

REPORT OF MINUTES
BOARD OF TRUSTEES
SPECIAL MEETING (BUDGET HEARING)
BAY de NOC COMMUNITY COLLEGE
Board Room CB 201D
Escanaba, MI
June 18, 2025

I. Call to Order

The meeting was called to order at 5:01 p.m. ET by Chair Nick Chenier.

II. Attendance

Roll call was taken by Assistant Board Secretary Laura Johnson.

Members present: Wendy Middaugh, Terri Mileski, Katie VanEnkevort, Eric Lundin, Nick Chenier

Members absent: Joy Hopkins, Steve Soderman

Administration: Beth Berube, Travis Blume, Cindy Gallagher, Nerita Hughes, Jonathan Lane, Lynn Martinson, Penny Pavlat, Amy Reddinger

Faculty: None

Recorder: Laura Johnson, Assistant Board Secretary

III. Citizen Introductions and Comments

Chair Nick Chenier stated that the meeting also served as a public hearing for the public to consider the College's proposed 2025-26 budget and the proposed property tax millage rate. There was no representation from the public.

IV. Approval of Agenda

Chair Nick Chenier stated that continued discussion of Dr. Hughes' periodic evaluation would be added as Unfinished Business at the end of the agenda and requested a motion to amend the agenda.

It was moved by Wendy Middaugh and seconded by Eric Lundin to:

"Amend the agenda to add Dr. Hughes' periodic evaluation under Unfinished Business." No discussion. Motion carried unanimously.

V. Declaration of Interest

None

VI. 2025-2026 Budget Review

Chair Nick Chenier turned the meeting over to Lynn Martinson, VP of Finance & Operations, to review the budget assumptions for the 2025-26 Operating Budget for board approval. The presentation slides for the 2025-2026 budget review are attached.

The new dual enrollment/concurrent enrollment flat rate tuition fee structure \$160/\$75 per contact hour was developed to restrain tuition increases and expenses realized by the K12 districts. Superintendents and guidance counselors will receive a letter from President Hughes with further explanation of the new fee structure.

Final state appropriations have not been passed and the recent recommendation from the House is to decrease appropriations by 1% with a \$3.6 million reduction in one-time funding and shifting pension costs back for community colleges to absorb which will result in a gap on average of 8.5%. Communication to legislators to restore community college funding has been submitted by President Hughes and she encouraged the Trustees to communicate with them as well. When the budget is finalized from the state, a budget modification may be in order.

Dr. Hughes responded to Eric Lundin's question about the status of building additional student housing. She is working on a housing proposal to share with legislators and conversations continue with potential investors as well as progress on the USDA loan application for student housing.

Lynn Martinson responded to Eric Lundin's question about how auditors view the transfer from the General Fund Reserves for the Ellucian ERP Implementation cost and one-time Dickinson County nursing student discounts. The College must have a sound reason to withdraw from the Reserves and preserve a minimum of two months of cash to cover expenses to maintain required financial ratios. The College will have eight months of cash to cover expenses after the anticipated transfer from General Fund Reserves of \$886,076.

There was discussion about the increase of travel expenses over the last two years and the possibility of reducing travel expenses if the budget must be modified after the state budget is approved. The expenditures by object indicated that Travel & Professional Development accounted for 11.1% of the budget. A closer look at this account category revealed subcategories including: Licensing Fees/Copy Rights, Transportation, Lodging, Dues & Memberships, Donations & Sponsorships, Registration and Fees, Meals, Food Service/Catering, Fee for Assessment of Learning Outcomes, Bank Fees, Full-Time Faculty Professional Development, Mileage, Program/Institutional Accreditation, Books/Subscription (Non-Instructional), Indirect cost/Admn. Fees, Vehicle Operations, Waste & Hazardous Waste Removal, Mileage, and Part-Time Faculty Professional Development. This category does not give a clear picture of what is spent on travel and professional development (PD) and became a "catch-all" category for operating expenses. Dr. Hughes advised that when the College converts to the new ERP, this category should be renamed so that travel and PD can be identified as a separate account. It was suggested that any expense over \$200,000 become a separate account category to easily identify larger expenditures.

