



Northwestern
Michigan
College

Board of Trustees

www.nmc.edu/trustees

We deliver lifelong learning opportunities to transform lives and enrich our communities.

1701 East Front Street
Traverse City, MI 49686
(231) 995-1010
trustees@nmc.edu

Meeting Agenda

Monday, May 22, 2023

at Timothy J. Nelson Innovation Center
Room 106/107
1701 E. Front Street

5:30 p.m. Regular Meeting

I. GENERAL BUSINESS

- A. Call to Order
- B. Roll Call
- C. Pledge of Allegiance
- D. Review of Agenda and Approval of Additions, Deletions, or Rearrangements

II. STRATEGIC FOCUS

- E. Mission & Values in Action: Futures for Frontliners—*Christal Frost Anderson, Alumna*
- F. Strategic Initiatives Update: Diversity, Equity, and Inclusion—*Jason Slade, Vice President of Strategic Initiatives and Marcus Bennett, Special Assistant to the President*

III. REPORTS AND PRESENTATIONS

- G. Program Focus: Freshwater Research & Innovation Center—*Jason Slade, Vice President of Strategic Initiatives, and Matt McDonough, CEO, Discovery Center & Pier*
- H. Faculty Report: Audio Tech—*Jeff Cobb, Director of Music Programs, and Brady Corcoran, Audio Technology Coordinator*
- I. FY24 Budget—*Troy Kierczynski, Vice President of Finance and Administration*

IV. PUBLIC INPUT

Each person wishing to address the Board during public comment must be present and shall provide their name, address, city, phone, and issue to be addressed on a form provided prior to the meeting. The topic addressed should be related to business within the jurisdiction of the Board. Forms will be collected and given to the Board Chair prior to the call for order. Comments will be limited to (3) three minutes in length per speaker. The Board will take public remarks into consideration, but will not comment at time of input.

V. UPDATES

- J. President's Update—*President Nick Nissley*
- K. Board Chair Update—*Laura Oblinger, Chair*



1701 East Front Street
Traverse City, MI 49686
(231) 995-1010
trustees@nmc.edu

May 22, 2023 Meeting Agenda
Page 2

VI. CONSENT ITEMS (Pursuant to Policy A-105.00 Consent Agenda Items)

These items will be adopted as a group without specific discussion. When approving the meeting agenda, any Board member may request that a consent agenda item be moved to the regular agenda for discussion or questions.

Recommend that the following items be approved:

- L. Minutes of the April 24, 2023, regular meeting and closed session
- M. Enrollment Report—*Todd Neibauer, Vice President for Student Services and Technologies*
- N. Financial Report—*Troy Kierczynski, Vice President of Finance and Administration*
- O. PRMC—*Diana Fairbanks, Associate Vice President of Public Relations, Marketing, and Communications*
- P. Foundation Report—*Jennifer Hricik, Interim Associate Vice President for Resource Development and Executive Director of Foundation*
- Q. Executive Committee Minutes—*Laura Oblinger, Chair*
- R. Building & Site Committee Minutes—*Ken Warner, Committee Chair*

VII. ACTION ITEMS

- S. **Notice of Truth in Taxation Hearing** (Pursuant to Policy A-106.00 Finance)
Recommend that the Truth-in-Taxation First Resolution be adopted as presented.
- T. **Housing and Board Rates for FY24** (Pursuant to Policy A-106.00 Finance)
Recommend approval of Housing and Board Rates for the 2023-2024 fiscal year as presented.
- U. **University Center Upgrades** (Pursuant to Policy A-106.00 Finance)
Recommend authorization for administration to enter into a contract with Miller-Davis Company in the amount of \$391,600, plus 15% contingency of \$58,740, for total authorization of \$450,340, to complete the required life safety upgrades to the existing south wing of the NMC University Center.
- V. **Network Server Replacements** (Pursuant to Policy A-106.00 Finance)
Recommend authorization for administration to enter into a contract with Frontier Computer for the purchase of nine replacement network servers for \$91,809.
- W. **Board Policies** (Pursuant to Policy A-106.00 Other)
Recommend adoption of the following Board policies on a second-reading basis:
 - A-106.01 Naming Opportunities
 - C-103.00 Purposes



Board of Trustees

<http://www.nmc.edu/trustees/>

1701 East Front Street
Traverse City, MI 49686
(231) 995-1010
trustees@nmc.edu

May 22, 2023 Meeting Agenda
Page 3

VIII. REVIEW OF FOLLOW-UP REQUESTS

Confirm requests made by the Board that require administrative follow-up for information to be provided to the Board at a later date.

IX. ADJOURNMENT

Upcoming Board Meeting Dates:

All board meetings are open to the public.

- June 26, 2023—Timothy J. Nelson Innovation Center, Room 106/107
- July 24, 2023—Parsons-Stulen, Aero Park Campus, Room 222/224
- August 28, 2023— NMC Hagerty Center, Great Lakes Campus, Room C
- September 25, 2023—Timothy J. Nelson Innovation Center, Room 106/107
- October 23, 2023—Timothy J. Nelson Innovation Center, Room 106/107
- November 20, 2023—Timothy J. Nelson Innovation Center, Room 106/107 (3rd Monday)
- December 11, 2023—Timothy J. Nelson Innovation Center, Room 106/107 (2nd Monday)
- January 22, 2024—Timothy J. Nelson Innovation Center, Room 106/107
- February 26, 2024—Timothy J. Nelson Innovation Center, Room 106/107
- March 18, 2024—NMC Hagerty Center, Great Lakes Campus, Room C (3rd Monday)
- April 22, 2024—Timothy J. Nelson Innovation Center, Room 106/107
- May 20, 2024—Timothy J. Nelson Innovation Center, Room 106/107 (3rd Monday)
- June 24, 2024—Timothy J. Nelson Innovation Center, Room 106/107

NMC NEXT

OUR COMMUNITY. OUR COLLEGE. OUR FUTURE.

To: Dr. Nick Nissley, President

From: Jason Slade, Vice President of Strategic Initiatives

Date: May 15, 2023

Subject: Strategic Initiatives Update: *May 22, 2023 Board of Trustees Meeting*
 Topic: *Strategy 3 - Diversity, Equity, and Inclusion*

Strategy 3: Diversity, Equity, and Inclusion

Diversity, Equity, and Inclusion: Cultivate an inclusive environment that fosters a sense of belonging and delivers equitable opportunities so all students and employees are able to thrive and succeed. (*Champion:* Marcus Bennett)

Summary:

This strategy is on track with 3 of the 4 objectives currently classified as “green.” Objective 4 (Address the barriers to entry and success) is “yellow” with challenges highlighted below. Objective 2 (DEI 0.5 FTE position) is complete. Most importantly, the NMC DEIB (Diversity, Equity, Inclusion, and Belonging) Advisory Council was able to develop the following DEI purpose statement:

We are committed to enhancing and cultivating a diverse, equitable and inclusive environment through actions that foster a sense of belonging and safety for all members of the NMC community.

The following student, faculty, staff, and community groups were engaged during the process, providing valuable feedback. The timeline below highlights those involved in the process.

Timeline

December 2022 (statement created)

February 2023 (statement revised)

February 2023 (feedback session)

February 2023 (feedback session)

February 2023 (feedback session)

February 2023 (feedback session)

February 2023 (feedback session)

February 2023 (feedback session)

February 2023 (feedback session)

February 2023 (feedback session)

February 2023 (feedback session)

February 2023 (feedback session)

February 2023 (feedback session)

March 2023 (feedback session)

April 2023 (feedback session)

Groups

NMC DEIB Advisory Council

NMC DEIB Advisory Council

Faculty Council

SGA (represents 2,949 students)

East Hall Council (represents 152 students)

North Hall Council (represents 113 students)

Records and Registration staff

Student Financial Services (2,279 students rec’d aid)

Veteran Student Group Liaison

Human Resources

Custodial, Maintenance, and Grounds departments

Community leaders and liaisons

Disability support services (90 students served)

April 2023 (review / revise)
 May 2023 (feedback and support)
 May 2023 (present)

NMC DEIB Advisory Council
 NMC’s President’s Council
 Board of Trustees

The purpose statement aligns with the language used in the strategic plan development.

Highlights and Successes of this Strategy:


- The development of the purpose statement as documented above.
- HR developing on-boarding training for new hires with a focus on diversity, inclusion, and belonging.
- Embrace the Dream weekly events were very successful including a presentation by Alvin Hall (financial educator, television and radio broadcaster, bestselling author), art exhibits, The Spirit of Harriet Tubman play, Food for the Soul, and so much more.
- International Services and Service Learning’s Passport Series which showcased NMC students sharing their global experiences.
- Student Success Coaches and Ambassadors creating a stronger sense of belonging through events and outreach.
- Conversation with Senator Amy Klobuchar’s Office - Minnesota around diversification strategies.



Challenges:


- With a limited BIPOC population, Objective 4 (Address the barriers to entry and success) requires more data which we hope to achieve through a fall survey.
- It has been a challenge to fill the Native American success coach position and are reaching out to the Grand Traverse Band of Ottawa and Chippewa Indians for assistance.

Events:

- There are number of DEIB-related events coming up including:
 - Asian American Pacific Islander heritage month (May)
 - Pride Carnival (June 3)
 - Juneteenth event
 - Grand Traverse Band of Ottawa and Chippewa Indians Traditional Pow Wow (June 17)
 - Pop-up Belongingness activities

Strategy 3 - Diversity, Equity, and Inclusion				
Objective 1: Create a college DEI statement of definition and purpose; receive President’s Council approval and share with the NMC Board of Trustees.				
Status of Action Steps		Current Percent Complete	Target	Notes
4 Complete 1 On Schedule		90% 	100 %	Definitions complete - Nov 2022 Purpose Statement complete - May 2023.

Objective 2: Implement staffing and resourcing for DEI efforts with the creation of at least a .5 FTE position by end of FY 2022.				
Status of Action Steps		Current Percent Complete	Target	Notes
4 Complete Objective Complete		100%	100%	Objective complete - July 1, 2022.
Objective 3: Provide onboarding training and regular training opportunities on diversity, equity, and inclusion for all NMC employees by August 15, 2023.				
Status of Action Steps		Current Percent Complete	Target	Notes
3 On Schedule 1 Not Started		70% 	100%	Onboarding training development is complete and will roll out in August 2023 (Vector Solutions - Diversity and Inclusion: Faculty & Staff). Tentatively investigating the theme of belonging as part of opening conference.
Objective 4: Address the barriers to entry and success of vulnerable student populations to improve application to enrollment statistics from 28% to 35% for BIPOC students and improve 12 month retention of all vulnerable populations by 3 percentage points by fall 2025.				
Status of Action Steps	Baseline (Fall 2020)	Current	Target (Fall 2025)	Notes
3 On Schedule 3 Not Started	Application to Enrollment: 28% Retention: 77% (12 month retention)	Application to Enrollment: Spring '23 = 35% Fall '22 = 26% Retention: Fall '22 - Spr '23 = 77% 	Application to Enrollment: 35% Retention: 80% (12 month retention)	Native American Success Coach position is open Additional data needed - developing survey for Fall 2023 to identify barriers Conversation w/ Senator Amy Klobuchar brainstorming ideas to encourage diversity in GLMA cadet applicants
Objective 5: Review and revise NMC systems, policies, and procedures for inclusive and equitable language and processes across college systems by Dec. 2025.				
Status of Action Steps		Current Percent Complete	Target	Notes
1 On Schedule 4 Not Started		20%	100%	EAB (Education Advisory Board) performing audit of website, policy, and other

				materials. Follow-up meeting mid-May. Objective still on-track
--	--	---	--	---

Key

Green	> 75% of scheduled actions supporting objective are on task
Yellow	> 50% of scheduled actions supporting objective are on task
Red	< 50% of scheduled actions supporting objective are on task

Next Steps:

- Engagement with the newly formed MCCA DEIB affinity group.
- Website development with the support of PRMC

DISCOVERY
CENTER & PIER



NMC

Freshwater Center Joint Venture Proposal

Board of Trustees Meeting
May 22, 2023

Objectives:

1. Provide background on Freshwater Research and Innovation Hub
2. Review the findings of Blue Orange Consulting, hired by the collaborators to identify governance model
3. Highlight the needs for a “joint venture” to move project forward
4. Identify next steps

Driving Factor and Vision

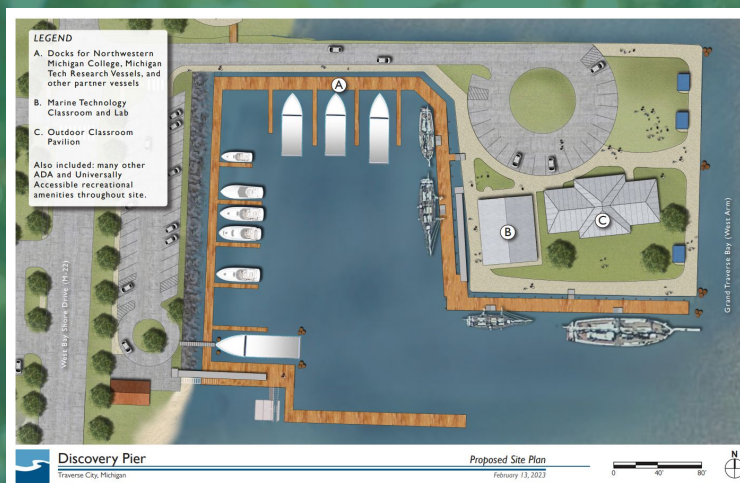
The Freshwater Innovation Hub initiative brings together:

- NMC's strategic plan goal of positioning the Great Lakes Water Studies Institute (GLWSI) as the leading center for marine and geospatial programs and the region's desire to be the global epicenter for freshwater research, industry, and innovation resulting in economic development from the blue economy.
- The Discovery Center & Pier's strategic plan goals and other stated goals of redeveloping the Pier and Campus with strong, mission-aligned partners, supporting efforts that build the local blue economy.

The result is a multiphase redevelopment of the Discovery Center & Pier property in Elmwood Township known as the Freshwater Innovation Hub.

- Phase 1 consists of the buildout of an improved pier and learning center
- Phase 2 centers around a ~\$45M state-of-the-art research and innovation center
 - Referred to as the Freshwater Center

Phase 1: Pier and Dockside Learning Center



- Dockside Learning Center
- Improved pier for R/V Northwestern ROV and equipment deployment
- Deliver academic courses and professional development trainings
- Public interaction and partnership with Discovery Center & Pier
- Freshwater research field studies
- Current dock space at Great Lakes to be used by GLMA (frees up space in the harbor)

Phase 2: The Freshwater Center - Research and Innovation Hub



- Research facilities used by MTU, other universities, and / or government agencies
- Incubation hub for scale-up of research spinoffs (20F, Traverse Connect, others)
- Likely to be developed in phases based on funding

Previous Funding and Current Requests

Previous Funding (Source / Recipient):

- Rotary Charities of Traverse City - \$1.75 (acquisition of pier and property)
- Congressman Bergman - \$1.6M (Discovery Pier)
- Fundraising by Discovery Pier - \$5M (Discovery Pier)

Current Requests:

- Congressionally Directed Spending (CDS) - Sen. Peters, Sen. Stabenow, Rep. Bergman - \$3.038M (NMC)
 - Toward Phase 1
- State of Michigan Budget request - \$20M (potentially Discovery Center & Pier and NMC)
 - Toward Phase 2

Governance // Why a Joint Venture?

Based on the uniqueness of this opportunity, *Blue Orange Consulting* was hired to investigate potential governance structures.

