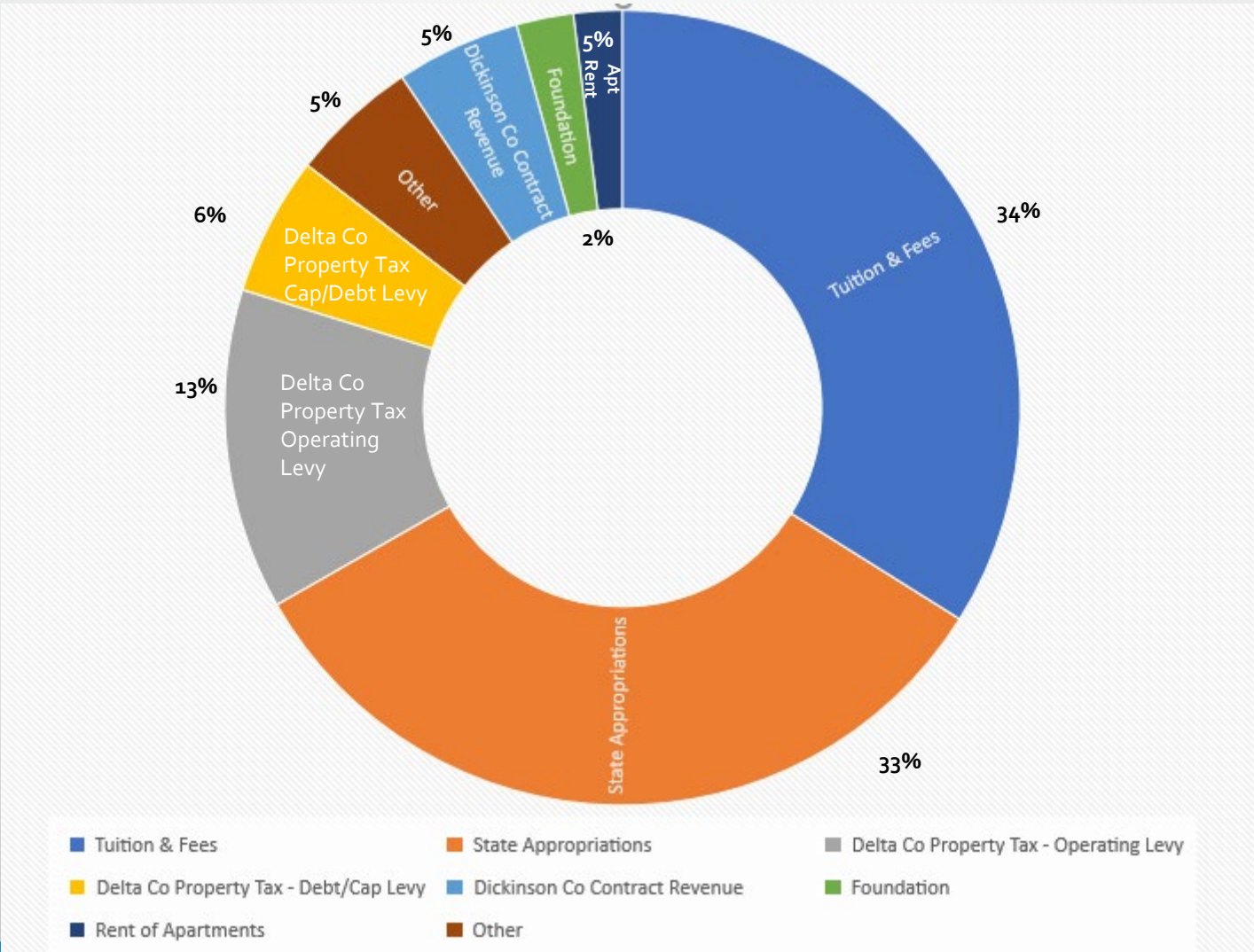
- As of 6/19/24 - 5% above in head count and 4% above in contacts compared to last year

Budget Assumptions

Revenue

- 3.5% Tuition Rate Increase (\$262 thousand dollars)
- Student Development Fee Increase from \$10 to \$12 per contact hour
- 2.5% State Appropriations Increase
- Delta County property tax revenue increase of 7.19% (\$322 thousand)
- Dickinson County property tax revenue increase of 4.85% (\$59 thousand)