VII. Board Action: Tuition & Fees for 2025-2026

The 2025-2026 tuition and fee rates were presented for approval:

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

“Adopt the 2025-2026 tuition and fee rates per contact hour, and the course specific fees as presented in the budget assumptions. The tuition and fee rates for all students and Dual Enrolled/Early College students are:

2025-2026 Tuition Rates	
Student Residency	
Delta County	\$160
Dickinson County	\$238
In-State	\$275
Out-of-State	\$337
International	\$372
Dual Enrollment/Early College flat rate	\$160
Concurrent Enrollment/DE & EC flat rate	\$75
Radiography – MWTEC Consortium	\$210

Student Development and Success Fee

All students are assessed a \$12.00 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 \$37.00 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 Iron Mountain Campus (excludes: clinics, co-ops, and internships).

Transcript Fee

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

Student Housing Fee

This budget assumes an increase in the 'per semester' housing fee from \$1,935 to \$1,995. This nominal increase aligns with inflation trends.

Dual Enrollment Fees

The College is adopting a new Early College/Dual enrollment fee structure for qualifying students.

1. **Dual Enrollment Courses:** will be billed at a flat rate of **\$160 per contact hour**, which is equal to the Delta County tuition rate. In addition to the current Student Development Fee Discount of \$12 per contact hour, a new Technology Fee Discount of \$37 per contact hour is also being adopted. Any other course specific fees will still apply.
 - a. **Technology Fee Discount:** \$37 per contact hour
 - b. **Student Development fee Discount:** \$12 per contact hour.
2. **Concurrent Enrollment Courses:** College courses taught by College certified High School instructors, will be billed at a flat rate of **\$75 per contact hour**. The Student Development Fee and Technology Fee Discounts also apply."

No discussion.

Roll Call:

Ayes: Wendy Middaugh, Terri Mileski, Katie VanEnkevort, Eric Lundin, Nick Chenier
Nays: None
Abstaining: None
Motion carried unanimously.

Wendy Middaugh brought up the matter of annual tuition increases and the impact on students and the community. A discussion took place that acknowledged the decision to raise tuition is not favorable and Trustees encouraged Administration to consider alternatives to raising tuition next year. Dr. Hughes added this is discussed among the Michigan Community College Association presidents as a challenge. Trustees were encouraged by the decision to offer flat rate tuition for dual enrollment/early college students which will help local K12 school budgets and the community. Conversely, is the challenge to recognize where the College sits economically when the reality of the state appropriation funding is not stable.

VIII. Board Action: Millage Levy for 2025-2026

Administration's recommendation to levy the full allowable mills of 3.2783 was presented for approval:

It was moved by Terri Mileski 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	2.2841
Debt & Capital Mills	<u>1.0000</u>	<u>.9942</u>
Total	3.5000	3.2783”

No discussion.

Roll Call:

Ayes: Terri Mileski, Katie VanEnkevort, Eric Lundin, Wendy Middaugh, Nick Chenier

Nays: None

Abstaining: None

Motion carried unanimously.

IX. Board Action: Operating & Capital Budgets

The 2025-2026 Operating and Capital Budgets were presented for approval:

It was moved by Eric Lundin and seconded by Katie VanEnkevort to:

“Approve the 2025-2026 Operating and Capital Budgets as presented on June 18, 2025.” No discussion.

Roll Call:

Ayes: Katie VanEnkevort, Eric Lundin, Wendy Middaugh, Terri Mileski, Nick Chenier

Nays: None

Abstaining: None

Motion carried unanimously.

X. Unfinished Business

Chair Nick Chenier requested a motion to move to closed session to discuss the periodic personnel evaluation of President Hughes at her request.

It was moved by Wendy Middaugh and seconded by Terri Mileski to:

“Move to closed session to consider the periodic personnel evaluation of Dr. Hughes who has requested that her periodic personnel evaluation be conducted in closed session.” No discussion.

Roll Call:

Ayes: Eric Lundin, Wendy Middaugh, Terri Mileski, Katie VanEnkevort, Nick Chenier
Nays: None
Abstaining: None

Motion carried unanimously.

The meeting moved to closed session at 5:51 p.m. ET. Laura Johnson and Nerita Hughes departed the meeting. Terri Mileski assumed recording responsibility.

Dr. Hughes entered closed session at 6:10 p.m. ET.

The meeting moved to open session at 6:31 p.m. ET.