A joint venture was proposed between NMC and Discovery Center & Pier based on the following findings:

- The Discovery Center and Pier owns the land, and is the fiduciary of already-secured private, public, and federal funding
- NMC and Discovery Center & Pier are planning on being the fiduciary of future federal and other public monies
- Both Discovery and NMC have the burden of public accountability (as 501c3, recipient of public grant funds, and / or through status as a public institution)
- NMC and Discovery / Rotary are both well established and well regarded Traverse City institutions
- These two entities are contributing assets (land, cash, fiduciary responsibility) towards the endeavor and agree to ensure the future of The Freshwater Center

Key Elements:

1. Discovery Center and Pier and Northwestern Michigan College form a joint venture
2. Both bring assets (real-estate or financial)
3. Provide for ownership/fiduciary responsibility for the endeavor
4. Support fundraising and development plans
5. Ownership stake on behalf of the public (NMC - GT County, Discovery - GT and Leelanau residents).

Joint Venture

- Basis: Discovery Center & Pier owns the land, and the joint venture owns the Dockside Learning Center building and new Freshwater Center building(s)
- The Joint Venture
 - Develops business plan for Dockside Learning Center and Freshwater Center
 - Continues to pursue funding for the Freshwater Center Phase 2 of the property
 - Develop an advisory board to provide input and guidance on research development
 - Contains other current partners including 20F, Traverse Connect & MTU
 - Maintains communication and solicits input from future tenants regarding facility design
 - Could potentially add members to the joint venture as long as they meet the core mission of being freshwater-focused and contributing debt or assets to the endeavor
 - Manages tenants
 - May be opportunities for others to buy-in to the joint venture

Request & Next Steps

1. Create an NMC Team to explore the formation of a joint venture
 - a. Troy Kierczynski, Rachel Johnson, and Jason Slade
2. Meet with Discovery Center team and potentially moderators to develop a framework
3. Share results with NMC's Board of Trustees and / or committee(s)
4. Approve Joint Venture assuming the terms are agreeable and aligned with NMC's mission and vision

(Note - all partners (20F, Traverse Connect, MTU, NMC, and Discovery Pier) continue to meet on a biweekly basis)



Northwestern Michigan College

AUDIO TECHNOLOGY

Jeffrey Cobb, Director of Music Programs
Brady Corcoran, Audio Tech Coordinator



Our new home - Founders Hall



New marketing campaign and website

AUDIO TECHNOLOGY

Northwestern Michigan College

Audio Technology, Accessible in Applied Science degrees

YEAR 1

COURSE	TITLE	CREDITS
MUS 101 or MUS 100A	Theory of Music: Intro to Music Theory I	3
MUS 103 or MUS 103A	Sight Singing & Ear Training Intro to Ear Training I	2
MUS 108	Class Piano I	2
MUS 112	Class Piano II	2
AUD 100	Applied Music - Audio Tech	2
AUD 105	Theory for Studio Engineers	2
AUD 120	Digital Audio I	2
AUD 130	Live Sound I	2
CREDITS		16
MUS 102 or MUS 100B	Theory of Music: Intro to Music Theory II	3
MUS 106 or MUS 106B	Sight Singing & Ear Training Intro to Ear Training II	1
MUS 107	Class Piano II	2
MUS 110	Music Application Stand-Up	2
MUS 111 or MUS 111	Music Application Stand-Up	2
MUS 109	History of Rock and Roll	3
AUD 115	Studio Recording I	2
AUD 121	Digital Audio II	2
AUD 131	Live Sound II	2
CREDITS		15
YEAR 2		
AUD 111	Studio Recording II	2
AUD 220	Digital Audio II	2
AUD 230	Live Sound II	2
AUD 260	Audio Tech Practicum	4
TRG 111	English Composition	3
Any Group 1 Social Science course		3
CREDITS		16
AUD 215	Studio Recording III	2
AUD 262	Audio Tech Internship	3
AUD 270	Audio Tech Final Project	3
BUS 221	Professional Communications	3
or ENG 112	English Composition	3
Any Group 1 Science course with lab		3-4
CREDITS		15-16
TOTAL CREDITS		64

Connect with us
 Northwestern Michigan College
 1701 E. Front Street, Traverse City, MI
 49786-1000 | 231.946.1000
 Audio Technology: 231.946.1000
www.nmc.edu | www.northwesternmichigan.edu

ASSOCIATE DEGREE & CERTIFICATES
 Hands-on learning opportunities from industry experts.

An all-time touring musician, I chose to attend NMC's Audio Tech Program because I felt that it was the best and most accessible place to learn more about my craft. I recommend this program for anyone who wants to dive headfirst into the world of audio engineering, and to come away with industry and experience that can be used for real life applications!
 —Sara Baker, The Accidental NMC alumna

New computer lab space



Sound Bytes, Season 2



In-Class Experiential Learning



Student Projects

Studio Recording III - Post Production Group Project (Scene from "Breaking Bad")

Practicum / "Gigs"



Great Indoor Folk Festival



Earth Day Concert



THANK YOU!

Budget Development Considerations



**Northwestern
Michigan
College**

Fiscal Year 2024 Update

NMC Budgeting and Planning Process

The Planning and Budget Council (PBC) was formed during the 1999-2000 academic year by merging the former Planning Council and the former Budget Council. Its purpose is to make recommendations to the President regarding strategic planning design and implementation, operational planning, resource allocation, and the general fund budget. Membership consists of eleven regular members (4 faculty, 3 staff, 1 SGA member, 1 maintenance/custodial staff, and 2 at-large) and additional ex-officio members appointed by the President. The Council meets regularly during the academic year, and ad hoc during the summer months.

PBC's full responsibilities are listed as follows (per Governance Policy D-502.00):

- To assist the President in developing the strategic plan including recommending goals, measures and targets;
- To identify the institutional capacities needed to be developed to achieve the strategic plan;
- To assess service levels across the institution for providing input on the college budget;
- To recommend revisions to the budget guidelines;
- To help align budget recommendations with strategic and operational plans;
- To provide feedback and suggestions for the budget input variables;
- To recommend allocation of resources guided by the Vice President for Finance and Administration;
- To communicate with member constituencies;
- To orient new council members.
- To address other related topics as deemed necessary by the President

This Council improves budget transparency and communication at the College. Current members are listed as follows:

Ed Bailey – At Large	Kristi Hallet – Staff
Alex Bloye – At Large	Nicole Fewins - Faculty
Mark Delonge – Staff	Janet Lively - Faculty
Troy Kierczynski – Ex-officio	Cathy Brown - Recorder
Becca Richardson - Faculty	Todd Neibauer – Ex-officio
Jason Slade – Ex-officio	Vacant–Maintenance/Custodial
Tamella Livengood - Faculty	SGA Representative
C.J. Schneider – Staff	Stephen Siciliano - Chair

**Northwestern Michigan College
BOARD OF TRUSTEES
2023-2024 RESOURCE GUIDELINES**

1 – Strategic and Financial Planning

The budget is a financial plan for the priorities of the institution. The budget proposed to the Board of Trustees for adoption should reflect the Strategic Plan and the area operational plans.

2 – Tuition and Fees

Tuition and fees should be considered within the context of the most reasonable estimates of State, local, and private support, and projected expenses to support the College's plans, and projected enrollment and unique program characteristics. Tuition should balance the goal of affordable access to learning opportunities with the goal of high quality service levels for NMC offerings. Regular tuition increases should be considered as a means to sustain this portion of the revenue mix, while minimizing the year-to-year increases. Fees should be reviewed regularly and increases considered when the cost elements to which they contribute increase. Our in-district students will pay less than out-of-district students because the College receives local tax support from Grand Traverse County residents. For some programs, the College uses differential tuition and fees in excess of the general rates.

3 – Salaries and Benefits Equity

Northwestern Michigan College is committed to attracting and retaining a quality workforce. Equity in salary and benefits is part of the NMC culture and should be expressed within a total compensation package. As part of that package, salary and benefits for faculty and staff will be based on the appropriate peer group or determined in the relevant collective bargaining agreement. The Human Resources office will benchmark non-union employee salaries and wages at least once every three years.

4 – Professional Development

Maintaining and improving the knowledge and skills of the faculty and staff is an investment in the future. Funds should be appropriated annually in the budget for that purpose. Approximately 2.25% of general fund salaries and wages should be appropriated annually in the budget for that purpose.

5 – Faculty and Staff Composition

The College should balance the full-time and part-time composition of employees to assure continuity and commitment while maintaining flexibility to implement strategic directions and complete its strategic initiatives in a timely and effective manner. To enhance smooth transition of personnel, the College has established a contingency for implementing succession decisions.

6 – Technology, Capital Equipment, Maintenance and Renovation

Providing a quality education requires investment in classroom equipment, facilities, and infrastructure. The annual budget should provide for regular maintenance, replacement/upgrade, growth and contingency funding.

7 – Debt Service

Debt Service obligations must be included in the budgeting process at 100% of the current costs.

8 – Financial Reserves

The annual operating budget should include an appropriate allocation for financial reserves. The Vice President of Finance and Administration and Planning and Budget Council shall monitor reserves at least annually. The College identifies the following specific reserves in accordance with Staff Policy D-504.01 *Financial Reserves*:

A – General Operating Reserve

A fiscally sound institution should maintain adequate operating reserves to meet current obligations, to offset contingencies, and to support unusual cash flows related to the following:

- unexpected declines in enrollment
- unknown state funding commitment or retroactive cuts
- unexpected increases in required contributions to the Michigan Public School Employee Retirement System (MPSERS)
- fluctuations in medical or energy costs, or
- other unusual or extraordinary economic conditions.

Northwestern Michigan College shall maintain a General Operating Reserve equal to three to six months of operating expenses as calculated using the annual General Fund budget. The College will target four-and-a-half months of annual operating expenditures for this reserve.

B – Fund for Transformation

The Fund for Transformation shall be used to fund strategic growth initiatives, emerging opportunities, or other transformational projects. A fund balance equal to two to five percent of annual operating expenses shall be maintained. The College will target three-and-a-half percent of annual operating expenses for this reserve.

C – Equipment, Building Maintenance and Construction

Two to five percent of the appraised replacement value (new) of the College's physical assets, including all campus buildings and any built-in fixtures or equipment, should be invested or maintained in a fund for major maintenance, renovation, or replacement of those assets. Plant fund reserves above two percent will be designated for future buildings.

The College's auxiliary enterprises may also accumulate net asset reserves. Reserves generated by its residence halls, apartments, bookstore, events center, museum, and cafeteria are designated for reinvestment, capital, and contingency planning for those auxiliary functions. Only the Board of Trustees may authorize, designate, or transfer auxiliary net assets for another purpose.

Additionally, administration may establish additional reserves as required to comply with generally accepted accounting principles or other external restrictions.

**Northwestern Michigan College
Financial Reserves
June 30, 2022**

<u>Required Reserves</u>	<u>Target Measure</u>	<u>Target Minimum</u>	<u>Target Maximum</u>	<u>Actual Reserve Balance</u>	<u>Result</u>
A. General Operating Reserve	3-6 months of budgeted annual operating expenses	\$ 10,780,326	\$ 21,560,652	\$ 11,697,703	Within Target
B. Fund for Transformation	2-5% of budgeted annual operating expenses	\$ 862,426	\$ 2,156,065	\$ 1,586,740	Within Target
C. Plant Fund	2-5% of appraised replacement value of real property	\$ 4,550,412	\$ 11,376,030	\$ 5,749,506	Within Target
Required Reserves		\$ 16,193,164	\$ 35,092,747	\$ 19,033,949	
<u>Add: Other reserves established by management</u>					
Auxiliary Reserves				9,723,088	
Wellness				364,114	
Strategic Projects				1,203,865	
Restricted for GLMA Vessels				512,401	
Total Reserves before GASB 68 / 75				\$ 30,837,417	
Add: GASB 75 - OPEB deficit				(9,813,077)	
Add: GASB 68 - Pension deficit				(48,727,050)	
Total Reserves (Deficit)				\$ (27,702,710)	

Revenue Considerations

Contained in this section:

Tuition & Fees Revenues

- 1. Enrollment (Contact Hours) History:** Since the single greatest revenue source for NMC is tuition & fees, it is important to understand the contact hours which drive tuition revenue. This analysis compares budgeted and actual contact hours for each semester for the years provided.
- 2. Tuition Rates and Revenue History:** A year-by-year comparison of in-district, out-of-district, and out-of-state tuition is provided. This table also provides a history of the Colleges local revenues sources.

Property Tax Revenues

- 3. 5-Year Property Tax History:** A five-year historical view of taxable values in Grand Traverse County, millage rates levied, and budgeted vs. actual property tax revenues.

Total Revenues

- 4. Comparison of Revenues By Source for All Michigan Community Colleges**

NMC Enrollment (Contact Hours) History

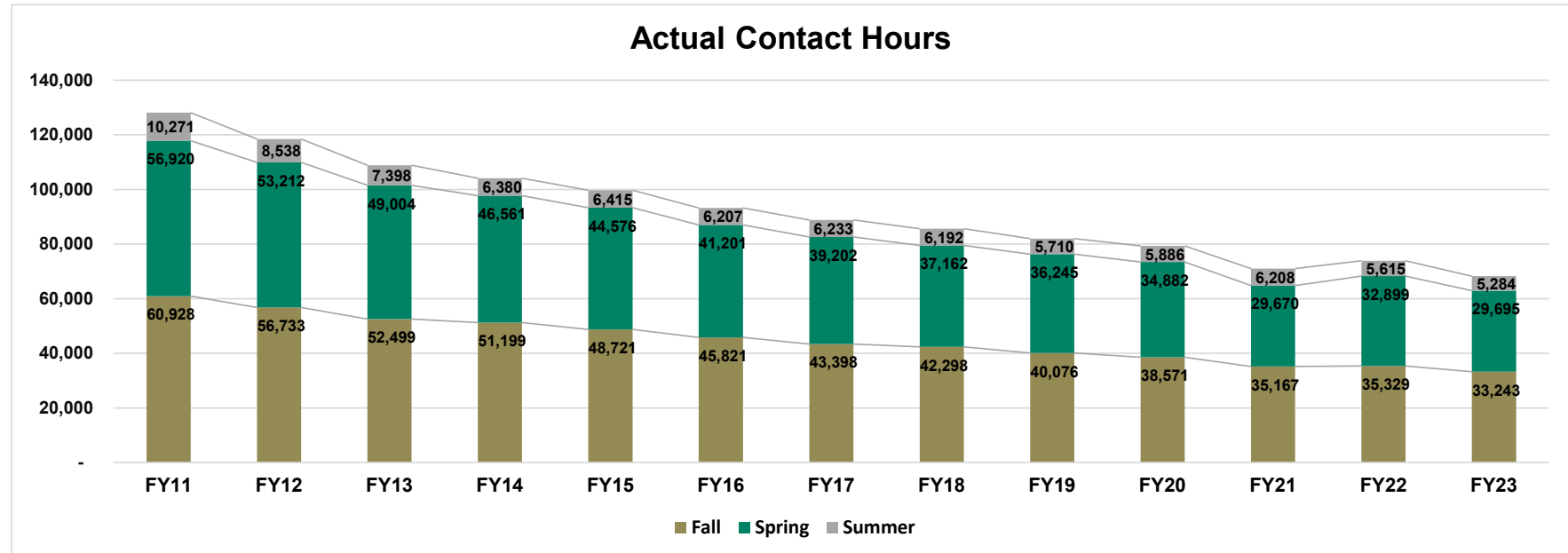
Budgeted Contact Hrs

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Fall	60,670	62,038	56,560	52,623	50,084	49,292	42,193	41,922	40,861	38,999	33,145	33,823	34,758	32,231
Spring	56,769	57,443	54,964	50,290	46,449	44,689	39,615	37,330	35,479	35,252	29,733	30,305	31,635	29,188
Summer	8,460	9,849	8,205	9,090	7,294	6,205	6,090	5,582	5,735	5,642	4,919	5,589	6,181	5,469
	125,899	129,330	119,729	112,003	103,827	100,186	87,898	84,834	82,075	79,893	67,797	69,717	72,574	66,888
% change	14.1%	2.7%	-7%	-6%	-7%	-4%	-12%	-3%	-3%	-3%	-15%	3%	4%	-8%