Revenue Sources



Budget Assumptions

Expenses

- 1.25% Salary Increase for Faculty, Staff and Administration
 - Bonuses for Faculty, Staff, and Administration
- Three New Positions:
 - Full-Time Social Work Faculty
 - HR Training and Development/Diversity, Equity, Inclusion
 - Data Analyst Institutional Research

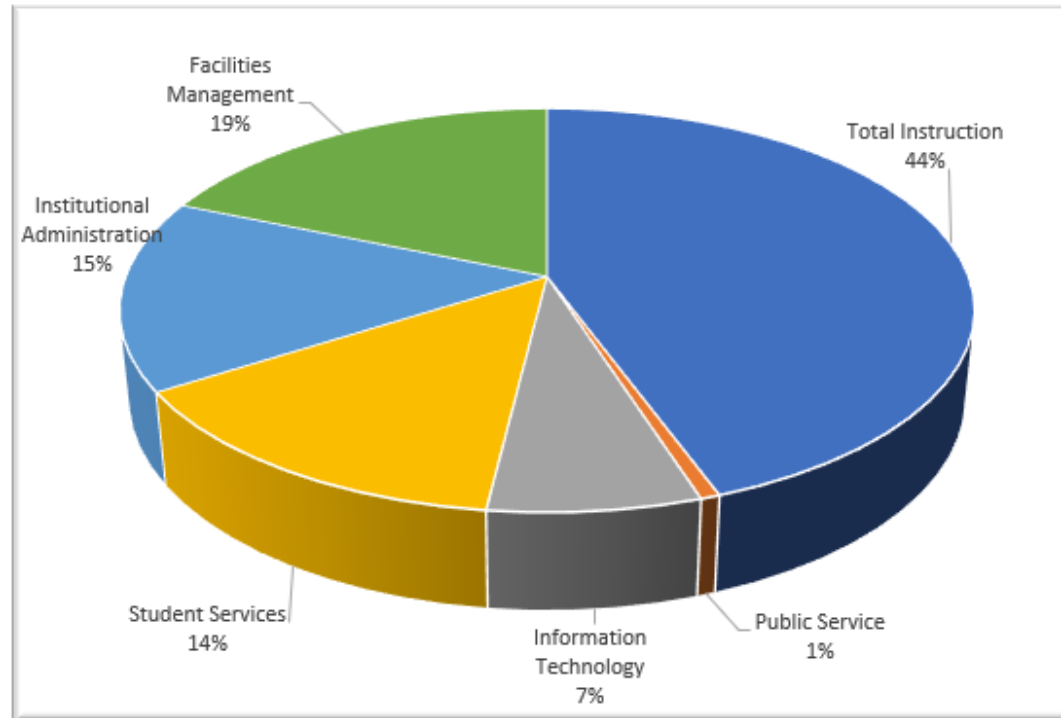
Budget Assumptions

Projected Net Increase

- **\$18 thousand dollars**
- Thoughtful, strategic, data-driven investment in human capital to foster future growth opportunities for the College.