Laura Johnson returned to the meeting as recorder, and it was moved by Terri Mileski and seconded by Eric Lundin to:

“Approve and authorize Chair Nick Chenier to prepare the contract modifications discussed as a result of Dr. Hughes’ positive performance review, with HR Director Beth Berube effective July 1, 2025.” No discussion.

Roll Call:

Ayes: Wendy Middaugh, Terri Mileski, Katie VanEnkevort, Eric Lundin, Nick Chenier
Nays: None
Abstaining: None

Motion carried unanimously.

XI. Adjournment

It was moved by Terri Mileski and seconded by Katie VanEnkevort to:

“Adjourn the meeting.” No discussion. Motion carried unanimously. The meeting adjourned at 6:38 p.m. ET.

Laura L. Johnson
Assistant Board Secretary

Date
Completed

Approval Date

Nicholas M. Chenier
Chair

Approval Date

2025-2026 Budget Review

BAY
COLLEGE



Budget Assumptions

Tuition Revenue

- Flat enrollment – 38,549 approx. 24-25 contact hours
 - As of 6/16/25 - 2% above in head count and contacts compared to last year
- 3% Tuition Rate Increase
- New Dual Enrollment/Concurrent Enrollment flat rate tuition fee structure \$160/\$75 per contact hour

Tuition and Fees		
Student Residency	2024-2025	2025-2026
	Tuition Rate	Tuition Rate
Delta County	\$155	\$160
Dickinson County	\$231	\$238
In-State	\$267	\$275
Out-of-State	\$327	\$337
International	\$361	\$372
Dual Enrollment/Early College flat rate		\$160
Concurrent Enrollment/DE & EC flat rate		\$75
Radiography – MWTEC Consortium	\$210	\$210

Budget Assumptions

State Appropriations Revenue

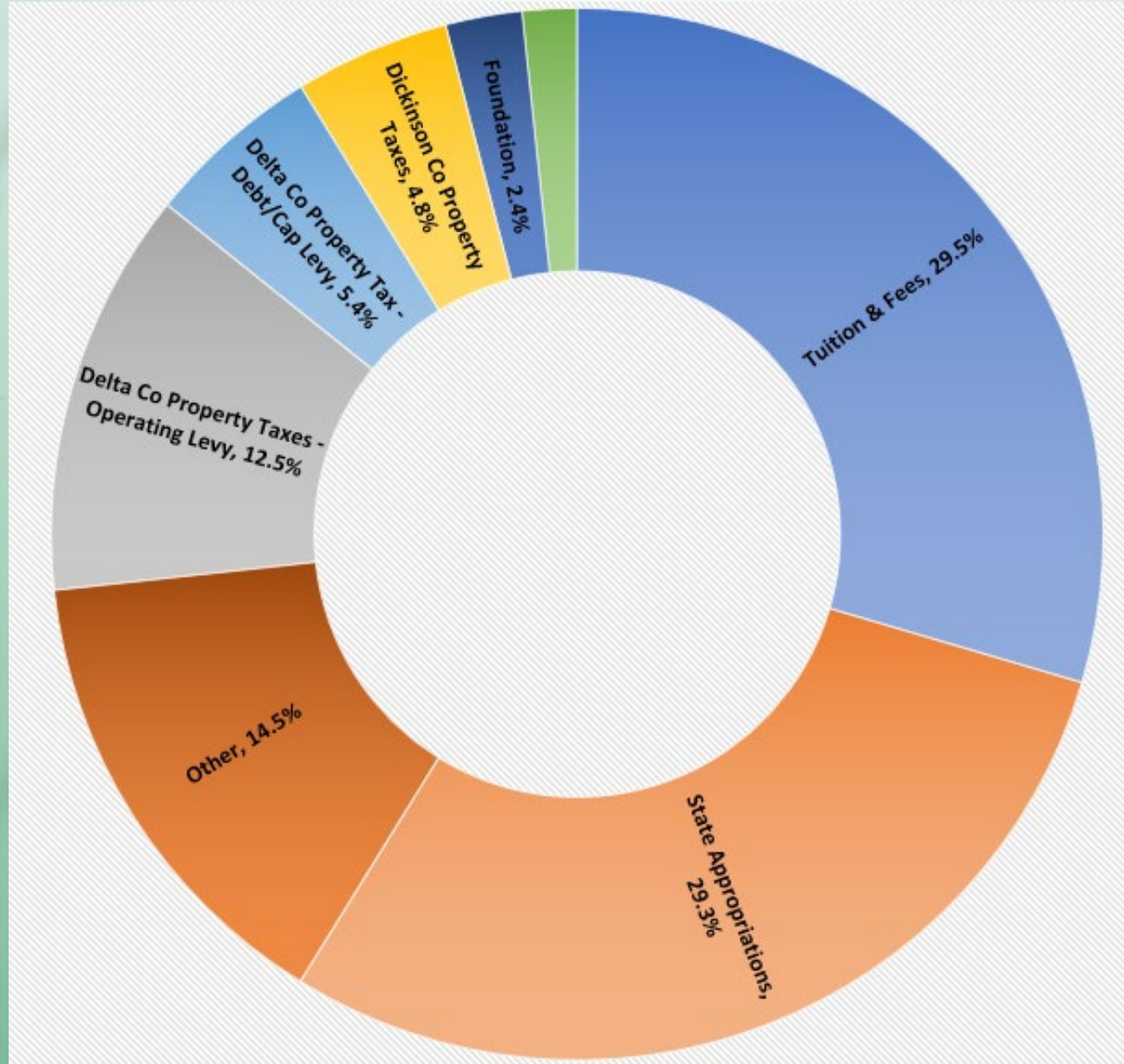
- **2.4% State Appropriations Increase**
 - Governor's Recommendation 2.4% increase
 - Senate Recommendation 1.5% increase
 - Plus Items funding (\$4 thousand more)
 - House Recommendation 1% decrease
 - Also removes \$3.6 million in one-time funding
 - Pension Costs Shifted Back to the College
 - Colleges will absorb the gap on avg. 8.5%