Actual Contact Hrs

Actual contact hour decline since 2011 'peak' = -47%

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Fall	60,928	56,733	52,499	51,199	48,721	45,821	43,398	42,298	40,076	38,571	35,167	35,329	33,243	
Spring	56,920	53,212	49,004	46,561	44,576	41,201	39,202	37,162	36,245	34,882	29,670	32,899	29,695	-
Summer	10,271	8,538	7,398	6,380	6,415	6,207	6,233	6,192	5,710	5,886	6,208	5,615	5,284	-
	128,119	118,483	108,901	104,140	99,712	93,229	88,833	85,652	82,031	79,339	71,045	73,843	68,222	-
% change	4.1%	-7.5%	-8%	-4%	-4%	-7%	-5%	-4%	-4%	-3%	-10%	4%	-8%	



Northwestern Michigan College Tuition Rates and Revenue History

Tuition Rates (Historical)	3% Increase		Tuition Freeze		Eliminate FLO Fee 3% Increase		5% Increase		3% - In-District 6% - Other Residencies	
	ACTUAL		ACTUAL		ACTUAL		ACTUAL		PROPOSED	
	<u>FY 20</u>	<u>% Incr.</u>	<u>FY 21</u>	<u>% Incr.</u>	<u>FY 22</u>	<u>% Incr.</u>	<u>FY 23</u>	<u>% Incr.</u>	<u>FY 24</u>	<u>% Incr.</u>
<u>General Programs</u>										
In-District	\$109	3%	\$109	0%	\$112	3%	\$118	5%	\$122	3%
Out-of-District	\$227	3%	\$227	0%	\$234	3%	\$246	5%	\$261	6%
Out-of-State	\$296	3%	\$296	0%	\$305	3%	\$320	5%	\$340	6%
International	\$334	3%	\$334	0%	\$344	3%	\$361	5%	\$383	6%
Revenue History (Local Sources)										
	ACTUAL		ACTUAL		ACTUAL		PROJECTED		PROPOSED	
Tuition and Fees	\$ 21,364,804	-10%	\$ 19,730,147	-8%	\$ 20,501,108	4%	\$ 21,387,727	4%	\$ 22,212,097	4%
Property Taxes	11,163,672	4%	11,569,141	4%	11,961,680	3%	12,764,825	6%	13,900,791	8%
Total Local Sources	32,528,476	-5%	31,299,288	0%	32,462,788	4%	34,152,552	5%	36,112,888	5%

**Northwestern Michigan College
Property Taxes History
GTC Taxable Values, Millage Rates, and Revenues**

	FY20	FY21	FY22	FY23	FY 24 Budget	P-Tax Revenue with Headlee Rollback FY24 Budget
Taxable Values (GT County)	\$5,368,654,721	\$5,651,352,613	\$5,901,559,989	\$6,383,535,930	\$6,967,239,082	\$6,967,239,082
<i>Change in Taxable Values</i>	5.1%	5.3%	4.4%	8.2%	9.1%	9.1%
Maximum Millage Rate	2.13	2.11	2.09	2.06	2.06	2.57
Property Taxes, Calculated	\$ 11,456,172	\$ 11,945,264	\$ 12,355,623	\$ 13,134,825	\$ 14,335,791	\$ 17,905,804
<i>Less: budgeted TIF, Brownfield, and other abatements or adjustments.</i>	(320,636)	(474,901)	(340,000)	(380,000)	(440,000)	(440,000)
<i>Add: Expected Refunds</i>	15,000	15,000	15,000	15,000	5,000	5,000
Property Tax Revenue Budget	\$ 11,150,536	\$ 11,485,363	\$ 12,030,623	\$ 12,769,825	\$ 13,900,791	\$ 17,470,804
Property Tax Revenue Actual	\$ 11,163,172	\$ 11,569,141	\$ 11,950,266	\$ 12,677,315		
Budget Variance	\$ 12,636	\$ 83,778	\$ (80,357)	\$ (92,510)		
<i>% Difference</i>	0.1%	0.7%	-0.7%	-0.7%		
					Annual Impact on Operations	\$ 3,570,013

Michigan Community Colleges Revenue Sources - FY22

Community College	Tuition & Fees	Property Tax	State Aid	PPT	Other
Wayne	18%	59%	20%	3%	0%
Westshore	21%	52%	20%	3%	4%
Glen Oaks	22%	40%	21%	10%	7%
Lake Michigan	25%	53%	16%	1%	5%
Monroe	25%	52%	20%	2%	1%
Washtenaw	27%	54%	14%	1%	4%
Oakland	28%	67%	17%	2%	-14%
Southwestern	29%	23%	29%	1%	18%
Montcalm	30%	41%	28%	0%	1%
Lansing	33%	36%	28%	0%	3%
North Central	33%	39%	26%	0%	2%
Alpena	34%	17%	43%	1%	5%
Gogebic	34%	14%	50%	0%	2%
Kirtland	34%	42%	21%	1%	2%
Delta	35%	31%	29%	4%	1%
Kalamazoo	35%	34%	25%	4%	2%
Kellogg	37%	25%	31%	5%	2%
Mott	39%	27%	28%	1%	5%
Muskegon	39%	25%	28%	2%	6%
Bay-de-Noc	40%	13%	30%	3%	14%
Grand Rapids	40%	31%	24%	2%	3%
Macomb	40%	34%	28%	3%	-5%
Schoolcraft	40%	36%	21%	2%	1%
St. Clair	42%	34%	23%	0%	1%
NMC	45%	26%	28%	0%	1%
Henry Ford	49%	15%	31%	4%	1%
Jackson	53%	13%	32%	1%	1%
Mid-Michigan	55%	15%	29%	0%	1%
State Average	35%	38%	24%	2%	1%

Sorted by tuition & fees; revenue source data from FY 2022 MPDI

Table 22

03.03.23 CJB

Salary & Benefits Considerations

Contained in this section:

Salaries & Benefits

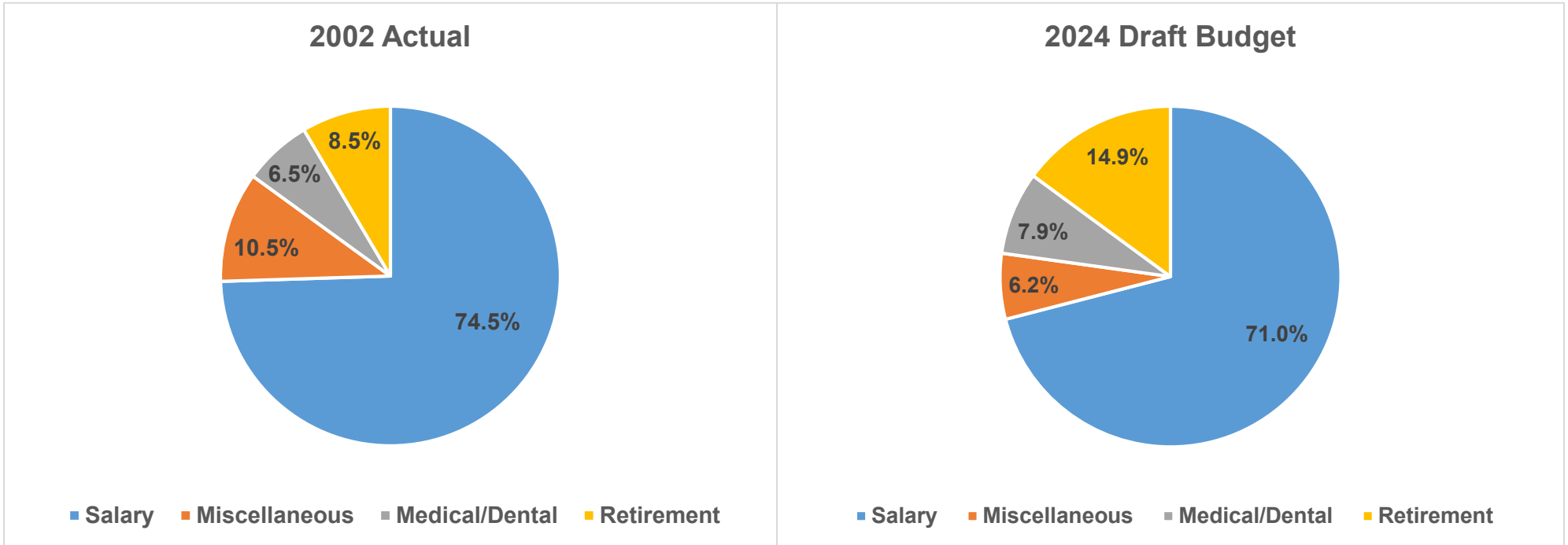
1. **Total Compensation:** Narrative describing the elements of the College's total compensation package and the related key budget considerations for the draft budget.
2. **Salary and Benefits Charts:** Charts comparing the composition of NMC's salaries and benefits costs to historical periods.
3. **Employee FTE History:** Provides a historical picture of the changing NMC workforce by employee classification based on a full-time equivalent (FTE) calculation for part-time employees using hours worked.
4. **Employee Benefits Plan:** This is a summary report of the College's benefits package and out-of-pocket costs to employees

Northwestern Michigan College Total Compensation

The purpose of NMC’s compensation system is to support the attraction, development, and retention of high-quality talent to fulfill the mission and vision of the college. Our comprehensive system includes competitive pay and benefits, performance and recognition, professional development and career opportunities, and work-life balance including flexible working arrangements. The goal of the compensation system is equity, transparency, and consistency in support of NMC’s values of excellence, stewardship, integrity, inclusion, and innovation. Below are the key FY24 budget considerations related to faculty and staff compensation:

Category	FY24 Budget Considerations
Faculty Pay	<ul style="list-style-type: none"> • The faculty pay scale will increase 2% in August 2023 in accordance with the NMC and MEA collective bargaining agreement in effect from 8/1/22 to 7/31/25. This follows a 5% scale increase in August 2022. • Faculty currently on steps 1-14 will also earn a 3.7% step increase in August 2023 • Through the 2024-25 academic year, faculty remain eligible for an annual bonus payment of 1 contact hour of overload pay if teaching 6 or more preps, or 2 contact hours of overload pay if teaching 8 or more preps in the respective academic year. The bonus payments are administered each Spring after preps are finalized.
Staff Pay	<ul style="list-style-type: none"> • Planned scale adjustment of 2% for calendar 2024. This follows a 5% scale increase in in calendar 2023. • Eligible staff on steps 1-4 will earn a 2.7% step increase for calendar 2024 • NMC’s Maintenance, Custodial, and Grounds staff are organized under a collective bargaining agreement through the SEIU. This agreement includes 2% scale adjustments effective in calendar 2024, and step increases that vary depending on worker classification. This follows 6% scale increases in calendar 2023.
Benefits	<ul style="list-style-type: none"> • No significant changes are expected in benefit offerings or costs. • Wage growth is driving increases to retirement and FICA costs. • Modest increases in healthcare benefit costs are expected • NMC will continue offering flexible working arrangements for the foreseeable future. These arrangements serve as strong attraction and retention tools for the College’s workforce and flexibility. The level of flexibility varies based on performance and the needs of each position.

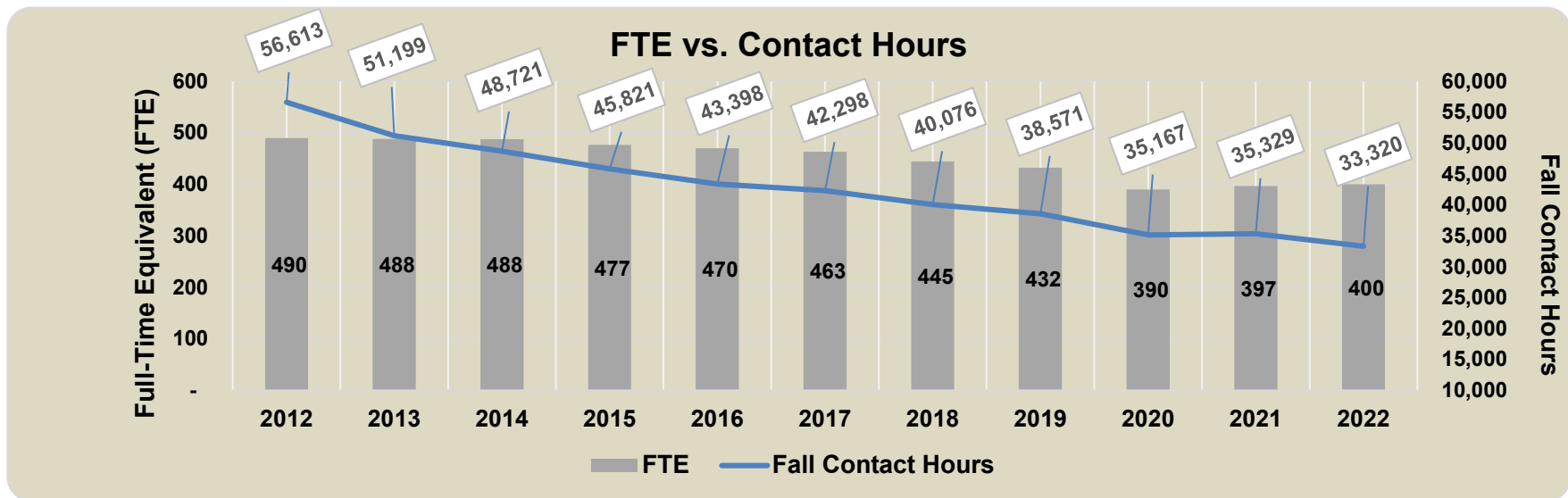
Percentage of Total Compensation Cost



Northwestern Michigan College Employee FTE History - College-Wide (All Funds)

The table below represents a **point-in-time calculation** (first pay in October) of full-time equivalent (FTE) employees based on hours worked.
These figures do not reflect employee headcount.