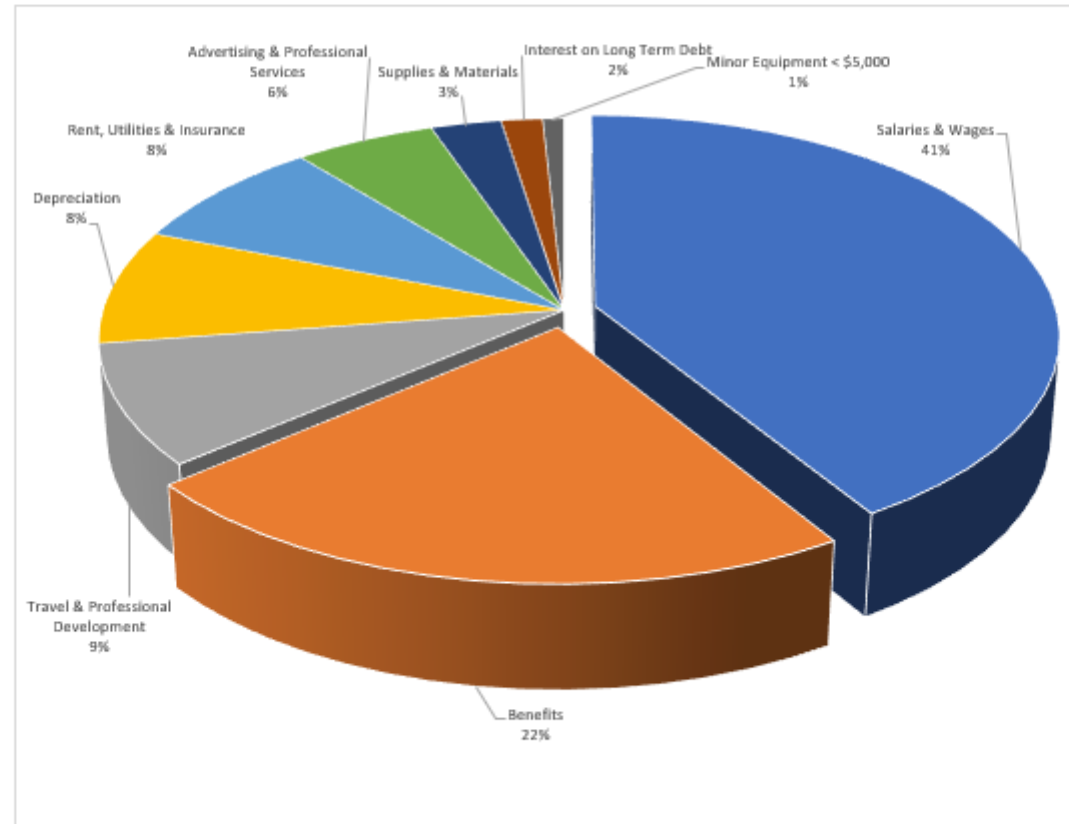
Expenditures by Activity

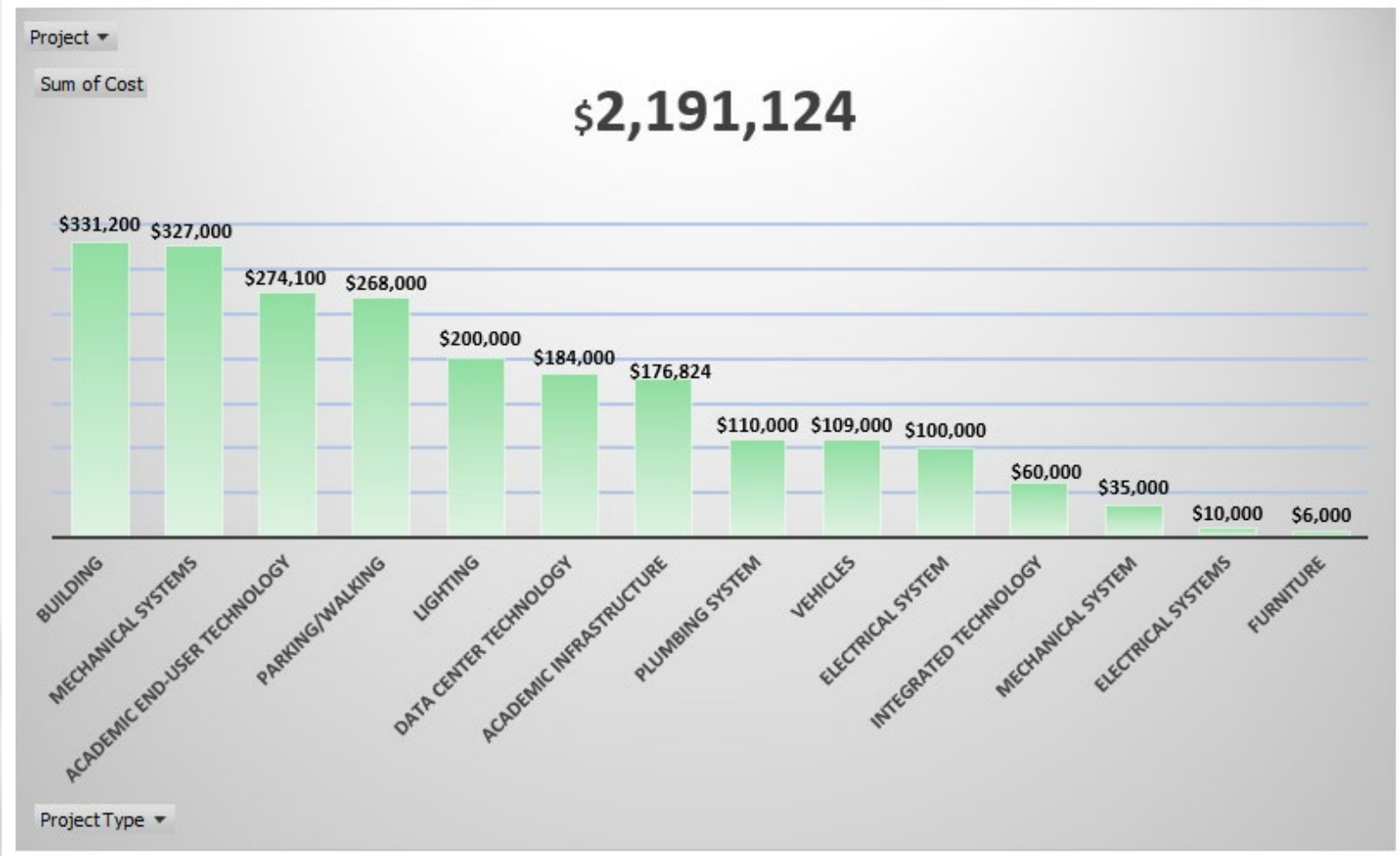
Activity	Amount	Percentage
Instruction	\$ 9,934,344	36.5%
Academic Support	2,137,339	7.9%
Total Instruction	12,071,683	44.4%
Public Service	171,560	0.6%
Information Technology	1,874,271	6.9%
Student Services	3,817,979	14.0%
Institutional Administration	4,171,505	15.3%
Facilities Management	5,082,267	18.7%
Total Expenditures	\$ 27,189,265	100.0%



