

STUDY MEETING OF THE BOARD OF TRUSTEES OF THE  
MONROE COUNTY COMMUNITY COLLEGE DISTRICT  
(734) 242-7300, Ext. 4311

Monroe County Community College  
La-Z-Boy Center  
The Board of Trustees Room, Z-203  
1555 S. Raisinville Rd  
Monroe, MI 48161  
5:30 p.m., June 8, 2026

Present: Lynette M. Dowler, Julie M. Edwards; Nicole R. Goodman; Aaron N. Mason; Linda M. Roberts; Mary Kay Thayer; Kristy Svatek-Whitson

Guest: Jim Rogers from Ellucian

Also Present: Scott Behrens, Brian Bertram, Chris Gossett, Denise Lindemann, Joshua Myers, Kojo Quartey, Frank Thomas, Linda Torbet, Joe Verkennes, Quri Wygonik, Grace Yackee, Kristi Hoffman (secretary)

1. Chair Mason called the meeting to order at 5:30 p.m. The purpose of the meeting is for a pre-discussion on the 2026-2027 budget. No votes will be taken. The regular agenda is suspended for this meeting.
2. Chair Mason asked everyone to stand and recite the Pledge of Allegiance.
3. 2026-2027 Budget Discussion  
Chair Mason restated that the purpose of the meeting is for pre discussion on the 2026/2027 budget. No votes will be taken. The regular agenda is suspended for this meeting. Mr. Mason commented that the budget has to be submitted in June, and past experience has been such that we try to tackle too much in our June meeting at the end of the month; therefore, we have this study meeting earlier in the month to give a snapshot of where the upcoming budget stands at this point in time.
4. President Quartey announced that Mr. Frank Thomas will be presenting the budget information. He also announced that we have a guest that will speak for a few minutes. Dr. Quartey reminded the Board that he sent them a document, a couple of months ago, for review of tuition and other income sources. He turned the floor over to Frank Thomas, Vice President of Finance and Administration, to present the budget discussion.
5. Frank Thomas, Vice President of Finance and Administration, started the presentation and stated that he will be discussing only the **General Fund**, the **Designated Technology Fund**, the **Maintenance and Replacement Fund (80)** and the **Millage Maintenance and Improvement Fund (81)**.

Mr. Thomas presented an overview of the General Fund revenue structure, identifying four primary categories of revenue, which included tuition and fees, property taxes, state appropriations, and other revenue.

Mr. Thomas explained that tuition and fee projections for fiscal year 2026–2027 (slide 6) are derived from enrollment headcount projections prepared by Dr. Quri Wygonik, Director of Institutional Effectiveness and Chief Data Officer’s office, estimated contact billable hours, and tuition and fee rates previously approved by the Board (slide 7). He noted that graphical analysis shows enrollment trends declining during the COVID period, followed by a gradual recovery. He stated: “We are starting to see enrollment return to levels similar to where we were prior to COVID.”

Mr. Thomas further broke down trends by academic term (slides 8-11). Fall and winter terms both show increasing contact hours and summer term data was included for comparative purposes. Summer hours are anticipated to increase. Based on these calculations, we are budgeting for tuition and fees in the amount of \$8,513,000 (slide 12). Slide 13 shows the breakdown of not just the tuition, but the fees that are collected as well. This enrollment information is used to try to anticipate registration fees. This also includes the lifelong learning tuition and fees.

The next slide (14) is just a historical piece of information, showing how the fees and

tuition rates have increased.

6. Mr. Thomas moved on to discuss property taxes and L428 from the Equalization Department (slide 16). We have 19 taxing jurisdictions, including Bedford Township, Frenchtown, and City of Monroe. Slide 17 was added last year to show logistics of Detroit Edison, coal plant, and Fermi. The decrease that was anticipated has not come to fruition yet. Data centers do add taxable values. Slide 18 is a historical look at property values. We will be impacted by the Headlee reduction this year.

At the next meeting, we'll have the L429 to approve (slide 19). L429 is what's going to be sent out to the taxing jurisdictions to set all of our property tax bills for the winter collection. When completing the monthly reports, we are always lagging at the beginning of the year due to collection solely in the wintertime, not in the summer. We actually just received our last payment for the year. Slide 20 is another detail breakdown for property taxes.

Moving on to state appropriations, the budget has increased by 2.5 percent. This number is based on the governor's proposed budget that is not yet approved, so this number could change. This is what she's recommending for K-12s. K-12s and community colleges are paid out in state aid so this is what we are anticipating. The governor also has in her budget items funding but items funding does not go into the base for next year. The governor is anticipating a little over \$1,000,000 and that \$1,000,000 does not go into the base. If we were to get this, and then they come in with an increase next year, it's very likely we could see a reduction, a total overall reduction in state aid which in turn hurts overall, when that occurs.