October 1 --->	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Faculty	89	89	95	94	89	87	85	81	81	81	81
Administrative	35	36	36	37	36	35	36	36	37	37	37
Professional Staff	71	79	84	86	90	87	74	84	85	82	87
Paraprofessional/Technical	47	45	44	45	42	39	39	42	41	37	41
Support Staff	18	19	17	19	20	19	19	20	17	19	18
Maintenance/Custodial	38	38	35	31	31	30	31	30	29	29	27
Total Regular Employees	298	307	311	312	308	297	283	292	289	285	291
Adjunct Faculty	86	82	71	67	66	65	62	49	47	49	42
Student Employees	41	35	34	34	31	33	32	22	13	14	18
Supplemental Employees	65	65	71	63	66	69	68	69	40	49	49
TOTAL	490	488	488	477	470	463	445	432	390	397	400



Northwestern Michigan College Benefits At-A Glance Calendar 2023

BENEFIT	AVAILABLE PLAN OPTIONS		
Medical	Core	High Deductible Health Plan	Opt-Out
<p>Medical Insurance</p> <p>Provider: Priority Health</p>	<p>Deductible: \$500 Individual; \$1000 Family Co-insurance: 80% Plan Pays 20% You Pay Co-pay: \$20- office, urgent care, or chiropractic visit \$150- ER visit</p> <p>Preventative Medical Care at 100%</p> <p>Rx: \$10.00 Tier 1 drugs \$40.00 Tier 2 & 4 drugs \$80.00 Tier 3 & 5 drugs</p>	<p>Deductible – \$1,500 Individual; \$3,000 Family Co-insurance: 80% Plan Pays 20% You Pay</p> <p><i>Pay 100% of prescriptions until deductible is met. Then coverage is same as CORE plan.</i></p> <p>Preventative Medical Care at 100%</p> <p>Health Savings Account (HSA) NMC annual HSA contribution: \$1,300 for Individual Plan \$2,600 for Family Plan</p>	<p>Opting Out – No medical coverage</p> <p>\$1,400 cash rebate (taxable, non-MPSERS earnings) pro-rated for time</p> <p>(Must provide proof of insurance coverage elsewhere)</p>
Dental	Voluntary		
<p>Dental Insurance (optional)</p> <p>Provider: Blue Cross Blue Shield of Michigan</p>	<p>100% Preventative</p> <p>85% Class II (filling, root canal, bite guards, denture repairs, tissue conditioning)</p> <p>60% Class III (crowns, veneer fillings, dentures, bridges, implants)</p> <p>60% Orthodontia</p> <p>Yearly maximum: \$1,800</p> <p>Lifetime orthodontia maximum: \$2,000</p>		

BENEFIT	AVAILABLE PLAN OPTIONS		
Vision	Voluntary		
Vision Provider: Eye Med	Eye exam annually with no co-pay; \$0 co-pay on lenses and frames with \$200 allowance on frames every 12 months; \$200 for contact lenses or frame lenses every 12 months.		
LTD	Core	Option I	Option II
Long-Term Disability Insurance	Employer provided Maximum: 60% of earnings, not to exceed \$1,500/mo.	Employee can purchase Maximum: 60% of earnings, not to exceed \$5,000/mo.	Employee can purchase Maximum: 70% of earnings, not to exceed \$5,000/mo.
Life/AD&D	Core	Voluntary	
Employee Group Term Life and Accidental Death & Dismemberment (AD&D) Insurance	Death Benefit: \$50,000 Term Life plus \$50,000 AD&D for Full Time Part Time benefit: \$25,000	Employee can purchase additional Term Life/Accidental Death and Dismemberment Insurance in increments of \$10,000, up to maximum \$500,000. Some restrictions apply.	
Spouse Group Term Life		Spouse can purchase Term Life Insurance in increments of \$10,000, up to maximum \$500,000. Some restrictions apply.	
Child Group Term Life		Employee can purchase Term Life Insurance for dependent children in increments of \$2,500, \$5,000, \$7,500, or \$10,000 per child.	
Flexible Spending Accounts	Available- all Medical Plans		
Dependent Care	Administered by Meritain Health		
Medical Cost	Administered by Meritain Health		
Limited FSA	Administered by Meritain Health		
HSA	High Deductible Health Plan		
Health Savings Account	Available at employee's bank of choice		

Expense Considerations

Contained in this section are:

Expenses:

- 1. Expenditures Comparison (MPDI Charts):** These tables provide data on NMC expenses by function and category compared to other community colleges in Michigan.
- 2. Non-Labor Expenses and Transfers History:** This table provides a history of the College's educational & general expenses (referred to as "E&G" or non-labor). Detail of historical transfers is also included for the years provided.

**Table 28
Expenses by Activity
2021-22**

Community College Name	Instruction	Information Technology	Public Service	Academic Support	Student Services	Institutional Support	Physical Plant Operations	Total
Alpena Community College	46.84%	7.22%	0.72%	9.81%	11.49%	13.12%	10.79%	100.00%
Bay de Noc Community College	41.22%	9.20%	0.93%	10.19%	18.58%	5.36%	14.51%	100.00%
Delta College	51.65%	5.76%	1.86%	9.19%	11.69%	9.54%	10.32%	100.00%
Glen Oaks Community College	33.13%	6.77%	1.76%	9.19%	15.02%	23.94%	10.18%	100.00%
Gogebic Community College	41.49%	3.23%	4.95%	8.99%	18.04%	17.04%	6.26%	100.00%
Grand Rapids Community College	45.38%	7.22%	1.57%	11.51%	9.17%	12.01%	13.15%	100.00%
Henry Ford College	53.74%	5.38%	0.00%	3.61%	13.82%	13.35%	10.11%	100.00%
Jackson College	40.68%	8.98%	0.84%	5.73%	15.85%	14.89%	13.03%	100.00%
Kalamazoo Valley Community College	44.47%	8.09%	3.80%	9.07%	13.28%	10.59%	10.69%	100.00%
Kellogg Community College	42.84%	6.34%	0.30%	17.18%	12.17%	11.04%	10.13%	100.00%
Kirtland Community College	35.12%	7.81%	0.29%	11.30%	19.22%	11.75%	14.50%	100.00%
Lake Michigan College	37.38%	6.96%	0.01%	9.04%	12.69%	18.58%	15.34%	100.00%
Lansing Community College	32.85%	11.25%	0.86%	17.09%	13.42%	13.53%	11.00%	100.00%
Macomb Community College	40.17%	6.52%	2.57%	13.98%	9.43%	15.01%	12.33%	100.00%
Mid Michigan College	45.43%	6.04%	3.33%	6.45%	12.06%	17.43%	9.26%	100.00%
Monroe County Community College	42.52%	5.15%	1.39%	11.96%	10.78%	14.22%	13.97%	100.00%
Montcalm Community College	41.11%	6.29%	2.34%	12.64%	9.57%	13.73%	14.30%	100.00%
Mott Community College	39.20%	6.18%	0.72%	10.98%	12.97%	13.59%	16.36%	100.00%
Muskegon Community College	43.99%	8.02%	1.97%	9.85%	12.56%	11.76%	11.84%	100.00%
North Central Michigan College	36.98%	9.47%	1.16%	10.95%	15.18%	14.53%	11.73%	100.00%
Northwestern Michigan College	40.90%	7.71%	0.47%	15.44%	10.37%	14.79%	10.32%	100.00%
Oakland Community College	42.26%	6.96%	0.18%	13.63%	10.94%	13.39%	12.65%	100.00%
Schoolcraft College	36.58%	6.93%	1.41%	14.87%	12.33%	14.56%	13.32%	100.00%
Southwestern Michigan College	27.64%	11.01%	0.00%	7.56%	27.24%	14.04%	12.52%	100.00%
St. Clair County Community College	41.79%	5.05%	0.75%	9.01%	13.69%	16.42%	13.29%	100.00%
Washtenaw Community College	43.90%	9.08%	0.46%	12.14%	11.58%	10.68%	12.16%	100.00%
Wayne County Community College	27.79%	5.77%	1.48%	14.04%	17.03%	16.53%	17.35%	100.00%
West Shore Community College	35.34%	5.67%	3.19%	9.72%	10.29%	19.90%	15.89%	100.00%
State Average	40.44%	7.15%	1.40%	10.90%	13.59%	14.12%	12.40%	



CENTER FOR EDUCATIONAL
PERFORMANCE AND INFORMATION

Table 35
Salary and Fringe Benefit Costs
2021-22

Community College Name	Salaries	Fringe Benefits	Compensation	Total Expenses	Compensation % of Total Expenses
Henry Ford College	\$48,659,155.00	\$27,561,525.00	\$76,220,680.00	\$87,285,469.00	87.32%
Macomb Community College	\$69,459,775.00	\$35,066,787.00	\$104,526,562.00	\$124,334,792.00	84.07%
Alpena Community College	\$8,858,096.00	\$5,204,081.00	\$14,062,177.00	\$16,735,241.00	84.03%
Grand Rapids Community College	\$58,928,242.00	\$34,767,444.00	\$93,695,686.00	\$112,070,460.00	83.60%
Monroe County Community College	\$13,632,232.00	\$4,520,392.00	\$18,152,624.00	\$21,880,974.00	82.96%
Delta College	\$34,537,353.00	\$19,920,926.00	\$54,458,279.00	\$65,945,418.00	82.58%
Kalamazoo Valley Community College	\$33,803,889.00	\$16,265,875.00	\$50,069,764.00	\$60,996,635.00	82.09%
Oakland Community College	\$68,392,873.00	\$30,860,329.00	\$99,253,202.00	\$122,774,186.00	80.84%
Kellogg Community College	\$22,001,151.00	\$12,546,498.00	\$34,547,649.00	\$43,181,445.00	80.01%
Montcalm Community College	\$7,735,174.00	\$4,860,619.00	\$12,595,793.00	\$15,987,514.00	78.79%
Schoolcraft College	\$47,840,968.00	\$25,123,773.00	\$72,964,741.00	\$92,629,073.00	78.77%
Lansing Community College	\$58,335,416.00	\$26,245,606.00	\$84,581,022.00	\$108,238,287.00	78.14%
Washtenaw Community College	\$54,492,987.00	\$23,614,033.00	\$78,107,020.00	\$99,984,315.00	78.12%
Muskegon Community College	\$18,349,972.00	\$10,577,619.00	\$28,927,591.00	\$37,190,822.00	77.78%
Bay de Noc Community College	\$9,178,924.00	\$4,311,216.00	\$13,490,140.00	\$17,389,869.00	77.57%
St. Clair County Community College	\$15,115,098.00	\$3,872,078.00	\$18,987,176.00	\$24,777,939.00	76.63%
Northwestern Michigan College	\$23,216,941.00	\$11,501,376.00	\$34,718,317.00	\$45,397,965.00	76.48%
Mott Community College	\$35,317,846.00	\$19,354,565.00	\$54,672,411.00	\$72,176,519.00	75.75%
Gogebic Community College	\$4,837,659.00	\$2,582,247.00	\$7,419,906.00	\$10,167,155.00	72.98%
Jackson College	\$18,690,216.00	\$7,868,400.00	\$26,558,616.00	\$36,596,012.00	72.57%
Kirtland Community College	\$6,769,536.00	\$2,942,057.00	\$9,711,593.00	\$13,520,026.00	71.83%
Glen Oaks Community College	\$5,999,599.00	\$2,639,063.00	\$8,638,662.00	\$12,126,332.00	71.24%
West Shore Community College	\$6,167,318.00	\$3,759,543.00	\$9,926,861.00	\$14,162,947.00	70.09%
Mid Michigan College	\$10,412,889.00	\$6,806,851.00	\$17,219,740.00	\$24,571,847.00	70.08%
Lake Michigan College	\$13,128,846.00	\$7,214,616.00	\$20,343,462.00	\$29,117,779.00	69.87%
Wayne County Community College	\$46,188,880.00	\$16,238,912.00	\$62,427,792.00	\$89,925,713.00	69.42%
North Central Michigan College	\$7,155,260.00	\$3,669,938.00	\$10,825,198.00	\$17,066,232.00	63.43%
Southwestern Michigan College	\$10,009,193.00	\$5,003,567.00	\$15,012,760.00	\$24,220,489.00	61.98%
State Aggregate	\$757,215,488.00	\$374,899,936.00	\$1,132,115,424.00	\$1,440,451,455.00	78.59%

**Northwestern Michigan College
Non-Labor Expenses and Transfers History**

	Actual FY18	Actual FY19	Actual FY20	Actual FY21	Actual FY22	Projected Actual FY23	Draft Budget FY24
Educational & General Expenses (E&G)							
Purchased Services	2,431,771	2,537,324	2,049,534	2,049,405	2,364,932	2,712,418	2,895,004
Supplies & Materials	2,927,587	3,251,184	2,430,550	2,264,808	2,648,865	2,880,203	3,104,698
Internal Services	57,626	83,954	92,560	10,642	55,452	380	110,273
Other Expenses	1,604,364	1,597,838	1,534,239	1,131,852	1,285,310	1,486,105	1,603,453
Institutional Expenses	1,624,422	1,621,241	1,519,695	1,388,583	1,624,503	1,707,635	1,700,512
Maintenance & Renovation	1,394,750	1,554,197	1,609,299	1,588,584	1,841,957	1,785,007	1,944,397
Professional Development & Events	655,269	713,810	555,708	226,041	424,914	553,496	600,659
COAT / Capital Outlay	267,544	696,140	347,272	56,368	165,125	170,000	100,000
	10,963,332	12,055,689	10,138,857	8,716,283	10,411,058	11,295,244	12,058,996
Transfers							
Transfer for Deferred Maintenance	999,647	1,009,643	1,019,740	500,000	1,292,826	1,170,000	1,230,000
Other Transfers Out ^a	2,751,000	2,950,542	661,865	2,018,844	466,346	460,310	215,000
	3,750,647	3,960,185	1,681,605	2,518,844	1,759,172	1,630,310	1,445,000
<u>a Other Transfers Out (In)</u>							
Strategic Funds	250,000	400,000	500,000	450,000	250,000	250,000	275,000
Funds for Transformation	600,000	50,000	50,000	150,000	50,000	50,000	50,000
Aviation Capital Fund (based on Tac Hours)	413,213	444,394	300,912	358,680	473,405	470,310	450,000
Additional Deferred Maintenance	600,000	1,400,000	500,000	2,200,000	-	-	-
Technology Fee	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Facilities Fees	40,000	40,000	40,000	-	40,000	40,000	40,000
Program Specific	(15,636)	(4,202)	(7,479)	(3,342)	(80,627)	-	-
EES - Elevate Software	24,550	24,550	24,550	24,550	-	-	-
Wellness	288,873	-	-	-	-	-	-
MPSERS Reserve	50,000	95,800	-	-	-	-	-
Restricted Fund - CARES / CRRSAA / ARPA	-	-	(1,246,118)	(2,597,885)	-	-	-
Restricted Fund - GLMA Heritage Act	-	-	-	936,841	-	-	-
Restricted Fund - GLMA Direct Support	-	-	-	-	(766,432)	(850,000)	(1,100,000)
	2,751,000	2,950,542	661,865	2,018,844	466,346	460,310	215,000

FY24 Draft Budget

Contained in this section is the draft budget for fiscal year 2024. Various assumptions have been made throughout the budgeting model concerning revenues, salaries and benefits, and expenses.