Budget Assumptions

Property Tax Revenue

- Delta County property tax revenue increase:
 - 3% (\$132 thousand)
- Dickinson County property tax revenue increase:
 - 3% (\$38 thousand)

Revenue Sources



Budget Assumptions

Expenses

- 2.75% Salary Increase for Staff and Administration
- Health Insurance Increase of 2.90%
- New Positions:
 - Executive Director of Foundation & Alumni Relations
 - Director of Marketing & Public Relations
 - Part-time Testing Center employee
 - Go Big Grant funded positions:
 - Grant Project Navigator
 - Adult Student Success Coach

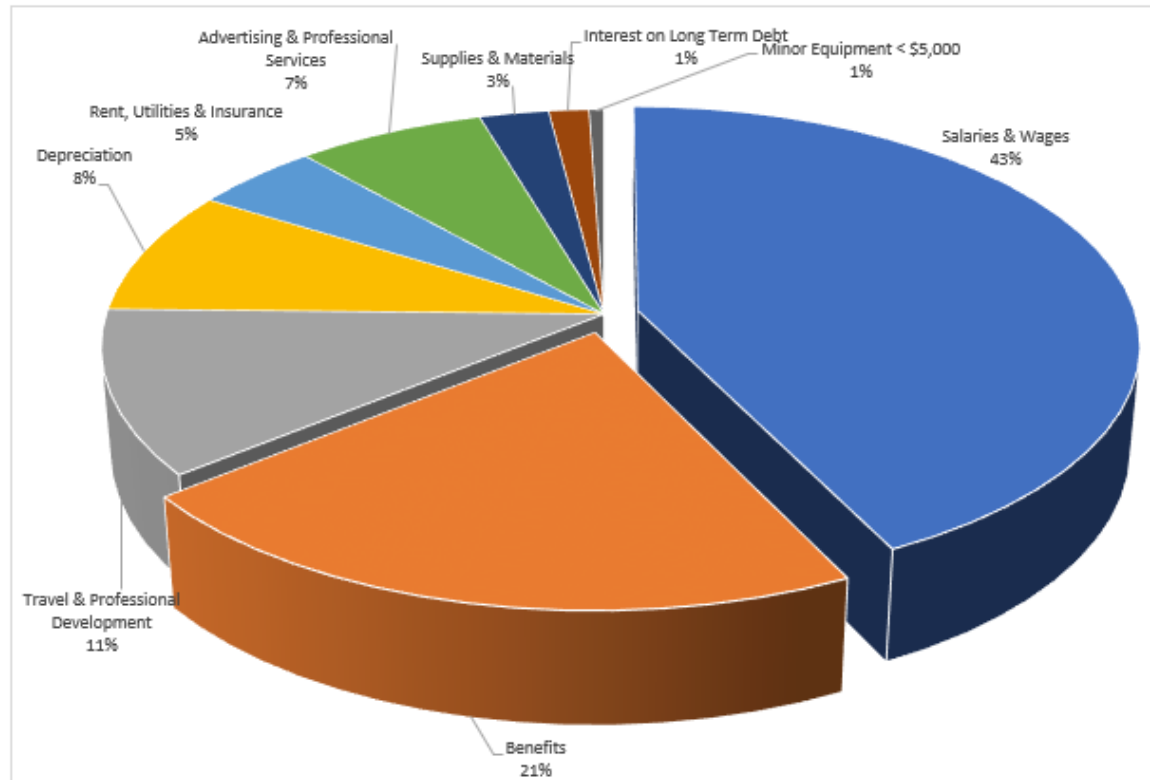
Budget Assumptions

Expenses

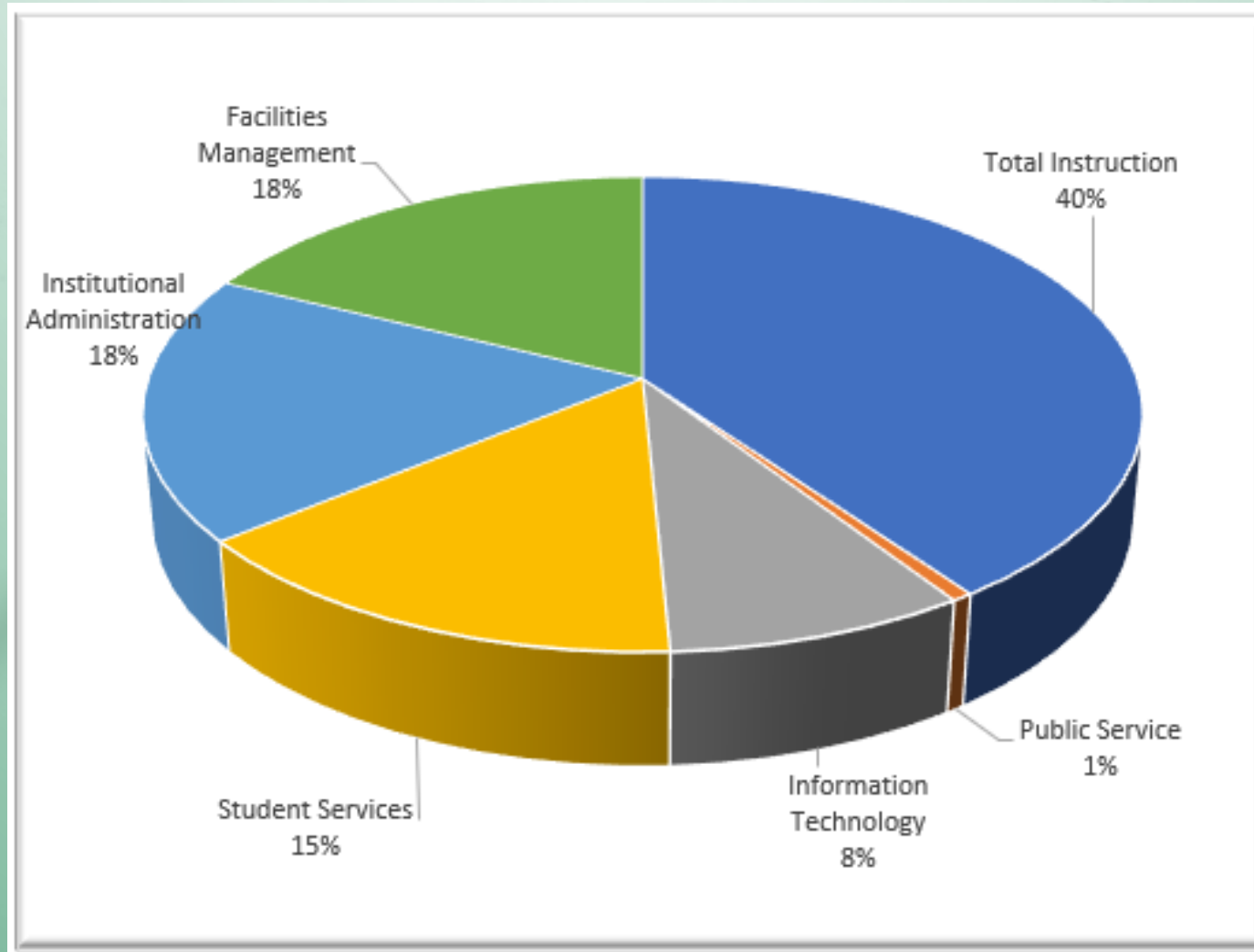
- Investment in Ellucian ERP Implementation cost this fiscal year \$767,076
- One-time Dickinson County Nursing Student Discounts \$119,000
- Anticipated transfer from General Fund Reserves \$886,076
- Deliberate, strategic allocation of resources towards future-focused investment in the College