7. Mr. Thomas touched on the last revenue generating topic, "Other Revenues," which the biggest piece is interest earnings (slide 25). Mr. Thomas pointed out that we do have an RFP for banking services that is going out so the intent is to move away from PNC bank to a new institution. Hopefully, the interest earnings will be better at another institution. Slide 26 shows what we're anticipating budgeting for, our current budget, what we received up through May 14th, and then actual revenues from the last four years.
8. Moving out of revenues and into expenses. Salaries and benefits are based on negotiated contracts at this point with raises, which has been built into the salaries. As for fringe benefits, we are actually seeing a reduction in the state retirement rate (slides 29 through 31). A question was asked regarding the percentage the college is responsible for currently and Mr. Thomas indicated it ranges from 15 to 27 percent as there are 20 different retirement plans.

The Board received an overview of ongoing improvements to the college's budget development process, including a transition from department-level spreadsheet submissions to a more automated, self-service financial system. This shift is intended to streamline reporting, reduce manual data manipulation, and improve efficiency in generating monthly financial reports. While the format of reports may change, the underlying financial information will remain consistent. Mr. Thomas noticed that salaries and benefits continue to increase; however, these costs remain within projected parameters, accounting for approximately 79–80% of total expenses.

9. Mr. Thomas explained that slide 29 shows all of the fringe benefit types including state retirement, ORP and FICA, as well as health and life insurance. The biggest cost of payroll is retirement or the FICA, followed by health insurance. Slide 30 shows a summary of the major retirement plans. The rates have skyrocketed over the past couple years but are starting to come down. The cost is a little over 35 percent for every dollar we are paying out.

Slide 32 shows what is occurring in the next month including the transfer of the ERC payment that we received. This will be an action item on the June meeting agenda, to transfer this payment into Fund 81, which is our millage fund. Other expenses include a contingency that was created as a line item, primarily to address issues with the geothermal system. This generally accounts for 10 percent of the expenses.

Mr. Thomas described the summaries on slide 33 (listed by cost center). This is the format the auditors use, as well as the format that the state prescribes for reporting. The purple highlights what is projected. The report includes the current budget, actual expenditures through May 14th, and a comparative analysis of actual expenditures over the past four fiscal years. It was pointed out that right now we have more revenues than expenses, so the budget is balanced; however, as the slide further down shows another revenue over, then

under expenses, this line item is negative. We will discuss this later, but this line item refers to the HVAC payment. We need cash to pay for the HVAC, so a transfer will need to be made into the HVAC Fund 71. Slide 34 shows the same information but broken down even further. The categories are broken down into percentages. Currently, we are on target at 80 percent.

Mr. Thomas explained that slide 35 is new this year. This slide was created to assist in explaining why we have these categories for Net Position. In 2015-16, it became a requirement in the audit under GASB 54 to designate what they called the “fund balance,” r now called Net Position. This slide shows the HVAC payment listed as a liability because the College still owes money on it.

10. Mr. Thomas moved on to the Designated Fund – Fund 20 Technology. This fund is going to have a large expense this year. Discussion also focused on long-term planning for deferred maintenance, particularly in the area of technology. Unlike traditional facilities maintenance cycles, technology investments require shorter planning horizons due to rapid advancements. The administration outlined a multi-year strategy that includes transitioning from on-premises systems to cloud-based solutions. This transition is expected to result in cost savings over time, reduce the need for redundant software, and improve operational efficiency. While implementation will take approximately two years and include upfront costs such as training and system conversion, the average long-term investment for the software component was presented as stable over a ten-year period. New servers will cost \$737,000.
11. The Board heard a presentation regarding the college’s planned modernization of its student information system through a Software as a Service (SaaS) model, through the Ellucian Colleague System, from our guest Jim Rogers. This approach shifts system hosting, maintenance, and security responsibilities to the vendor, allowing internal IT staff to focus more directly on supporting students, faculty, and institutional priorities. The transition is expected to enhance data security, improve system reliability, and provide access to ongoing technological updates.

Additional benefits of the SaaS model include enhanced user experiences for students, faculty, and staff through personalized dashboards, improved academic planning tools, and streamlined registration processes. The system will also support business process automation, reducing reliance on paper-based and manual workflows and improving overall service delivery. Enhanced reporting and data visualization tools will further support transparency, communication, and data-informed decision-making across the institution.

Overall, the modernization initiative was presented as a strategic investment aligned with the college’s long-term goals, emphasizing improved student support, operational efficiency, and institutional effectiveness. Ellucian serves 23 out of the 31 community and tribal colleges across Michigan, which is about 88 percent of community colleges. Ellucian is based out of Virginia and is the largest provider of higher education technology in the world serving about 22 million students and 2800 institutions.