Tuition and Fee Assumptions:

- 3% In-District / 6% Out-of-District increases in tuition rates
 - Increase complies with tuition restrain language as presented in all 3 budget bills as they stand (Governor/House/Senate)
- 2% decline in contact hours from FY23 actual; 8% decline in contact hours from FY23 budget

Other Revenue Assumptions:

- **Property Taxes:** 9.1% increase in property tax growth; no millage rollback due to high inflation
- **State Appropriations:** 2.3% increase in state appropriations – still unknown
- **Other:** Increases in support from NMC Foundation, investment income, and other income

Expense Assumptions:

- Lingering inflation (April 2023 = 4.9% year over year)
 - However, slowing pattern with 10 consecutive months of decline in CPI since June 2022 peak
- Faculty and staff salary increase (2% scale + 3-4% step increases if eligible)
- E&G and transfers budget increase of \$330k
- Continued investment in marketing and advertising spend

Northwestern Michigan College FY24 Proposed General Fund Budget +3-Year Projection

	Y				Z			(Z - Y)
	Actual	Actual	Budget	Projected	Proposed	Estimated	Estimated	Budgeted
	FY 21	FY 22	FY 23	FY23	FY 24	FY 25	FY 26	Change
Revenue								
Local Sources								
Tuition & Fees	\$ 19,730,147	\$ 20,501,108	\$ 22,001,840	\$ 21,387,727	\$ 22,212,097	\$ 22,414,820	\$ 22,896,961	210,257
Property Taxes	11,569,141	11,961,680	12,769,825	12,764,825	13,900,791	14,423,000	14,758,219	1,130,966
Total Local Sources	31,299,288	32,462,788	34,771,665	34,152,552	36,112,888	36,837,820	37,655,180	1,341,223
State Sources	10,462,586	10,889,543	10,745,000	10,876,875	10,826,033	11,028,954	11,241,033	81,033
Private Sources	1,006,602	1,230,624	979,765	1,172,352	1,175,242	1,218,404	1,263,724	195,477
Investment Income	183,806	172,479	196,000	506,190	320,000	320,000	270,000	124,000
Other Sources	331,805	532,187	426,100	600,314	495,000	495,000	495,000	68,900
Total Revenues	43,284,087	45,287,621	47,118,530	47,308,283	48,929,163	49,900,178	50,924,937	388,377
Expenditures								
61 Salaries and Wages	21,060,380	22,874,809	23,916,066	24,186,871	25,137,687	25,827,418	26,371,042	1,221,621
65 Benefits	9,019,089	9,002,088	10,025,563	9,854,787	10,286,740	10,581,594	10,740,457	261,177
Total Labor Costs	30,079,469	31,876,897	33,941,629	34,041,658	35,424,427	36,409,012	37,111,498	1,482,798
71 Purchased Services	2,049,405	2,364,932	2,753,059	2,920,433	2,895,004	3,010,804	3,131,236	141,945
72 Supplies & Materials	2,264,808	2,648,865	3,041,584	2,945,573	3,104,698	3,228,886	3,358,041	63,114
73 Internal Services	10,642	55,452	103,065	2,683	110,273	114,684	119,271	7,208
74 Other Expenses	1,131,852	1,285,310	1,628,696	1,459,342	1,603,453	1,667,591	1,734,295	(25,243)
75 Institutional Expenses	1,388,583	1,624,503	1,738,804	1,782,610	1,700,512	1,768,532	1,839,274	(38,292)
76 Maintenance & Renovator	1,588,584	1,841,957	1,762,581	1,796,002	1,944,397	2,022,173	2,103,060	181,816
77 Events/Trvl/Prof. Devel.	226,041	424,914	594,112	580,577	600,659	624,685	649,673	6,547
79 Capital Outlay	56,368	165,125	170,000	170,000	100,000	104,000	108,160	(70,000)
80 Transfer - Deferred Maint.	500,000	1,292,826	1,170,000	1,170,000	1,230,000	1,254,600	1,279,692	60,000
Total Expenditures	39,295,752	43,580,781	46,903,530	46,868,878	48,713,423	50,204,968	51,434,200	3,322,749
Other Transfers	2,018,844	466,346	215,000	435,310	215,000	219,300	223,686	-
Net Revenue (Loss)	1,969,491	1,240,494	-	4,095	739	(524,090)	(732,949)	

General Tuition & Fees Draft Budget – Tuition Changes May 2023

*Annual Impact is calculated based on 24 contact hours in an academic year

General Tuition – 3% In-District change and 6% Out-of-Area

Category	Current Rate Per Contact Hour	Proposed Rate	Change	Annual Impact*
In-District	\$ 118.00	\$ 122.00	\$4.00	\$96.00
Out of District	\$ 246.00	\$ 261.00	\$15.00	\$360.00
Out of State	\$ 320.00	\$ 340.00	\$20.00	\$480.00
International	\$ 361.00	\$ 383.00	\$22.00	\$528.00

Tier I – 3% In-District change and 6% Out of Area

Automotive, Audio Tech, Construction Tech, Dental Assistant, Nursing, Surgical Tech and Surveying

Category	Current Rate Per Contact Hour	Proposed Rate	Change	Annual Impact*
In-District	\$142.00	\$147.00	\$5.00	\$120.00
Out of District	\$282.00	\$299.00	\$17.00	\$408.00
Out of State	\$365.00	\$387.00	\$22.00	\$528.00
International	\$413.00	\$438.00	\$25.00	\$600.00

Tier II – 3% In-District change and 6% Out of Area

Culinary

Category	Current Rate Per Contact Hour	Proposed Rate	Change	Annual Impact*
In-District	\$164.00	\$169.00	\$11.00	\$264.00
Out of District	\$315.00	\$334.00	\$19.00	\$456.00
Out of State	\$420.00	\$445.00	\$25.00	\$600.00
International	\$475.00	\$504.00	\$29.00	\$696.00

Tier III – 6% change

Maritime and 300+ Level Courses; Maritime Program charges by credit hour

Category	Current Rate Per Contact Hour	Proposed Rate	Change	Annual Impact*
In-District	\$481.00	\$510.00	\$29.00	\$696.00
Out of District	\$481.00	\$510.00	\$29.00	\$696.00
Out of State	\$481.00	\$510.00	\$29.00	\$696.00
International	\$528.00	\$560.00	\$32.00	\$768.00

General Fee – 3% Change

Category	Current Rate Per Contact Hr.	Proposed Rate	Change	Annual Impact*
All Residencies	\$32.00	\$33.00	\$1.00	\$24.00
Maritime, Nursing	\$22.00	\$23.00	\$1.00	\$24.00



Northwestern
Michigan
College

MEMO
Office of the President

To: NMC Board of Trustees
From: Nick Nissley, President
Subject: May Mid-Month Update
Date: Monday, May 15, 2023

Dear Board of Trustees,

Since our April Board meeting the following are key updates:

NMC Foundation Governance

The following has occurred this past month, to advance the NMC Foundation governance work. The ‘next step’ goal is to convene the Executive Committees of both the Foundation Board and College’s Board of Trustees, to begin collaboratively shaping the MOU.

1. The Foundation’s Board Development Committee met on May 2nd to develop a list of suggested elements to be addressed in the College-Foundation MOU. This will be shared with both the Foundation and College Executive Committees, to serve as a starting place for collaboratively shaping the MOU, when the joint Executive Committee meeting occurs.
2. Elaine Wood was identified and agreed to serve as the process facilitator for the joint Executive Committees meeting, to begin shaping the MOU document, together. Jayne Mohr and Laura Oblinger led this initial discussion with Elaine.
3. A planning meeting is being scheduled with Elaine, to include Laura Oblinger, Nick Nissley, Pat Warner, Jayne Mohr, Jennifer Hricik, Amanda Gower, and Lynne Moritz. The purpose is to plan for the meeting logistics, process, and agreement on the agenda.
4. A meeting between the Executive Committees of both the Foundation and College’s Board of Trustees is in process of being scheduled. The joint meeting will be designed with the intention to begin collaboratively shaping the MOU.

Contracting a Third-Party Payroll Administrator (Edustaff)

NMC has signed a contract with a third-party payroll administrator (Edustaff), for the College's adjunct and supplemental employees. This arrangement will allow us to deliver on our value of fiscal stewardship while also affording higher take-home pay for our adjunct and supplemental employees. Specifically, it will create savings for the College, in the range of \$150,000 to \$250,000 annually. Without the third-party payroll administrator, the College is required to contribute 28% of gross wages (\$1.2 million last year) to MPSERS. Additionally, this will afford an upside for the adjuncts and supplemental employees, by minimizing the deductions required by MPSERS (employees are required by MPSERS to contribute 3%-11%), and thus afford higher take-home pay.

It's important to note, the College will offer current adjuncts and supplemental employees the *option* of working with Edustaff. Simply, any *current* adjunct or supplemental employee can select to 'stay the same' - it will be their choice if they decide to transition to Edustaff; whereas all *new* adjunct employees hired for the fall semester will be paid through Edustaff. And, after July 1, 2023, *new* supplemental employees will be paid through Edustaff.

Almost half of the state's community colleges are already similarly contracting with Edustaff.

Budget

The legislature continues to shape the State's budget, and the community colleges' appropriations. Broadly speaking there are proposed increases, which range from 2.3%-5.5% for NMC (see the chart, below). We have based the College budget assumptions on the most conservative, 2.3% increase. We continue to engage with legislators through MCCA as well as NMC-led advocacy (which included many 1:1 meetings with legislators this past week, in Lansing). You will be presented with a balanced College budget recommendation, at the May Board of Trustees meeting. Some key highlights include:

- 3% in-district tuition increase, with a 6% rate for all others
- \$1.00 increase to the General Fee (from \$32 per contact hour, to \$33 per contact hour)
- 7% increase to East Hall and North Hall room rates (first increase since 2017), as well as a 3% increase to apartment rates; and a 5%-8% meal plan rate increase (first increase since 2015)

Additional positive news regarding State budget proposals:

- NMC's Capital Outlay Project – We were invited to present our Integrated Student Services Hub (the Osterlin Renovation) project to the Appropriations Subcommittee on Joint Capital Outlay, this past week. NMC student Mahli Braak joined me in making the presentation. Who better to speak to the value of a one-stop shop for Student Services, than a student! This is a \$6.5 million project (with \$3.25 million of state funding being requested). It's positive – that we got this project in front of the Appropriations Committee, and I spent the day visiting legislators, further advocating for it.

- Aviation Project – While we already earned \$3.75 million in state support, the LEO budget has an additional \$2.5 million of support for NMC’s Aviation Program. Again, this past week, I spent time in Lansing connecting with our legislators – saying ‘thanks’ and reminding them why this is important to the College *and* to our regional economic development.
- Freshwater Research and Innovation Center – The LEO budget has a ‘placeholder’ for funding for this project. While no specific dollar amount is mentioned, the good news is that ‘it’s in there’. This past week, I continued to advocate for this as well, while at the State Capitol. A broad advocacy structure, including NMC, Traverse Connect, and many others are seeking to build support for this project. I will also note that the May BOT meeting will include an update on progress being made on this initiative. We will be presenting a recommendation to develop a joint-venture structure (between NMC and Discovery Center & Pier). This would be developed by the collaboration of two three-person ad hoc committees, one from NMC and the other from Discovery Center & Pier. We are proposing that Jason Slade, Troy Kierczynski, and Rachel Johnson represent NMC. This ad hoc committee would report their work through the Building and Site Committee, and ultimately the Board of Trustees.

	Funding compared to FY23	Tuition Restraint Language
Governor’s Budget Recommendation*	4.0% increase for college operations distributed through the existing performance funding formula. 2.3% or \$373,200 increase for NMC	Yes- limits in-district tuition and fee increase to 4.5% or \$205, whichever is greater. Penalty for non-compliance is loss of capital outlay funding.
House Appropriations Committee Passed (HB 4303)	4.5%, increase for college operations distributed through the existing performance funding formula 4.3% or \$419,800 increase for NMC	Yes- limits in-district tuition and fee increase to 4.5% or \$205, whichever is greater. However no penalties would be levied for non-compliance.
Senate Appropriations Subcommittee Passed (SB 201)	6% increase for college operations distributed through the existing performance funding formula. Plus \$58.7 million in one-time Information Technology Equipment and Maintenance (ITEM) grant funds to be allocated based on FY21-22 FYES count. 5.5% or \$559,800 increase for NMC Plus \$1,265,500 in one-time ITEM funding	Yes- limits in-district tuition and fee increase to 4.5% or \$205, whichever is greater. Penalty for non-compliance is loss of capital outlay funding.

DDA's TIF

This week, a meeting is scheduled with Jean Derenzy (DDA) to discuss the impact on NMC if TIF97 is extended (set to expire in 2028). As you've heard, the Traverse City Downtown Development Authority (DDA) is eyeing an April 2024 vote on amending one or both of its tax increment financing (TIF) plans – a move that could extend the length of TIF 97.

The NMC tax capture for TIF97 for FY 23-24 was \$317,358, and is expected to grow to \$447,000 by 2044, if TIF97 is extended. DDA is considering a regional revenue sharing model, where NMC could see 10% returned (e.g., \$31,735 in FY 23-24, increasing to \$44,700 in 2044). This is timely, as MCCA is considering work on pursuing legislation to exempt taxes levied pursuant to community college millages from capture by TIF authorities.

I'd suggest that the Board of Trustees hold a study session to seek to better understand DDA's TIF and its impacts on NMC.

Benzie County Annexation Consideration

As you know, a group of Benzie County residents representing different organizations have been meeting to decide whether they want to support moving forward with an effort towards annexation. Their big question has been whether they can justify the difference between out-of-district tuition paid by students and the property tax revenue that would be paid by all. After much deliberation, they have communicated to us, this past week that they will be seeking a vote for annexation. Todd Neibauer will be coordinating a meeting with President's Council, the Board of Trustees, and legal counsel, to ensure that we understand how the process will unfold – and what we must do to ensure our compliance. Also, Diana Fairbanks will begin developing a fact sheet and FAQ document. We will probably want to refocus our upcoming BOT Study Session on this topic, given the emergent opportunity (and, need to begin to wrap our arms around it).

Trends in Higher Education Articles *As promised, I'm sharing relevant articles (that I and President's Council have been reading), that speak to trends, risks, challenges, and opportunities in community colleges, to help keep us informed and to invite conversation about how NMC is addressing such issues. This month, I'm sharing:*

- [Defending Community Colleges Against Attacks on DEI](#), Inside Higher Ed
- [Intersection of Open Educational Resources \(OER\) and DEI](#), Higher Ed Dive

Upcoming Dates of Note

- May 22—Regular monthly Board of Trustees meeting, TJNIC 106/107
- June 1—Fellows Celebration, NMC Hagerty Center
- June 13—Board Study Session

MEMO

To: Northwestern Michigan College Board of Trustees
Cc: Dr. Nick Nissley, Ed.D.
From: Gabe Schneider, Founder/Principal, Northern Strategies 360
Date: Tuesday, May 16, 2023
Re: **State/Federal Legislative Update**

State**FY24 State Budget**

Last week, both the House and Senate voted out their respective FY24 budgets in advance of a conference committee assignment to work out the differences. It is still the expectation that the FY24 budget will be completed before July 1.

The next step in the process is for the Consensus Revenue Estimating Conference to meet on Friday, May 19th to determining the final budget targets for the legislature. At this point, projections are pointing to a few hundred-million-dollar shortfall from initial (January) projections. However, both chamber budgets are below the \$15.1 billion General Fund officials outlined in January, with the House budget spending \$14.7 billion General Fund and the Senate spending \$14.3 billion General Fund.

Overall, we are pleased with the proposed budget as generally we were not expecting operations increases over 4%. Regarding the tuition restraint language, we are hearing about a potential compromise that would remove the performance funding loss and replace it with a requirement for a written report to justify exceeding the cap. However, this is in the early stages of negotiations.

The following is a chart that I created to track the FY24 Community College Budget as well as a chart to track the FY24 Labor and Economic Opportunity budget.

