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**Delta College
Board of Trustees
Dinner Meeting**

Virtually via Zoom (1-929-205-6099 Webinar ID: 842 7577 0285)

**Held virtually in accordance with Public Act 254 of 2020 due to the COVID-19 Pandemic
(Due to declaration of a Local State of Emergency by the Bay County Executive on April 6, 2021 and
Bay County Board of Commissioners resolution No. 2021-59 on April 13, 2021, extending the Local
Emergency Order for a three-month period to expire on July 13, 2021.)
June 15, 2021**

Board Present: A. Baldwin, M. Benecke, R. Emrich, S. Gannon, D. Middleton, M. Nash, M. Rowley, M. Thomas

Board Absent: A. Buckley

Others Present: D. Allen, N. Bovid, T. Brown, J. Carroll, P. Clark, A. Cramer, M. Crawmer, R. Curry, C. Curtis, S. DuFresne, J. Foco, P. Fox, J. Garn, J. Goodnow, L. Govitz, S. Harrison, J. Mulders, K. Rishe, S. Roche, E. Roth, K. Schuler, S. Shinkel, A. Ursuy

Press Present: None

Board Secretary, A. Ursuy read a meeting overview at 6:00 pm.

“Good evening,

This evening we will begin with our “dinner” informational meeting.

The Board is authorized to hold this virtual meeting with participation through the Zoom platform in compliance with the Michigan Open Meetings Act as amended (Public Act 254 of 2020) which permits a public body to meet by electronic or telephonic means upon declaration of a local state of emergency if meeting in person would place at risk the personal health or safety of members of the public or members of the public body. On April 6, 2021, the County Executive of Bay County declared a Local State of Emergency. On April 13, 2021, the Bay County Board of Commissioners issued resolution No. 2021-59, extending the Local Emergency Order for a three-month period to expire on July 13, 2021.

Andrea Ursuy will present a Strategic Planning Update and Sarah DuFresne will present the Budget this evening.

For those joining us today, we want to ensure everyone can hear the board meeting. To minimize audio feedback, we ask all virtual participants NOT to use any speakerphone options.

For those of you who plan to join us for our 7:00 p.m. Regular Board Meeting, we will use the same link for this meeting as well.

Our Board Secretary, Andrea Ursuy, will take attendance immediately after I call this informational meeting to order. When she calls your name, please say “here” and announce the

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city, township, or village; county; and state from which you are attending the meeting remotely.”

Board Chair, M. Nash called the meeting to order at 6:02 pm.

Board Secretary A. Ursuy took attendance. Each Trustee indicated their presence, township or city, county and state in which they were participating in this meeting.

A. Baldwin – Present, Spaulding Township, Saginaw County, Michigan
M. Benecke – Present, Frankenlust Township, Bay County, Michigan
A. Buckley – Absent
R. Emrich – Present, Saginaw Township, Saginaw County, Michigan
S. Gannon – Present, Jerome Township, Midland County, Michigan
D. Middleton – Present, Williams Township, Bay County, Michigan
M. Nash – Present, Larkin Township, Midland County, Michigan
M. Rowley – Present, Hampton Township, Bay County, Michigan
M. Thomas – Present, Saginaw Township, Saginaw County, Michigan

Board Chair, M. Nash turned the meeting over to Andrea Ursuy, Executive Director of Administrative Services and Institutional Effectiveness, who gave a Strategic Planning Update.

A. Ursuy noted that the Board approved the 2019-2023 Strategic Plan in June 2019. In March 2019, the Board participated in a daylong special meeting and played a significant role in setting the direction for the plan. The Board engaged in a SWOT analysis, established strategic challenges and advantages, examined our mission, vision and values and reaffirmed our strategic focus areas.

