

MINUTES OF THE STUDY MEETING OF THE BOARD OF
TRUSTEES OF THE MONROE COUNTY COMMUNITY
COLLEGE DISTRICT

Dining Room
Warrick Student Center
5:30 p.m., June 5, 2023

Present: Florence M. Buchanan, Lynette M. Dowler, Julie Edwards, Nicole R. Goodman, Krista K. Lambrix, Aaron N. Mason

Virtually Present: Mary Kay Thayer

Also Present: Scott Behrens, Dana Blair, Curtis Creagh, Mike D'Haene, Rick Hubbert, Joshua Myers, Kojo Quartey, Linda Torbet, Joe Verkennes, John Wyrabkiewicz, Grace Yackee

CALL TO ORDER

1. Chair Mason called the meeting to order at 5:34 p.m. He advised the trustees to make sure they are speaking into the microphones when speaking.

The purpose of the meeting is for select update presentations from the President and Vice Presidents including discussion on the 2023-2024 budget.

2. There were no delegations.

3. 2023-2024 Budget Discussion

Curtis Creagh, Vice President of Finance and Administration, thanked his staff and colleagues for their support and input in preparing the budget. Budget discussions will continue until the project is completed. He clarified that although the budget is not yet finalized he and his team are confident they will have a balanced budget to present to the Board at their June 20th regular meeting.

Mr. Creagh gave a brief overview of the work involved in building the budget. This process involves many individuals across campus, in particular many of the members of the President's Advisory Group. The process begins with a worksheet that is uploaded to a shared file. Each person is responsible to input information for their area for the coming academic year along with a rationale for their requests, with a priority ranking and whether an item is a one-time or a recurring expense. Another piece of the process allows individuals to look at their requests as they align with the college's strategic plan as the budget and strategic plan are integrally tied to one another. Once the individuals responsible for an area complete their work those recommendations are passed onto the vice presidents who work on items line-by-line and either approve or do not approve them and enter them into a draft budget. They are given additional time to make changes and additional approvals. The final summary is then presented to the Board at the study meeting.

Mr. Creagh spoke briefly about the main budget fund categories. The General Fund is the main operating fund and the biggest fund. The HEERF (higher Education Emergency Relief Fund) is a designated Fund, that includes money that was made available during the COVID pandemic. The College is obligated to spend those monies by June 30th of this year. He also focused on the Designated Fund -Technology (20 Fund); Auxiliary Activities Fund (31, 33, and 35 Funds) that includes the campus store, food service, culinary, and campus and community events.; the Unexpended Plant Fund (71 Fund) where the College transfers money from the General Fund to the Maintenance and Replacement Fund; the Maintenance and Replacement Fund (80 Fund) that is still in progress, and the Millage Maintenance and Improvement Fund (81 Fund) also still in progress.

General Fund Revenues cover four categories, Tuition and Fees, Property Taxes, State Appropriations, and "Other." The Board approved a tuition increase on April 3, 2023. That will generate an additional \$614,219 of revenue (Assumes a 2 percent increase in enrollment and 4 percent increase in rates* based on 2022-2022 actuals).

In terms of Property Taxes, when the College receives money from the county, it gets funds from the General Fund side and some from the millage side. Currently, the College has about \$15 million dollars and we project a 1.74 percent (\$155, 333.) increase (Based on 2023 Millage Reduction Fraction Computation (L-4028)).

State Appropriations are currently at \$5,832,400 and are projected to increase by \$425,550 (total

\$6,247,950). These numbers are calculated based on the governor's budget.

In Other Revenues, the College currently has \$213,724 and is projected to increase by \$394,546 (a total of \$608,270). The increase is largely due to additional interest (*Assumes an increase in rental fees and reductions in culinary sales, interest income, and indirect cost recovery*).

Mr. Creagh noted that the General Fund budget is still in progress for FY22/23. Looking at State Appropriations, Tuition and Fees, Property taxes, and Auxiliary Sales and services we have a total of \$28.8 million. The College has \$1 million of transfers scheduled to bring forward to the Board in the future. Those funds will be moved to the Unexpended Plant Fund.

Mr. Creagh broke the categories down for the Board. He noted that there is about \$29.3 million in revenue in the General Budget. Expenses total slightly over \$27 million and are still in process. The transfer account represents monies bought over to the Unexpended Plant Fund, to secure the interest on the HVAC debt the college owes.