	Operations Funding	ITEM Funding	Critical Incident Mapping	Career and Education Navigators	Michigan Reconnect Entry Point Program	Student Wellness Fund	Tuition Restraint Language
Governor's Recommendation	4.0% increase for college operations distributed through the existing performance funding formula. 2.3% or \$373,200 increase for NMC	\$58.7 million ongoing The funds would allow community colleges to repair, improve, or maintain existing buildings, facilities, equipment and technological and physical infrastructure. Individual community college allocations would be distributed based on calculated FY 2021-22 fiscal year equated student (FYES) enrollment.	NA	NA	NA	\$16.1 million one-time The funds would allow community colleges to identify and address student wellness and mental health needs through campus support services. Individual community college allocations would be distributed based on calculated FY 2021-22 FYES enrollment.	Yes- limits in-district tuition and fee increase to 4.5% or \$205, whichever is greater. Penalty for non-compliance is loss of capital outlay funding.
House Passed (HB 4303)	4.4%, increase for college operations distributed through the existing performance funding formula 4.3% or \$419,800 increase for NMC	NA	\$100 placeholder For campus security and safety upgrades at community colleges	\$5.0 million one-time Counties would apply for grant funding through the Office of Sixty by 30 in the Department of Labor and Economic Opportunity (LEO) to supplement or create career and education navigators.	\$5.0 million one-time Counties and community colleges would apply for grant funding through the Office of Sixty by 30 in LEO to engage applicants who have been approved for Reconnect funding but have not enrolled in an eligible program.	NA	Yes- limits in-district tuition and fee increase to 4.5% or \$205, whichever is greater. However, no penalties would be levied for non-compliance.
Senate Passed (SB 201)	6% increase for college operations distributed through the existing performance funding formula. 5.5% or \$559,800 increase for NMC	\$58.7 million one-time Funds to be allocated based on FY21-22 FYES count. \$1,265,500 in one-time ITEM funding for NMC	\$2.5 million one-time Distributed to community colleges proportionately to each college's FY 2023-24 operations amount, for critical incident mapping.	NA	NA	NA	Yes- limits in-district tuition and fee increase to 4.5% or \$205, whichever is greater. Penalty for non-compliance is loss of capital outlay funding.

	Reconnect	College Success Fund	Student Wraparound Services	Student Aviation Center	Fresh Water Research and Innovation Center
Governor	\$93.2 million Would cover the cost of lowering the age to 21	NA	\$30 million one-time For public colleges and universities and tribal colleges for wraparound services to provide support to students and help improve graduation and completion rates	NA	NA
House	\$10.2 million for current year costs	NA	\$30 million one-time For public colleges and universities and tribal colleges for wraparound services to provide support to students and help improve graduation and completion rates	\$2.5 million	Placeholder
Senate	\$10.2 million for current year costs	\$10 million	NA	NA	NA

Higher Education Coordinating Council

Also included in the Senate FY24 Community College budget was a \$2 million one-time allocation to fund a newly created Higher Education Coordinating Council (which would be created under the S-1 substitute for SB 200) to provide grants to community colleges for curriculum development for the following certificate programs: Electric vehicle battery installation/repair, utility line tree trimming, electric vehicle charger installation, nursing, and pharmacy technician.

Given the vagueness of this language, there are concerns about the creation of this Council and what it would mean for the future independence of Michigan's community colleges.

We have heard that it was not the intent of the Senate Appropriations Chair to have this be a coordinating council like other states have (top down control) but rather a way to help to coordinate financial aid at the state level. Conversations are still ongoing about this language/funding allocation.

Capital Outlay

Last week we had the opportunity to provide testimony in support of our Integrated Student Services Hub to the Joint Capital Outlay Committee. Videos of the hearings are available [here](#). Rep. Natalie Price (D-Oakland, Wayne) announced this hearing was the conclusion of testimony for this cycle of capital outlay.

Tax Increment Financing for Housing (SB 129)

Following the introduction of SB 129 earlier this year, the legislation has now passed the full senate and is pending before the Committee on Economic Development and Small Business (Both Rep. Coffia and Rep. Roth serve on this committee), where last week a hearing was held on the legislation.

Federal

Last month, we hosted U.S. Senator Gary Peters' State Director for a tour of our aviation and un-crewed systems programs. He was touring the different regions of the state to learn more about local projects and initiatives, and we had the chance to talk about our aviation hanger project along with the work we are doing with un-crewed systems. The State Director was very interested to learn more about how the federal government might help NMC with an apprenticeship program for UAS as well as the work our graduates are doing in the ag sector (crop spraying).



MEMO
Office of the
President

To: NMC Board of Trustees
From: Nick Nissley, President
 President's Council
Date: May 18, 2023
Subject: May 2023 Executive Summary

Financial Report—Troy Kierczynski, Vice President of Finance and Administration

- The general fund currently has a year-to-date surplus of \$7.0 million at April 30, 2023, compared to \$7.4 million at this same point in time last year.
- Total revenues increased by 2% when comparing year-to-date figures for April 2023 to April 2022, despite losses in enrollment.
- Expenses increased by 4% when comparing year-to-date April 2023 to April 2022, primarily due to increases in advertising, security, and GLMA food services for summer cruise activity on the *T/S State of Michigan*.

Enrollment Report—Todd Neibauer, Vice President for Student Services and Technologies

- Summer enrollment is currently down 2% with 24 fewer students.
- The percentage(26.1%) of continuing students for summer is the highest on record.
- Fall overall enrollment is currently down 3.4% with 60 fewer students.
- Fall new student enrollment is up 1%

PRMC—Diana Fairbanks, Associate Vice President of Public Relations, Marketing, and Communications

Metric	February 2023	March 2023	April 2023
Applications Submitted	108	208	136
Ellucian Accounts Created	80	164	95
Total RFIs	188	264	218

Based on the data that we have, the performance of the campaigns is consistent with what we would expect based on the objectives, strategies, tactics, and currently available data. A/B testing and campaign optimization continues. During April, we took advantage of the rollover budget from prior months to continue to cast a wide net to find additional traffic and relevant searchers. We will continue to balance maintaining the highest reach with application generation.

Strategic Plan—Jason Slade, Vice President for Strategic Initiatives

Strategy #3 - Diversity, Equity, and Inclusion is on track with 3 of the 4 objectives currently classified as “green.” Objective 4 (Address the barriers to entry and success) is “yellow” as additional data is gathered. Objective 2 (DEI 0.5 FTE position) is complete. The NMC DEIB (Diversity, Equity, Inclusion and Belonging) Advisory Council was able to develop the following DEI purpose statement:

We are committed to enhancing and cultivating a diverse, equitable and inclusive environment through actions that foster a sense of belonging and safety for all members of the NMC community.

Foundation Report—Jennifer Hricik, Interim Associate Vice President for Resource Development and Executive Director of Foundation

- **\$2,711,912** - Total raised through new gifts, commitments, & events (Original FYE Goal: \$1,330,000, Revised FYE Goal: \$3,000,000)
- The alumni relations program welcomed almost 200 new alumni into the hawk owl family with alumni “swag bags” at the commencement events earlier this month.

**NORTHWESTERN MICHIGAN COLLEGE
BOARD OF TRUSTEES
MINUTES
Monday, April 24, 2023
NMC Hagerty Center, Room C**

The Board held a reception with the officers of the Phi Theta Kappa (PTK) student group in room A of the Hagerty Center prior to the regular Board meeting.

CALL TO ORDER—Chair Laura J. Oblinger called the regular meeting to order at 5:30 p.m.

ROLL CALL

Trustees present: Laura J. Oblinger, Rachel A. Johnson, Kennard R. Weaver, Chris M. Bott, Kenneth E. Warner

Trustees absent: Andrew K. Robitshek

Trustees participating remotely: Douglas S. Bishop (from Bonita Springs, Lee County, FL)

Also present: President Nick Nissley, Lynne Moritz, Diana Fairbanks, Craig Hadley, Troy Kierczynski, Lindsey Lipke, Kyle Morrison, Todd Neibauer, Jennifer Hricik, Stephen Siciliano, Hans VanSumeren, Deirdre Mahoney, Tony Jenkins, Glenn Wolff, Kari Kahler, Jeremy Heinelein, Katie Sommer-Ford, Michael Anderson, Patrick Quinlan

REVIEW OF AGENDA—The agenda was accepted as presented.

STRATEGIC FOCUS

Mission & Values in Action—Sarah Sergent, Marine Tech Student, shared her educational path and how career counseling led her to study Marine Technology. Sergent will graduate with her associate’s degree this spring and has two internships secured for this summer, with plans to complete her bachelor’s degree.

Strategic Initiatives Update: Student Engagement & Success—Jason Slade, Vice President of Strategic Initiatives, and Todd Neibauer, Vice President for Student Services and Technologies, shared four of the five objectives in Strategy Two are indicating great progress. Neibauer elaborated on challenges in measuring success and stated fall enrollment is beginning to see the impact of the investment in and work of the college’s Public Relations, Marketing and Communications department.

REPORTS AND PRESENTATIONS

Program Focus: Phi Theta Kappa—The PTK President introduced this year’s officers and described the group’s purpose. As an Honors in Action project, “The Art and Science of Play” topic was selected to explore the question of “how play can build connections, comfortability, and vulnerability to evoke nostalgia that challenges, inspires, and heals our community?” The “Future Hawk Owl Legacy Project” recruited 35 NMC student mentors to pair with 5th graders at Blair Elementary. The NMC Phi Theta Kappa team recently returned from Columbus, Ohio, with several awards, including Beta Alpha Continued Excellence Award, (one of only 9 chapters to receive this award out of over 30,000 chapters, this award recognizes that they have been a Distinguished

Chapter for three or more consecutive years). PTK also made the top 50 for their Honors in Action project.

This recognition is added to their Distinguished Chapter Officer, Distinguished Chapter Member and Distinguished Advisor Team awards! PTK Advisors Jeremy Heinlein and Kari Kahler, and Katie Sommer-Ford, Learning Services Office Manager, were commended for their support and leadership.

Faculty Report: ChatGPT—Michael Anderson, Communications Instructor, Chair of the Communications Academic Area, has been an instructor at NMC for 19 years and is an NMC alum. Anderson provided a summary of the development of ChatGPT, an AI-powered chatbot developed by OpenAI, and the impact on higher education. Related to education, ChatGPT can write whole essays, excels at writing summary, can solve math story problems and demonstrate the work behind the answer. However, ChatGPT struggles with sourcing and citations, addressing all elements of a prompt, etc. Anderson shared applications for using ChatGPT for writing in the classroom, such as asking it to improve a writing sample or to refute an argument. There was discussion regarding the bias of ChatGPT, informational literacy usages, how skill sets will change for students. In response to a question, Anderson noted faculty are updating policies regarding academic honesty in light of technological developments.

PUBLIC INPUT—There was no public input offered.

UPDATES

President's Update—President Nick Nissley shared about the following recent events: new student orientation, Scholarship Celebration, Big Little Hero Race, GLMA's Open Ship hosted over 700 people for a tour of the *State of Michigan*, and Audio Tech's music festival. Nissley shared news regarding the state budget and proposed updates to NMC Foundation governance documents. Lastly, regarding the Freshwater Research Innovation Center (FRIC), Nissley shared the nascent vision of five partners is now taking shape, with consultants Leah McCallum and Gabe Schneider advising on the partnership governance. FRIC will be a presentation and discussion topic for the May Board meeting. There was discussion regarding the Traverse City Downtown Development Authority's proposed extension of tax increment financing (TIF97) and it was requested that a future meeting or study session include the topic on the agenda.

Board Chair Update—Chair Laura Oblinger encouraged creative thinking and echoed Nissley's enthusiasm regarding the MCCA Capitol Day trip. Amongst other updates, Oblinger also encouraged trustees to attend a meeting of the Office of Possibilities (OOPs).

All unanimous votes recorded below refer to those trustees physically present. Trustee Doug Bishop participated remotely due to travel, and therefore did not count toward the quorum and did not have the authority to vote on consent or action items.

CONSENT ITEMS—On a motion by Kennard Weaver, seconded by Chris Bott, the following items were approved by a unanimous vote as a group without discussion:

- Minutes of the March 20, 2023, regular meeting
- Enrollment Report—*Todd Neibauer, Vice President for Student Services and Technologies*
- Financial Report—*Troy Kierczynski, Vice President of Finance and Administration*
- PRMC—*Diana Fairbanks, Associate Vice President of Public Relations, Marketing, and Communications*
- Foundation Report—*Jennifer Hricik, Interim Associate Vice President for Resource Development and Executive Director of Foundation*
- Executive Committee Minutes—*Laura Oblinger, Chair*
- Policy Committee Minutes—*Chris Bott, Committee Chair*
- Building & Site Committee Minutes—*Ken Warner, Committee Chair*

ACTION ITEMS

MACC Grant Application—Ken Warner made a motion, seconded by Rachel Johnson, to authorize the Dennon Museum Center at Northwestern Michigan College to submit an application for grant funding in the amount of \$30,000 for project support from the Michigan Arts and Culture Council (MACC) in the current round of FY23 grant applications. The motion passed unanimously of those trustees present in-person.

Tribal Council 2% Funds Application—On a motion by Kennard Weaver, seconded by Chris Bott, the Board authorized administration to submit an application for the 2% grant from the Grand Traverse Band of Ottawa and Chippewa Indians video gaming revenue as presented. While Trustee Ken Warner serves on the IAF Advisory Board, it was determined there was no conflict of interest for him to support this motion. The motion passed unanimously.

Computer Support Specialist Level 1 Certificate—On a motion by Chris Bott, seconded by Rachel Johnson, the Board approved a Computer Support Specialist Level 1 Certificate, effective Spring 2024. The motion passed unanimously.

Cybersecurity Specialist Level 1 Certificate—Kennard Weaver made a motion, seconded by Rachel Johnson, to approve a Cybersecurity Specialist Level 1 Certificate, effective Spring 2024. The motion passed unanimously.

Great Lakes Campus HVAC Modernization & Upgrade—On a motion by Ken Warner, seconded by Chris Bott, the Board authorized for administration to enter into a contract with TRANE in the amount of \$40,530 to complete modernization and upgrade of the HVAC controller system at the Great Lakes Campus. The motion passed unanimously.

Great Lakes Campus Paver Replacement—Rachel Johnson made a motion, seconded by Chris Bott, to authorize administration to enter into a contract with Spence Brothers Construction in the amount of \$248,600, plus 10% contingency of \$24,860, for total authorization of \$273,460 to

complete repair and remodel of the north courtyard of the Great Lakes Campus as presented. The motion passed unanimously.

Board Policies—On a motion by Chris Bott, seconded by Ken Warner, the Board unanimously adopted the following Board policies on a first-reading basis as presented:

- A-106.01 Naming Opportunities
- C-103.00 Purposes

Closed Session—Rachel Johnson made a motion, seconded by Chris Bott, that the Board convene in closed session as permitted by Section 8(1)(e) of the Open Meetings Act, MCL 15.268. The motion passed with the following roll call vote: Yes—Chris Bott, Rachel Johnson, Ken Warner, Kennard Weaver, Laura Oblinger; No-none; and the Board went into closed session at 6:55 p.m.

Reconvene Regular Session—Kennard Weaver made a motion, seconded by Chris Bott, to adjourn the closed session and reconvene the open session. The motion passed with the following roll call vote: Kennard Weaver, Ken Warner, Rachel Johnson, Chris Bott, Laura Oblinger; No-none; and the regular open session reconvened at 7:13 p.m.

REVIEW OF FOLLOW-UP REQUESTS—Confirmed requests made by the Board that require administrative follow-up for information to be provided to the Board at a later date.

ADJOURNMENT—The meeting adjourned at 7:14 p.m.

Recorded by Lynne Moritz, Executive Director of the President’s Office and Board Operations.

SIGNED _____
Laura J. Oblinger, Chair

ATTESTED _____
Rachel A. Johnson, Vice Chair



**Northwestern
Michigan
College**

**MEMO
Enrollment Services**

To: Dr. Nick Nissley, President
 From: Todd Neibauer, VP for Student Services and Technologies
 Date: May 16, 2023
 Subject: Summer 2023 Enrollment Update

Summer 2023

Summer enrollment for 2023 is currently down 24 students and 119 contact hours over the same time last year. The gap should continue to narrow as we have international Aviation students yet to register and one remaining orientation for summer. We currently have over 26% of our spring semester students taking classes this summer which is the highest percentage the college has seen.

