

REPORT OF MINUTES
BOARD OF TRUSTEES
SPECIAL BOARD MEETING

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

January 15, 2016

The meeting was called to order at 12 p.m. ET by Board Chair, Philip Strom.

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

Board Members Present: Tom Butch, Eric Lundin, Joy Hopkins, Bill Lake,
Philip Strom, Tom England, Jim Hermans

Board Member Absent: None

Administration: Kevin Carlson, Laura Coleman, Chris Williams

Guests: None

Recorder: Laura Johnson, Assistant Board Secretary

Philip Strom stated the meeting was called to receive information about final estimates for the Academic Success Center. The meeting was turned over to President Coleman and Chris Williams, Vice President of Operations.

Dr. Coleman stated a construction estimator was hired to provide final estimates for the Academic Success Center. The final estimates came in considerably above what we thought they would be and wanted the Board to see the efforts put in by Administration and Blomquist Architects to reduce the cost and discuss the direction of the project.

Chris Williams acknowledged the overrun of \$1 million is due to \$800,000 in furnishings and technology not communicated by the College and the balance from an underestimated unit cost used in calculating the cost of the project by the architect. The initial amount requested for the bond was \$3.6 million.

Discussion was held regarding:

- Removing the Math Science and Besse Gallery renovations from the project to reduce costs.
- Recommended actions could be to:
 - 1) Accept the bid estimate AS IS and go out for bond after receiving bids.
 - 2) Make cuts and reduce the bid estimate to an acceptable level and go out for bond after receiving bids.
 - 3) Redesign and come in with a bid under the original \$5 million.

- The estimated amount of the bond needed is \$4.7 million with the \$1 million donation received to meet the revised project cost of \$5.7 million.

Joy Hopkins expressed it was her preference to go out for bids to determine the actual cost of the project based on the bids that come in. Joy left the meeting at 12:40 p.m.

Discussion was held regarding the risks of waiting to vote on the bond amount. Kevin Carlson, CFO, explained the longer we wait, the less time we will have to process the bond sale which will delay the project beyond fall 2016. The Board could approve a bond amount not to exceed an amount so the bond sale paperwork can be started and sold shortly after the bids are accepted. The project can be terminated at any time. Interest rates are also expected to increase in the first quarter.

Trustees discussed the value of the Academic Success Center and if the project should continue. Trustees who previously toured the existing space and received information about how academic support processes would improve expressed there is significant value for students in going forward with the project. It will also benefit high schools students on campus who are a growing population.

It was motioned by Bill Lake and seconded by Tom Butch to:

“Issue bonds of up to \$4.7 million contingent on the bids received for the Academic Success Center.”

Trustees expressed and discussed their concerns about the increased cost of the project and clarified that the bond sale process can be canceled if the bids do not come in favorably.

Chris Williams responded to a question about the process for change orders. All change orders will be submitted to her with changes over \$5,000 discussed by Administration and the Board if determined necessary.

A roll call vote was taken:

Ayes: Philip Strom, Tom Butch, Bill Lake
Nays: Eric Lundin, Jim Hermans
Abstentions: Tom England

After further discussion, Tom England indicated he would like to change his vote. There was no opposition to taking another vote.