25-26 Expenditures by Object

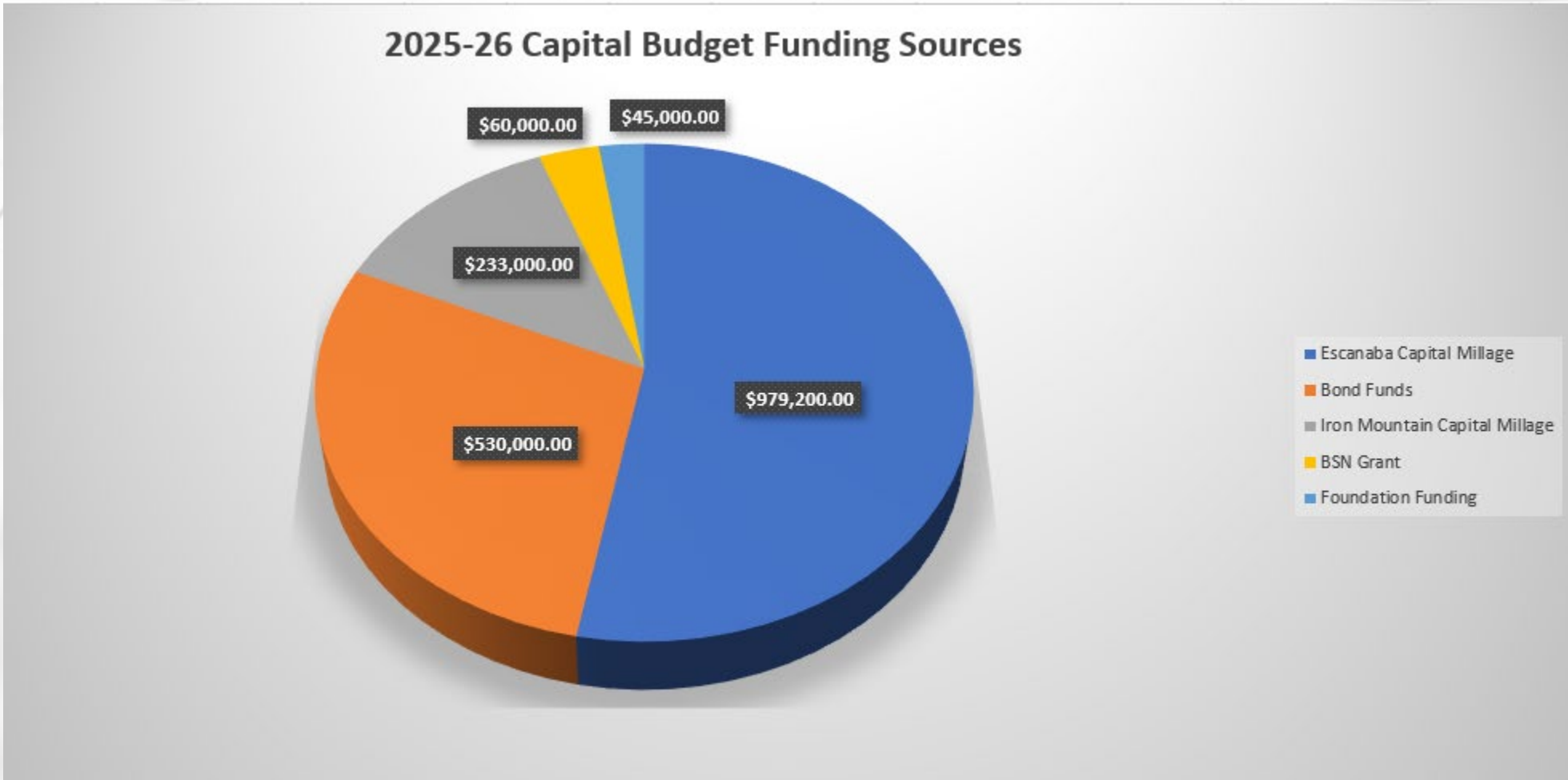
Object	Amount	Percentage
Salaries & Wages	11,908,164	42.8%
Benefits	5,969,372	21.4%
Travel & Professional Development	3,105,475	11.1%
Depreciation	2,355,181	8.5%
Rent, Utilities & Insurance	1,300,893	4.7%
Advertising & Professional Services	1,938,841	7.0%
Supplies & Materials	711,654	2.6%
Interest on Long Term Debt	412,594	1.5%
Minor Equipment < \$5,000	151,065	0.5%
Total Expenditures	\$ 27,853,239	100.0%