(Source: Digital Dashboard Same Date Comparison SP2020-2023)

	2020	2021	2022	2023
Applicants	690	716	613	815
Admits	503	515	408	528
Admits Registered	205	205	181	180
Prior Admits Registered	2	8	7	4
Retained Students	730	784	749	748
Return Students	76	91	82	63
Average Contact Hours	6.15	5.98	5.76	5.77
Total Headcount	1,013	1,088	1,019	995
Total Contact Hours	6,226	6,504	5,865	5,746
Tuition	1,198,230	1,272,810	1,262,146	1,299,430

Fall 2023

Applications for fall semester are currently up 7% overall. The number of new students registered is up 1% over last year, however, overall contact hours are currently down 3.4%.

	2020	2021	2022	2023
Applicants	2,470	2,523	2,231	2,388
Admits	1,729	1,783	1,571	1,584
Admits Registered	399	513	443	447
Prior Admits Registered	9	37	15	15
Retained Students	1,276	1,161	1,172	1,105
Return Students	87	159	97	100
Average Contact Hours	11.67	11.03	11.08	11.08
Total Headcount	1,771	1,869	1,727	1,667
Total Contact Hours	20,659	20,617	19,131	18,477
Tuition	4,163,231	3,958,219	3,886,021	3,943,006



MEMO
Administrative Services

To: Dr. Nick Nissley, President
From: Troy Kierczynski, Vice President of Finance and Administration
Date: May 15, 2023
Subject: Summary Report for the General Fund as of April 30, 2023

The attached reports summarize the financial results for the General Fund as of April 30, 2023. The tenth month represents 83% of the year.

Month End Results

The month end reports are interim and not a reflection of actual year-end results.

The timing of revenue and expenses fluctuates throughout the year and will affect year end results.

The general fund has year-to-date revenue over expenses of \$7,000,757. Revenue increased by 2% when comparing year-to date April 2023 to April 2022. Expenses increased by 4% when comparing year-to-date April 2023 to April 2022 primarily due to increased purchased services.

Revenue (letters refer to the attached General Fund summary)

- A. Tuition and fees: For Spring 2023, the budget was set at 31,365 contact hours for a total budget revenue of \$6,601,719. Actual spring contact hours projected at 29,251 with projected revenue of \$5,929,275. Spring revenue is trending under budget by \$672,444.
- B. Property Taxes: Tax revenue is recorded as payments are received. The overall increase for the fiscal year is expected to be 6% over the previous fiscal year.
- C. State Sources include budget appropriations, personal property tax payments and MPSERS retirement payments. State appropriations payments began in October.
- D. Federal Sources consist primarily of the MARAD grants and fuel payments. These funds are to be used directly for the Maritime program.
- E. Actual year-to-date investment income recorded for fiscal year 2023 reflects interest and dividend income only. Interest income is expected to surpass fiscal year 2022 due to rising interest rates.
- F. Both Private Sources and Other Sources are timing and event dependent.

Expenses

- G. Salaries and benefits are tracking near budget.
- H. Overall expenses are under budget at this time due to lower supplies and other expenses.
- I. Capital Outlay reflects expenditures budgeted through the allocation of COAT dollars.

Northwestern Michigan College

Unaudited



Month end reports are interim and not a reflection of year end results.

Summary Report for General Fund Accounts Fiscal Year 2023, Period 10

Funds	Accounts	2022-2023 Adjusted Budget	YTD Activity	% of Annual Budget
TOTAL GENERAL FUND				
50	Revenues			
	Tuition and Fees	22,001,840	19,389,508	88.13%
	Property Taxes	12,769,825	12,659,188	99.13%
	Other Local	<u>0</u>	<u>0</u>	*
	Local Sources	34,771,665	32,048,696	92.17%
	State Sources	10,745,000	8,225,787	76.55%
	Federal Sources	0	0	*
	Private Sources	979,765	793,985	81.04%
	Investment Income	196,000	420,875	214.73%
	Other Sources	<u>426,100</u>	<u>580,133</u>	136.15%
	Total Revenues	47,118,530	42,069,477	89.28%
60	Labor			
	Salaries & Wages	23,916,066	17,894,847	74.82%
	Benefits	<u>10,025,563</u>	<u>7,736,256</u>	77.17%
	Total Labor	33,941,629	25,631,102	75.52%
70	Expenses			
	Purchased Services	2,753,059	2,208,968	80.24%
	Supplies & Materials	3,041,584	2,215,977	72.86%
	Internal Services	103,065	35,503	34.45%
	Other Expenses	1,628,696	1,025,907	62.99%
	Institutional Expenses	1,738,804	1,575,571	90.61%
	Maintenance & Renovation	1,762,581	1,369,254	77.68%
	Prof Develop, Travel & Events	594,112	458,894	77.24%
	Capital Outlay	<u>170,000</u>	<u>194,810</u>	114.59%
	Total Expenses	11,791,901	9,084,885	77.04%
	Total Expenditures	45,733,530	34,715,987	75.91%
80	Transfers			
	Transfers	-1,385,000	352,733	-25.47%
	Total Transfers	<u>-1,385,000</u>	<u>352,733</u>	-25.47%
	Total Expenditures and Transfers	44,348,530	35,068,720	79.08%
	Net Revenues over (under) Expenditures	2,770,000	7,000,757	



**Northwestern Michigan College
Comparison - Fiscal Year to Date
General Fund
April 2023 vs. April 2022**

INTERIM
This statement does not
reflect year-end results.

	YTD 4/30/2023	YTD 4/30/2022	\$ Diff	% Diff	Comments
Revenue					
Local Sources:					
Tuition & Fees	\$ 19,389,508	\$ 19,374,602	\$ 14,906	0%	Consistent with prior year
Property Taxes	12,659,188	11,961,582	697,606	6%	Primarily due to overall increases in taxable values
Total Local Sources	32,048,696	31,336,184	712,512	2%	
State Sources	8,149,849	8,321,915	(172,066)	-2%	Primarily due to State's 201e One-Time Operational Support payment received in FY22; partially offset by higher state appropriations received in FY23
State PPT Reimbursement	75,938	78,239	(2,301)	-3%	Consistent with prior year
Federal Sources	-	12,600	(12,600)	-100%	Marine center grant and Partners in America grant received in FY22
Private Sources	793,985	764,307	29,678	4%	Timing of Foundation gifts
Investment Income	420,875	137,691	283,184	206%	Higher interest/dividends recognized in FY23 than in FY22
Other Sources	580,133	404,744	175,389	43%	Primarily due to higher Marine Center revenue, Lobdell's revenue, NJTP administrative fee revenue, and GLMA billing for providing cruise time to external maritime students
Total Revenue	42,069,477	41,055,680	1,013,796	2%	
Expenses					
Salaries and Wages	17,894,847	17,642,355	252,492	1%	Consistent with prior year
Benefits	7,736,256	7,777,357	(41,101)	-1%	Consistent with prior year
Purchased Services	2,208,968	1,775,500	433,468	24%	Primarily due to higher EES instructor expenses as activity picks up in FY23, higher security expenses, and higher advertising expenses
Supplies & Materials	2,215,977	1,998,513	217,464	11%	Primarily driven by the timing of aviation fuel purchases and software purchases/renewals in FY23
Internal Services	35,503	16,445	19,058	116%	Timing of internal events/charges including more onsite employee/campus events in FY23
Other Expenses	1,025,907	1,063,609	(37,702)	-4%	Primarily due to lower financial fees and timing of equipment rentals in FY23; partially offset by higher non-professional development event expenses in FY23
Institutional Expenses	1,575,571	1,276,335	299,236	23%	Primarily due to timing of rebates received in FY22, higher heating fuel expenses in FY23 and timing of utilities and insurance expenses
Maintenance & Renovation	1,369,254	1,277,708	91,546	7%	Primarily due to timing of contract renewals and timing of NMC equipment maintenance expenses
Professional Development	458,894	325,626	133,268	41%	Timing of professional development fees and reimbursements
Capital Outlay	194,810	137,604	57,206	42%	Timing of COAT purchases
Total Expenses	34,715,987	33,291,052	1,424,935	4%	
Transfers	352,733	348,917	3,816	1%	Aviation flight hours transfer
Total Expenses & Transfers	35,068,720	33,639,969	1,428,751	4%	
Net Revenue Over (Under) Expenses	\$ 7,000,757	\$ 7,415,711	\$ (414,955)	-6%	



**Northwestern Michigan College
Comparison - Month Over Month
General Fund
April 2023 vs. March 2023**

INTERIM
This statement does not
reflect year-end results.

	YTD 4/30/2023	YTD 3/31/2023	Apr 23 Activity	Mar 23 Activity	Comments
Revenue					
Local Sources:					
Tuition & Fees	\$ 19,389,508	\$ 17,439,623	\$ 1,949,885	\$ 1,999,295	Consistent with prior month
Property Taxes	12,659,188	11,769,746	889,442	1,907,898	Timing of tax collections received
Total Local Sources	32,048,696	29,209,369	2,839,327	3,907,193	
State Sources	8,149,849	7,020,704	1,129,145	1,129,144	Consistent with prior month
State PPT Reimbursement	75,938	75,938	-	-	Consistent with prior month
Federal Sources	-	-	-	-	Consistent with prior month
Private Sources	793,985	793,985	-	275,407	Timing of Foundation gifts
Investment Income	420,875	404,409	16,466	219,913	Higher investment interest income received in March
Other Sources	580,133	454,102	126,031	35,268	Primarily due to timing of NJTP administrative revenue and purchasing card rebate received in April
Total Revenue	42,069,476	37,958,507	4,110,969	5,566,925	
Expenses					
Salaries and Wages	17,894,847	16,057,265	1,837,582	1,887,779	Consistent with prior month
Benefits	7,736,256	6,969,977	766,279	771,814	Consistent with prior month
Purchased Services	2,208,968	1,909,436	299,532	236,892	Primarily due to higher purchased service expenses in April such as a college completion coach and timing of security services invoices
Supplies & Materials	2,215,977	1,935,597	280,380	304,226	Primarily due to timing of aviation fuel purchases and timing of class related fees; partially offset by timing of postage expenses in March
Internal Services	35,503	33,670	1,833	16,492	Timing of internal events/charges
Other Expenses	1,025,907	915,833	110,074	106,061	Consistent with prior month
Institutional Expenses	1,575,571	1,402,083	173,488	257,314	Primarily due to timing of snow removal expenses and utility expenses in March
Maintenance & Renovation	1,369,254	1,210,657	158,597	144,445	Consistent with prior month
Professional Development	458,894	386,135	72,759	53,315	Timing of professional development expenses
Capital Outlay	194,810	181,328	13,482	13,998	\$3,500 Machitech Automation LLC (CNC machine welding), \$27,982 In-Situ Inc (GLWSI AT600 sondes), (\$18,000) Blair Custom Coating (reclassified painting from general fund to Apartment fund)
Total Expenses	34,715,987	31,001,981	3,714,006	3,792,336	
Transfers	352,733	352,733	-	118,671	Aviation flight hours transfer
Total Expenses & Transfers	35,068,720	31,354,714	3,714,006	3,911,007	
Net Revenue Over (Under) Expenses	\$ 7,000,756	\$ 6,603,793	\$ 396,963	\$ 1,655,918	



Northwestern
Michigan
College

MEMO

*Public Relations, Marketing,
and Communications*

To: Nick Nissley, President

From: Diana Fairbanks, Associate VP of PR, Marketing and Communications

Date: 5-12-23

Subject: April 2023 Monthly Report

Paid media performance is strong as we balance awareness with conversion campaigns and continue to adjust messaging with results from A/B testing across campaigns. The [GLCI culinary maritime campaign](#) continues to be the best performing program campaign after our campaigns for the adult and traditional learners. News story that received the highest coverage were the [GLMA open ship](#) and new [CIT certificates](#). Overall coverage is strong and we are back to 100% positive or neutral media sentiment for the first time since December 2022. April was a very strong month for shared media which benefits from an increase in paid social ads. Highest performing posts include the GLMA open ship and Big Little Hero race. Owned media highlighted new [CIT certificates](#) and [NMC's 25th anniversary of online education](#). NMC Public Relations, Marketing and Communication key performance indicators for April 2023 include:

Paid Media ↑

- Leads (RFI): 218
- Applications: 136
- Accounts: 95

Earned Media mixed

- Media mentions: 81
- Positive/neutral sentiment: 100%
- Publicity value: \$16k

Owned Media ↑

- NMC Now: 890 followers, 68% open rate

Shared Media ↑

- Facebook followers: +7% YOY
- Facebook engagement: +75% YOY
- Instagram followers: +13% YOY
- Instagram engagement: +73% YOY



MEMO: Resource Development

To: NMC Board of Trustees
President Nick Nissley, Ed.D.

From: Jennifer Hricik
Interim Assoc. Vice President, Resource Development
and Executive Director, NMC Foundation

Date: May 7, 2023

Subj: Foundation Update

Fund Raising – Report on FY23 goals

- The number of gifts received to date this fiscal year 3,577 is ahead of last year at this time (3,302).
- FY23 total dollars raised through the NMC Foundation

\$2,536,705	Total received (including The Fund for NMC, pledges, and <i>new documented planned gift intentions</i>) raised toward goal
+ <u>\$175,207</u>	Gross event revenue
\$2,711,912	Total raised through new gifts, commitments, & events
	<i>(Original Goal: \$1,330,000, Revised FYE Goal: \$3,000,000)</i>
+ \$248,984	<i>from previously documented planned gifts</i>

Of the F23 funds raised and realized, donors are impacting the following areas of the college:

- Unrestricted gifts to the Fund for NMC - \$249,025
- Scholarships at NMC - \$1,598,748
- Programs and capital projects at NMC - \$1,113,122

Foundation Initiatives

- Foundation governance documents are under review and revision. A meeting between the Executive Committees of both the foundation and college's Board of Trustees for the development of the revised MOU is in process of being scheduled. The Board Development Committee of the foundation has prepared a list of high-level discussion items for this meeting.
- The alumni relations program welcomed almost 200 new alumni into the hawk owl family with alumni "swag bags" at the commencement events earlier this month.

Northwestern Michigan College
Board of Trustees
Executive Committee Minutes
May 9, 2023
University Center
Gray Conference Room 202
2200 Dendrin Drive
Traverse City, MI 49686

Committee Chair Laura Oblinger called the meeting to order at 1:31 p.m.

Members Present: Laura Oblinger, Chris Bott, Rachel Johnson

Others Present: Nick Nissley, Lynne Moritz

President's Update

President Nissley updated the committee on the Freshwater Research Innovation Center (FRIC), which will be a discussion topic on the next Building & Site Committee agenda and the May 22 full Board meeting agenda. As funding requests develop for the project, a need to outline the structure of the joint venture between NMC and the Discovery Center Pier has been proposed. The next step is to convene an ad hoc committee to develop the joint venture agreement.

There was discussion regarding housing needs for students and funding options available from the State of Michigan.

Nissley then provided updates on the following topics:

- State budget
 - Proposals range from 2.3% increase (governor) to 5.5% increase (senate); therefore, NMC is budgeting in the middle of that range.
 - All budget proposals include tuition restraint language.
 - Labor and Economic Opportunity (LEO) Budget may include \$2.5 million for the Aviation hangar expansion project
- College's partnership with Edustaff as a third party administer of payroll for adjunct and supplemental employees
- FY24 budget and 2023-2024 tuition and housing rates
- Upcoming testimony before the Joint Capital Outlay Subcommittee on the proposed FY24 Capital Outlay request for renovation of the Osterlin building into an Integrated Student Services Hub
- Campus Master Plan Steering Committee development

Board Chair Update

Chair Laura Oblinger recognized the diversity of projects which are in development and gave kudos to those involved in NMC's Commencement ceremonies on May 6, 2023. Oblinger also provided an update on NMC Foundation governance document developments, noting that Elaine Wood will facilitate a joint meeting of the executive committees as one of the next steps in this work.