12. Moving on to the Auxiliary Activities Fund (slide 37 through 38), Mr. Thomas explained briefly that this includes our campus bookstore, food service, and the community events.
13. Mr. Thomas moved to the next slide (39) to discuss the Unexpended Plant Fund – Fund 71. Currently, we have \$6,500,000 outstanding. Mr. Thomas believes 2031-2032 will be our last payment so there is light at the end of the tunnel.
14. Moving on to the Maintenance and Replacement Fund – Fund 80 Construction, slide 40, which is typically our construction fund. The last projects that will be funded out of this account will be the HEB and Whitman Center. The Whitman project includes roofing issues. The HUD grant is secured for the Whitman projects. Mr. Thomas discussed several projects that were in the works including some encumbrances for engineering services. The bottom line is to try and maintain a \$500,000 net position.
15. Mr. Thomas informed the Trustees about Facilities and Infrastructure updates and the Millage Maintenance and Improvement Fund – Fund 81. He reported that additional geothermal system failures occurred over the weekend, resulting in increased projected costs. The additional cost identified is approximately \$240,000. Total geothermal-related repairs across campus are now estimated at approximately \$550,000. Mr. Thomas stated that the contractor, Midwest, is scheduled to:

- \* Inspect the system and identify at least two suspected leaks
- \* Complete necessary repairs
- \* Conduct pressure testing
- \* Flush the system to remove debris

He further noted that internal plumbing work will occur simultaneously to flush interior systems and ensure proper water quality prior to installation of new equipment. During discussion, it was noted that the system contamination appears significant, with one speaker informally remarking on the condition of the system water.

Mr. Thomas identified several additional infrastructure concerns, including:

- \* Elevator maintenance and reliability
- \* Cooling system deficiencies
- \* Sidewalk repairs across campus

Mr. Thomas noted visible construction areas on campus, referencing ongoing work and safety measures such as cones marking repair locations. In addition, he reported that the Warrick Center is currently operating with only one functioning HVAC system. He stated: “If that system goes down, the building will be without air conditioning until replacement equipment is received, which could take up to ten weeks.” Mr. Thomas further reported that the system recently failed but unexpectedly restarted. Maintenance staff have made significant efforts to keep the system operational. He commented: “You can only maintain a system with temporary fixes for so long.”

16. Mr. Thomas identified six primary factors expected to impact the upcoming budget:

1. State appropriations
2. Master Plan
3. Instructional support needs
4. Five-year capital outlay planning, Deferred maintenance prioritization
5. Technology planning
6. Normal maintenance and repair costs

He described the institution’s infrastructure challenges as comparable to maintaining an aging home, stating: “It’s like a house—just a much bigger, older one.” Mr. Thomas emphasized that tuition, property taxes, and most expenditures are relatively stable. State appropriations remain the most uncertain element. Currently, we are around \$1,200,000 in repairs and maintenance.

17. Trustee Edwards stated: “I have much more confidence in my ability to vote one way or the other by having these meetings.” Other Trustees expressed agreement and appreciation for the opportunity to review materials in advance. Additional Trustees concurred that the workshop format provides necessary context for informed decision-making and allows time for review outside of formal meetings.

Chair Mason advised the Trustees to submit questions in advance of the formal Board meeting, stating: “If questions are submitted early, administration can provide responses ahead of time so we do not spend excessive time on a single agenda item.”

Chair Mason further clarified that questions should be relevant to Board-level governance and policy and operational-level inquiries may be addressed administratively rather than during meetings.

President Quartey asked what items would be subject to Board approval at the upcoming meeting. Mr. Thomas responded not all workshop content will require formal action and The Board will vote primarily on summarized budget documents. He indicated that the primary focus will be on the main budget summary (page one), most figures are stable, including tuition, fees, and that property taxes and state appropriations may change and would be updated, if necessary, prior to the vote.

Trustee Thayer expressed concern regarding the impact of the unsuccessful millage, noting that certain desired improvements may not be feasible under current financial constraints.

Discussion included a specific example of a lower-priority facility improvement that may need to be deferred. Mr. Thomas acknowledged the concern and confirmed that priority will be given to essential infrastructure and operational needs and non-essential projects may be postponed.

President Quartey and Chair Mason, along with several Trustees, expressed appreciation to Mr. Thomas and the financial team, facilities and maintenance personnel, Cabinet members, and all staff contributing to preparation of the budget. Trustees specifically noted appreciation for receiving materials in advance of the meeting.

*It was moved by Trustee Dowler and seconded by Trustee Goodman that the meeting be adjourned.*

The motion carried and the meeting adjourned at 6:37 p.m.

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These minutes were approved at the June 22, 2026, regular meeting of the Board of Trustees.