Expenditures by Object

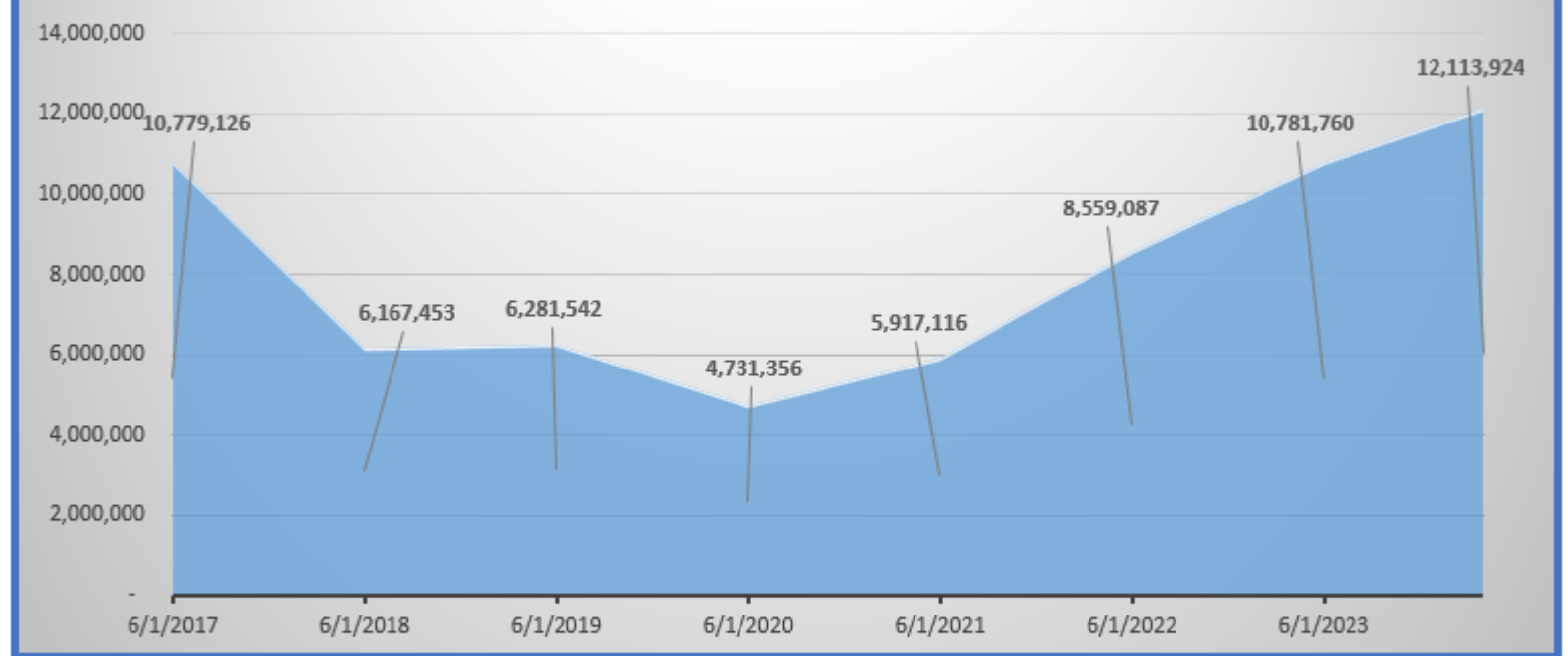
Object	Amount	Percentage
Salaries & Wages	11,203,145	41.2%
Benefits	6,136,531	22.6%
Travel & Professional Development	2,396,208	8.8%
Depreciation	2,284,035	8.4%
Rent, Utilities & Insurance	2,218,088	8.2%
Advertising & Professional Services	1,520,844	5.6%
Supplies & Materials	758,225	2.8%
Interest on Long Term Debt	444,193	1.6%
Minor Equipment < \$5,000	227,996	0.8%
Total Expenditures	\$ 27,189,265	100.0%