Mr. Creagh directed the Board to the Expenses by Category slide. He drew their attention to the changes in salaries and fringe benefits (+2.52 percent and 4.62 percent respectively), services (+5.70 percent), rent/utilities./insurance (+7.60 percent), supplies (+ 27.31 percent) and services (+4.53 percent), and contingencies are increasing by 384.5 percent. About \$400,000 of contingencies relates to the five positions mentioned earlier. These positions have not yet been approved, but the administration felt it was necessary to have the funds available for them and included them in the contingency. Mr. Creagh pointed out that the 2022-2023 Salaries and fringes are at 80.33 percent and last year they were 84 percent. Services were 4.53 percent, and rent/utilities/insurance at 4.04 percent in 2022-2023.

Mr. Creagh highlighted some new initiatives for the 2023-2024 year, which include a new branding campaign and services (Copy Center); threat assessment training, plan, and program (continuing); New Instructional programming/expansions; Funding positions (i.e. adjustments for position reclassifications/upgrades, additional student assistant funding, grant funding for additional positions (grant manager and educational advocates), and five positions (included in contingency).

Mr. Creagh moved on to the Designated Technology Fund (20 Fund) – Technology, noting that student fees are \$25. This year, we took out actuals and moved it by 2 percent (\$2 million). We try to ensure that those expenses are student-related expenses. Brian Lay, resigned on June 2, 2023 to move closer to family and John Wyrabkiewicz, Network and Systems Architect is filling in as the Interim CIO in his place.

Auxiliary Activities Fund (31, 33, 35 Funds) includes the campus store, food service, and campus and community events. The proposed budgets for these areas include:

- Campus Store - \$1,044,957
- Food Service - \$184,592
- Campus and Community Events - \$69,804

HEERF includes the following programs: CARES: Coronavirus Aid, Relief, and Economic Security Act (HEERF I); CRRSSA: Coronavirus Response and Relief Supplemental; Appropriations Act (HEERF II); ARP: American Rescue Plan Act of 2021 (HEERF III); CRF: Coronavirus Relief Funds; and SIP: Strengthening Institutions Program. The grand total of CARES funding is \$9,947,450. To date, the College has paid out \$5,288,366 in Student Disbursements, and \$181,728.08 in Discharge of Student Debt. All projects must be completed by June 30, 2023. Mr. Creagh presented a list of projects supported by HEERF Funds.

Mr. Creagh explained that the Unexpended Plant Fund (71 Fund) houses the monies expended projects such as the HVAC System. On December 30, 2015, the College borrowed \$16,151,962 to pay for the HVAC project. The annual payment is \$1,436,118.52 (principal \$1,093,898.55 and interest of \$342,219.97) split into two semi-annual payments. On June 30, 2023 the balance owed was \$8,812,936.06. The balance owed on June 30, 2024 will be \$8,812,936.06. \$9,906,894.61.

The Maintenance and Replacement Fund (80 Fund) is currently being finalized. There is currently about \$1 million over expenses in the fund that will be transferred into the Unexpended Plant fund at a later date to help cover the payments for the HVAC system The Millage Maintenance and Replacement Fund (81 Fund) is also in process. All funds will be complete and balanced for the June 20, 2023 Budget meeting.

4. New for 2023-2024:

- New Branding Campaign and Services – Copy Center
- Threat Assessment Training, Plan, and Program - continuing
- New Instructional Programming / Expansions
- Funding of Positions:
 - Adjustments for Position Reclassifications / Upgrades
 - Additional Student Assistant Funding
 - Grant Funding for Additional Positions, particularly Grants Manager & Educational Advocates
 - Five positions included in contingency (\$400,000)

5. Mr. Creagh will email the Trustees the answers to the following questions posed by the Board:

- What items make up the fines, fees, and charges that are listed under the “Other” Fund?
- What types of items fall under the “Other Fund?”
- Why is “Administration up 15 percent?”
- Can we get a summary of last year’s budget?
- Can we have the pre-budget study meeting earlier in the year (perhaps May)?

6. Updates from the President and Vice Presidents:

Dr. Quartey announced that he sent a personal letter to Governor Whitmer regarding the Capital Outlay awards.

7. *It was moved by Ms. Dowler and supported by Ms. Edwards that the meeting be adjourned.*

The motion carried and the meeting adjourned at 5:53 p.m.

Respectfully submitted,

Aaron N. Mason
Chair

Florence M. Buchanan
Secretary

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These minutes were approved at the September 25, 2023 regular meeting of the Board of Trustees.

If you have a disability and need special accommodations, please contact the Office of Human Resources at least five business days before the scheduled meeting by calling (734) 384-4245, or by writing to this office at Monroe County Community College, 1555 South Raisinville Road, Monroe, MI 48161-9746.