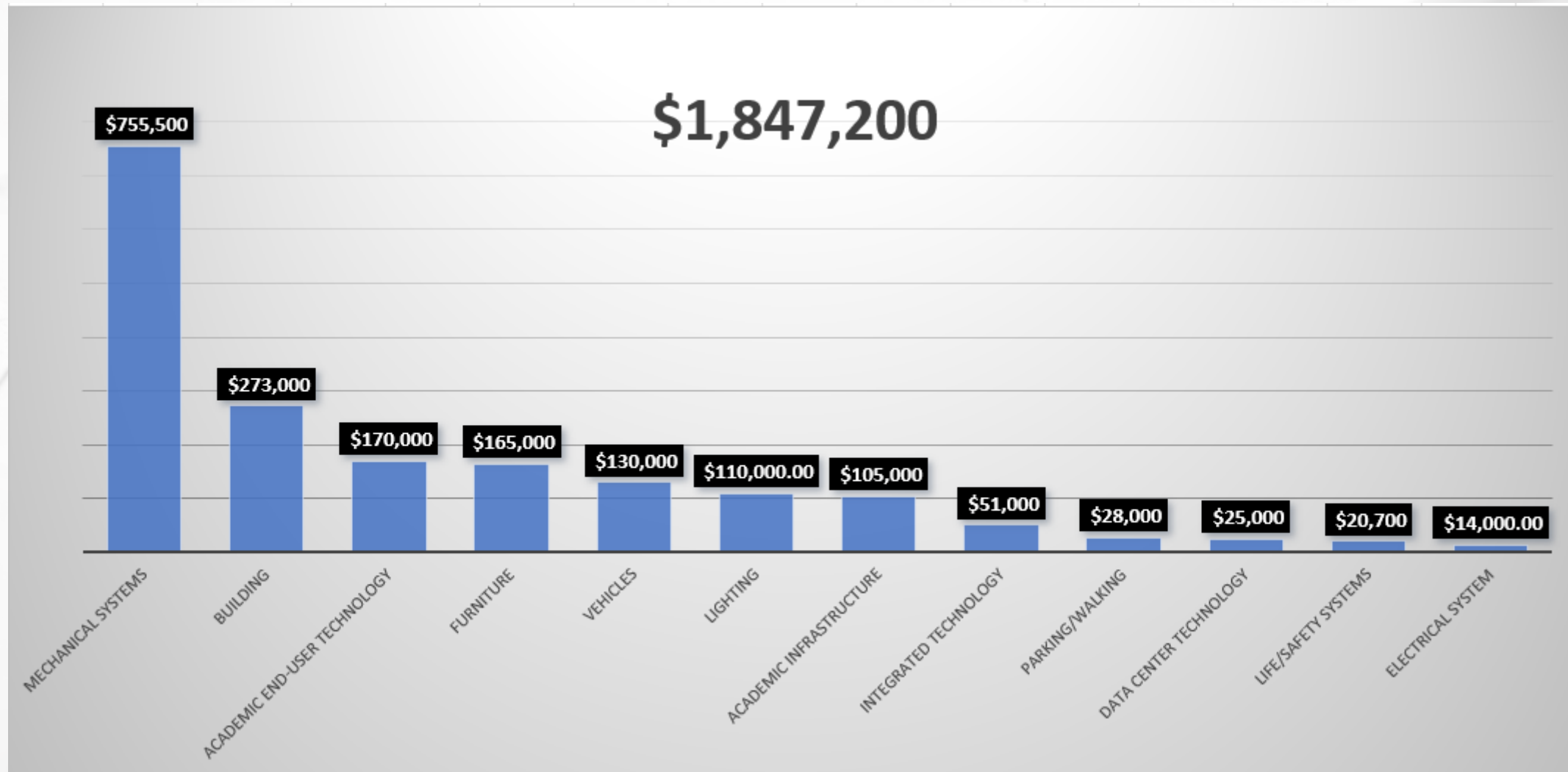
25-26 Expenditures by Activity



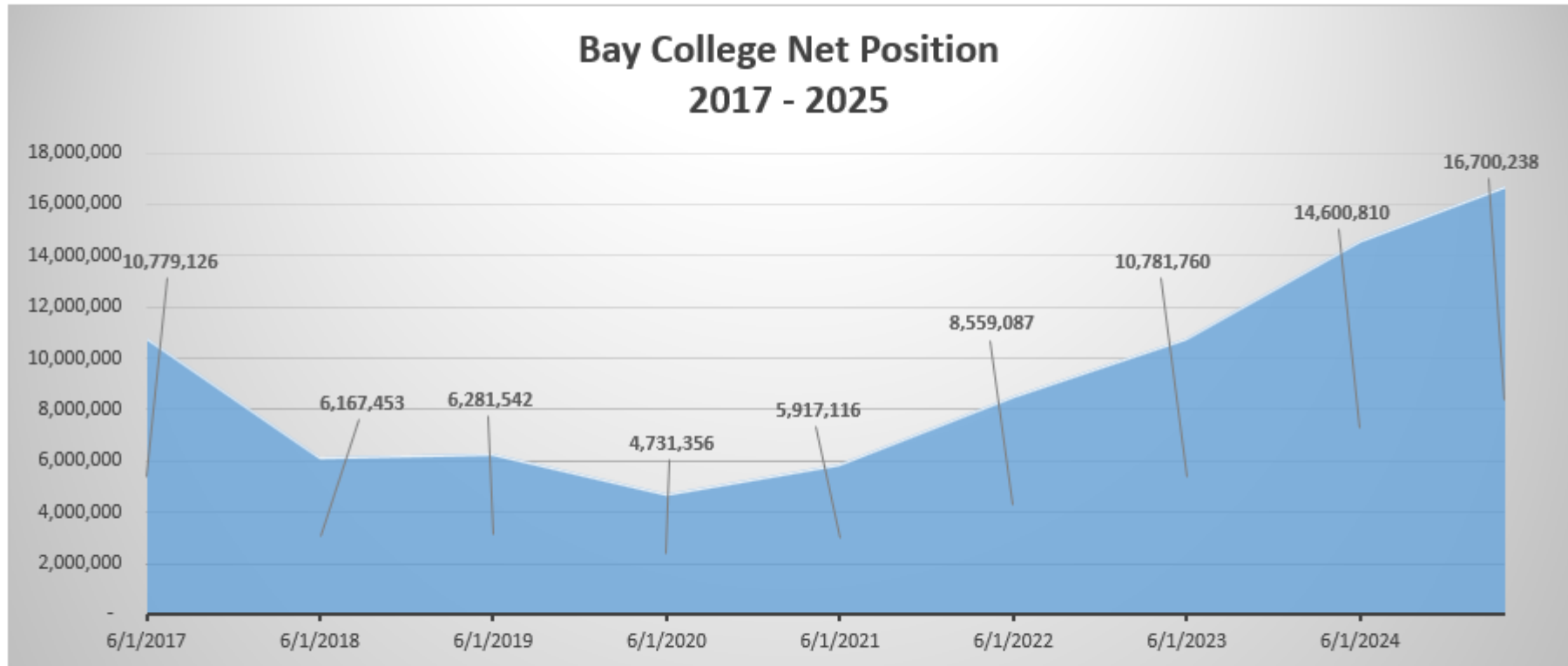
Capital Budget



Capital Budget



Historical Net Position



BdNCC Net Position	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	4/30/2025
Net Position*	10,779,126	6,167,453	6,281,542	4,731,356	5,917,116	8,559,087	10,781,760	14,600,810	16,700,238

Questions?