May Board Meeting Agenda

The May 22 Board agenda was reviewed and it was requested to continue the Executive Summary portion of the materials packet and to actively rotate the executive reports in the consent section to verbal reports.

June Study Session Planning

There was brief discussion regarding the central focus of the June 13 Board Study Session. A planning conversation will be scheduled for Chair Oblinger, President Nissley, and Lynne Moritz.

Public Input—There was no public comment offered.

The meeting was adjourned at 2:42 p.m.

Recorded by Lynne Moritz, Executive Director of the President's Office and Board Operations

Northwestern Michigan College
Board of Trustees
Building & Site Committee Minutes
May 18, 2023
President's Office Conference Room
Tanis Building
1701 E. Front Street, Traverse City, MI 49686

Committee Chair Ken Warner called the meeting to order at 9:30 a.m.

Members Present: Ken Warner, Chris Bott, Kennard Weaver

Others Present: Nick Nissley, Lynne Moritz, Troy Kierczynski, Jason Slade, Mark Roth (via phone), Brad Butcher, Alex Bloye

Aviation Hangar Expansion—Brad Butcher, architect with the Sidock Group, summarized the history of work done to date with their firm in the planning stages for an expansion of the NMC Aviation Hangar. Butcher provided a brief review of the project renderings, which has a proposed budget of \$7.5 million, and noted other projects in northern Michigan. Sidock Group recommends hiring a construction manager to aid in managing costs within the budget. Aviation Director Alex Bloye expressed his support for continuing to work with Sidock Group, which also works with Cherry Capital Airport. Following the presentation, the committee discussed the future steps of the process and expressed the need to seek bids. President Nissley provided an update on funding sources for the project. It is hopeful that groundbreaking on the project will occur in spring of 2024.

University Center Fire Suppression Bids & Greenspire Lease—Questions from the April committee meeting were addressed before two bids for life safety upgrades to the University Center were discussed. Kennard Weaver made a motion, seconded by Chris Bott, to recommend the work to the full Board of Trustees for their regular meeting on May 22, 2023.

Campus Master Plan—A brief update was provided on the suggested steering committee structure and meeting frequency for the master planning process. The Board of Trustees Building and Site Committee will provide oversight of the process through monthly committee meetings. A steering committee will include President's Council, other select NMC staff, a representative from the Board of Trustees, and a representative from the NMC Foundation Board. Stakeholder groups both within and surrounding the NMC community will be engaged throughout the process as well, with those participants being largely based off of those involved in the most recent strategic planning process.

Recurring scheduling of committee—Proposed dates for next the next 6-12 months were reviewed, with the June 13 and July 13 dates confirmed. Future dates and times through March of 2024 will be adjusted and repropoed by the President’s Office based on input from the committee members.

Student Housing & Rates—Current demands and opportunities for student housing were discussed. The committee reviewed the recommended increase in housing and meal plan rates for 2023-2024, which are proposed for approval at the May 22, 2023, regular Board meeting.

Freshwater Research Innovation Center – Jason Slade, Vice President of Strategic Initiatives, presented context on the developments in collaboration with Discovery Pier for a Freshwater Research Innovation Center (FRIC). Michigan Tech University, 20Fathoms, Traverse Connect, NMC, and Discovery Pier have been working together on this project thus far. A joint venture between NMC and Discovery Center & Pier is being proposed, with the other stakeholders serving on advisory board, based on the following findings:

- The Discovery Center and Pier owns the land, and is the fiduciary of already-secured private, public, and federal funding
- NMC and Discovery Center & Pier are planning on being the fiduciary of future federal and other public monies
- Both Discovery and NMC have the burden of public accountability (as 501c3, recipient of public grant funds, and / or through status as a public institution)
- NMC and Discovery / Rotary are both well established and well regarded Traverse City institutions
- These two entities are contributing assets (land, cash, fiduciary responsibility) towards the endeavor and agree to ensure the future of The Freshwater Center

Regarding the time frame for this project, a request for up to \$20 million is currently working through the state; a joint venture would serve as the recipient for the funding. Ideally, a proposed joint venture would be drafted by fall of 2023. Slade reviewed the previous sources of funding (including federal earmarks and regional fundraising) and current requests (state and federal).

Public Input— There was no public comment offered.

The meeting was adjourned at 10:34 a.m.

Recorded by Lynne Moritz, Executive Director of the President’s Office and Board Operations



Northwestern
Michigan
College

MEMO

Administrative Services

To: Dr. Nick Nissley, President

From: Troy Kierczynski, Vice President of Finance and Administration

Date: May 15, 2023

Subject: Calendar Year 2023 Truth-in-Taxation Resolution

Attached is the recommended resolution for the Board to adopt at its regularly scheduled meeting on May 22, 2023. It is an annual requirement for the Board to set a time to have a Truth-in-Taxation Hearing in which we inform the public of property values and the resulting revenue. The resolution establishes the June 26, 2023 regular Board of Trustees meeting as the time of the Truth-in-Taxation Hearing, as well as the Budget Hearing. Upon completing the public hearing, the Board may then take action to certify taxes for the 2023-2024 fiscal year. As in the past, we will recommend that the full tax levy be issued, and will justify the need to receive the funds as a necessary means of balancing the budget.

If you have any questions, please contact me at your convenience.

**TRUTH-IN-TAXATION
FIRST RESOLUTION**

Northwestern Michigan College, Michigan (the “College”).

A regular meeting of the Board of Trustees (the “Board”) of the College was held at the Timothy J. Nelson Innovation Center on the 22nd day of May 2023, at 5:30 in the evening.

The meeting was called to order by: _____

Present: _____

Absent: _____

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS, the Board may not adopt its proposed 2023-2024 budget until after a public hearing has been concluded; and

WHEREAS, a copy of the proposed 2023-2024 budget including the proposed property tax millage rate will be available for public inspection during normal business hours at the office of the Vice President of Finance and Administration, Northwestern Michigan College, Traverse City, Michigan; and

NOW THEREFORE, BE IT RESOLVED THAT on June 26, 2023 at 5:30 p.m. at the Timothy J. Nelson Innovation Center of Northwestern Michigan College, Traverse City, Michigan, the Board of Trustees of Northwestern Michigan College will hold a public hearing to consider the college’s proposed 2023-2024 budget and the property tax millage rate proposed to be levied to support the proposed 2023-2024 budget.

Ayes: _____

Nays: _____

Resolution declared adopted.

Secretary, Board of Trustees
Andrew K. Robitshek

**TRUTH-IN-TAXATION
FIRST RESOLUTION**

The undersigned, duly qualified and acting Secretary of the Board of Trustees of Northwestern Michigan College, Michigan, hereby certifies that the foregoing constitutes a true and complete copy of a resolution adopted by said Board of Trustees at a regular meeting held on May 22, 2023, the original of which is part of the Board's minutes. The undersigned further certifies that notice of the meeting was given to the public pursuant to the provisions of the "Open Meetings Act" (Act 267, PA 1976, as amended).

Secretary, Board of Trustees
Andrew K. Robitshek

To: Dr. Nick Nissley, President
From: Todd Neibauer, VP for Student Services and Technologies
Troy Kierczynski, VP for Finance and Administration
Date: April 18, 2023
Subject: 2023-24 Housing and Meal Plan Rates



Northwestern
Michigan
College

Board Authorization

Board authorization is requested for housing and meal plan rates for FY24. Recommendations:

- We propose a 7% increase to East Hall and North Hall room rates. The change amounts to \$200 per semester, or \$400 annually per resident hall student.
- We propose a 3% increase to Apartment rates. The change amounts to \$25 per month, or \$300 annually per unit.
- We propose a 6% increase to meal plan option 1, a 7% increase to meal plan option 2, and an 8% increase to meal plan option 3. These changes amount to \$100 per semester, or \$200 annually per student.

Residence Hall Room Rates — Proposed

Following are the recommended annual housing rates for FY24:

Room Rates – East Hall Academic Year	FY22 Rates	FY23 Rates	FY24 Rates	% Change
Double Room Rate	\$5,350	\$5,350	\$5,750	7%
Single Room Rate*	\$5,800	\$5,800	\$6,200	7%

Room Rates – North Hall Academic Year	FY 22 Rates	FY 23 Rates	FY 24 Rates	% Change
Double Room Rate*	\$5,600	\$5,600	\$6,000	7%
Single Room Rate	\$6,400	\$6,400	\$6,800	6%

*limited availability

Residence hall room rates were last adjusted in FY17 when North Hall opened. Based on our review, the proposed FY24 housing rates would help align NMC's rates with those at other institutions across the state. The proposed rates support NMC Housing's operating model ensuring revenues meet operational costs. Beginning in Fall 2023, NMC will provide students with pre-loaded laundry cards and plans to upgrade its machines in Spring 2024 at the expiration of its current laundry contract.

Apartment Rates — Proposed

Following are the recommended Apartment rates for FY24

Apartment Rates – Monthly Per Unit	FY22 Rates	FY23 Rates	FY24 Rates	% Change
2 Bedroom (semester lease)	\$825	\$900	\$925	3%
1 Bedroom (semester lease)	\$700	\$775	\$800	3%

Meal Plans Background

The NMC residence hall housing contract stipulates that all East hall residence students must choose a meal plan. Meal plan balances can be transferred from Fall to Spring, however, any balances left at the end of the Spring semester are not refunded. In addition, there are no meal plan refunds after the start of classes.

Meal plan rates were last adjusted in fiscal year 2015. Based on BLS data, food prices have increased by 30% since 2015 – 15% over the last 2 years alone. Labor costs have also increased in effort to attract and retain adequate staffing levels to serve students and campus community. For comparison, meal plans offered by universities such as CMU, FSU, and GVSU range between \$3,700 and \$5,400 per year.

Meal Plan Rates — Proposed

Following are the recommended Meal Plan rates for FY24.

Meal Plan Rates – Academic Year	FY22 Rates	FY23 Rates	FY24 Rates	% Change
Meal Plan - Option 1	\$3,400	\$3,400	\$3,600	6%
Meal Plan - Option 2	\$2,800	\$2,800	\$3,000	7%
Meal Plan - Option 3	\$2,400	\$2,400	\$2,600	8%



Memorandum

Administrative Services

To: Dr. Nick Nissley, President

From: Troy Kierczynski, Vice President of Finance and Administration
Jason Slade, Vice President for Strategic Initiatives

Date: May 15, 2023

Subject: University Center – Phase II Change in Use Upgrades for Greenspire High School

This document provides an overview and recommendation for the selection of a contractor for the life safety upgrades to the existing south wing of the NMC University Center. The upgrades are required for a change in use allowing Greenspire High School (GHS), a current University Center tenant, to expand southward on the Upper Level.

Recommendation

Authorize the administration to enter into a contract with Miller-Davis Company in the amount of \$391,600, plus 15% contingency of \$58,740, for total authorization of \$450,340, to complete the required life safety upgrades to the existing south wing of the NMC University Center.

Background/Scope of Work

Upgrades will consist of a complete design/installation of fire suppression on all levels of the south wing, upgrades to the existing fire alarm system, and emergency lighting. The project will also include minor demolition and renovation of an existing office for (2) single-occupant restrooms, casework, and miscellaneous construction to ensure code compliance per new use. Electrical, mechanical, and plumbing work is required. Substantial completion is required by August 15 to ensure GHS use in Fall 2023.

NMC tentatively agreed to finance the initial project costs, subject to board approval, as a condition of an anticipated 7-year lease agreement with GHS. These project costs borne by NMC are expected to be recovered by year 3 of the lease agreement.

Bid Analysis

Two bids were received by the May 10 due date. Miller-Davis was the lowest bidder after a 21-day period listed on NMC's RFP website and with Traverse Reproduction, Builders Exchange of Northwest Michigan, and Builders Exchange of Grand Rapids. No other bids were received.

Company	Location	Amount
Miller-Davis Company	Kalamazoo, MI	\$391,600
Eckler Building Solutions, LLC	Traverse City, MI	\$680,000

Funding Source

This project will be funded by University Center reserves.



MEMO
Systems & LAN Management

To: Dr. Nick Nissley, President
From: Todd Neibauer, Vice President for Student Services and Technologies
Date: March 22, 2023
Subject: Network Server Replacements

Board Authorization Requested

Authorize the administration to enter into a contract with Frontier Computer for the purchase of nine replacement network servers for \$91,809.

Background

The College operates and maintains a technology infrastructure system that includes more than 30 physical file servers and 250 virtual file servers. These servers provide access to the technology needs of NMC's students, faculty and staff used on a daily basis. A set of these servers have reached the end of their lifecycle.

Cost Summary

NMC has analyzed and reviewed potential replacement systems working with different manufacturers and vendors. We have solicited hardware and software quotations from three different companies. We have selected to purchase the new Dell server hardware from Frontier Computer (Traverse City). The total expenditure for this solution is \$91,809.00. Other bids were received from Sentinel Technologies (Grand Rapids) \$92,603 and Computer Discount Warehouse (Chicago, IL) at \$135,187.

Funding Source

The funding source is the Technology Plant Fund.



Northwestern Michigan College

231.995.1000 | Traverse City, MI | www.nmc.edu

Board Policy A-106.01
Board of Trustees Process

Naming Opportunities

In keeping with Board Process Policy [A-106.00](#), the Board of Trustees of Northwestern Michigan College reserves the right to be involved in the decision-making process, to deliberate and evaluate options, and to vote upon determination of naming opportunities.

The College may, from time-to-time, honor or memorialize certain individuals or organizations in recognition of extraordinary contributions to the College. These contributions may include financial gifts, time and talent devoted to the College by community members, or distinguished service on the part of faculty and staff. The appropriate recognition opportunities will be identified by executive staff and recommended by the president to the Board of Trustees.

If any provision(s) of this policy or set of bylaws conflicts with laws applicable to Northwestern Michigan College, including the Community College Act of 1966, the Freedom of Information Act, or the Open Meetings Act, as each may be amended from time to time, such laws shall control and supersede such provision(s).

Adopted by the Northwestern Michigan College Board of Trustees April 20, 1998

Reviewed without revision December 19, 2005

Revised May 18, 2015

Revised June 25, 2018



Northwestern Michigan College

231.995.1000 | Traverse City, MI | www.nmc.edu

Board Policy C-103.00
Ends Policy

Purposes

To meet our mission, shall be fully engaged in each of the following purposes with the result that our learners meet their goal(s) of being college-ready, transfer-ready, career-ready and ready for lifelong learning.

- Associate degree, certificate, and transfer education in liberal arts and sciences, and occupational studies
- Career/occupational education and workforce development
- Bachelor degrees in select programs
- Cultural and personal enrichment
- Baccalaureate and graduate program facilitation
- Regional economic development

If any provision(s) of this policy or set of bylaws conflicts with laws applicable to Northwestern Michigan College, including the Community College Act of 1966, the Freedom of Information Act, or the Open Meetings Act, as each may be amended from time to time, such laws shall control and supersede such provision(s).

Adopted by the Northwestern Michigan College Board of Trustees April 17, 2000

Revised October 6, 2003

Revised March 26, 2007

Revised November 22, 2010

Revised March 18, 2013

Revised June 25, 2018