Capital Budget

Bay College Net Position 2017 - 2024

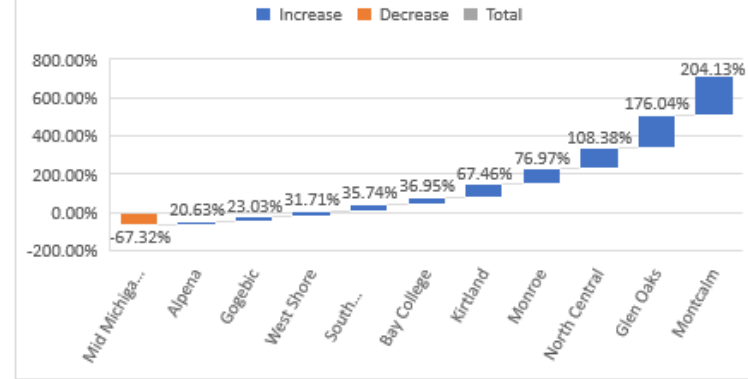


BdNCC Net Position	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	4/30/2024
Net Position*	10,779,126	6,167,453	6,281,542	4,731,356	5,917,116	8,559,087	10,781,760	12,113,924

*Excludes Pension & OPEB

Historical Net Position

Unrestricted Fund Balance as % of Budget



Peer College	6/30/23 Net Position *	6/30/23 Unrestricted Fund Balance **	23-24 General Fund Budget	Unrestricted Fund Balance as a % of Budget
Mid Michigan *	29,710,571	(18,466,291)	27,429,894	-67.32%
Alpena	32,526,177	3,341,003	16,197,144	20.63%
Gogebic	4,375,301	2,806,607	12,185,791	23.03%
West Shore	39,390,627	4,562,797	14,389,455	31.71%
South Western	42,788,842	9,037,422	25,290,000	35.74%
Bay College	27,815,660	9,152,353	24,768,491	36.95%
Kirtland	17,402,946	12,664,598	18,773,161	67.46%
Monroe	51,323,124	20,880,967	27,126,971	76.97%
North Central	32,314,848	19,857,802	18,323,145	108.38%
Glen Oaks	22,856,452	27,466,208	15,602,390	176.04%
Montcalm	23,795,097	35,839,524	17,556,786	204.13%

*Excludes Pension & OPEB

**Excludes Pension & OPEB, Plant Fund & Restricted Fund

Peer Comparison



Questions?