The four strategic focus areas are Student Success, Community Focus, Sustainability and People Focus. The College has identified nine strategic initiatives in the current plan. Unless major changes affect the direction of the College, those initiatives remain in place for the duration of the plan. There are 11 action projects established to accomplish the initiatives. These action projects range from 6 months to 2 years in length. They are “tactical plans” to help us realize success and ultimately achieve the indicators of success (KPI’s) that have been established for each strategic focus area. The projects have 1-2 champions that lead the work of many individuals throughout the College to accomplish the goals.

A. Ursuy gave a brief update of the plan since the Board’s approval in 2019 through now. When the pandemic hit, the Strategic Planning and Institutional Effectiveness Steering Committee was in the middle of mid-year annual reviews for the action projects. Those reviews were completed and the committee members had the opportunity to provide feedback. The committee members also re-examined the SWOT analysis that was conducted in March 2019. It was apparent that some revisions were needed. Areas that had always been strengths for us in the past transitioned to weaknesses and threats in some cases.

Our leadership team worked to balance short-term reaction work necessary due to COVID while still continuing to implement the plan. We recognized some learning opportunities and became very agile due to COVID. For the 2020-2021 plan year, a few projects were paused taking the number of action projects from 14 to 11. Our project champions made substantial progress as we continued to monitor factors in our environment that could create adjustments to the plan.

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The Strategic Planning and Institutional Effectiveness Steering Committee engaged in annual mid-year reviews of the action projects. Each project champion is required to complete a written update and present it to the committee. These updates include answers to a series of questions. Two new questions were added to better understand how the pandemic had affected our work and how we may need to adjust. It was also helpful in documenting what we learned from COVID as we move forward.

Action projects are adjusted as needed and help to keep the plan alive and moving forward. A sub-group of the committee works to refine the action projects each year. Our focus is still on enrollment and retention as well as our commitment to diversity and our people. We will continue to grow our relationships in the community. Our sustainability projects focus on our commitment to innovation and the value that we add to our community.

A. Ursuy gave an update on the indicators for success for each strategic focus area.

- Student Success:
 - *Enrollment Stabilization* - For the first time in 10 years, we are predicting flat levels of enrollment due to the focused work being done with strategic enrollment management, improving our model for predicting enrollment, and to the programs such as MI Reconnect and Futures for Frontliners.
 - *Retention (or the percentage of our students that return from one Fall Semester to the next)* - Because the population of prospective students is not increasing, retention and programs to support retention are essential. When the plan was established in 2019, our Fall 2018 to Fall 2019 Retention Rate was 51.1%; our Fall 2019 to Fall 2020 Retention Rate was 48.44%. This drop could be attributed to COVID. We will monitor this closely as we return to a greater balance of face-to-face offerings. Even with the decline, we are proud of the fact that we retained students at the level we did. In both 2018-2019 and 2019-2020, Delta College performed higher than the National Community College Benchmarking Project's average retention rate.
 - *Increase Completion* - We have a goal to increase the 6-year Voluntary Framework of Accountability (VFA) Completion rate by 8% (or 2% a year) over the course of this plan. We chose the VFA 6-year completion rate over the IPEDS overall graduation rate (which was 16% in 2020), because the VFA 6-year completion rate captures the community college student more accurately. IPEDS looks at completion in 150% of time (ordinarily 3 years). Many of our students are part-time and they do not finish at the same rate as a traditional, 4-year student. We did see a slight decline in this area, which means there is more work to do. We are working to create seamless pathways to completion.
- Community Focus: The focus is on expanding enrollments at our Centers in the Delta College community and expanding our partnerships. The goal is to increase enrollment by 5% at each center. The Downtown Saginaw Center had an increase that was halted by COVID. We are seeing promising enrollment as we open the Downtown Midland Center this fall. Progress is being made in the development of our University Transfer Center. We have partners that are interested in having a presence at the Downtown Bay City Center.
- Sustainability: The College will continue to maintain a 10% general fund balance. Funding is in place for the sustainability fund. The College will implement a funding formula to set aside funds in a designated innovation fund to grow the College. The fund has been established and this year's plan

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includes a project to develop and implement the process to allocate the funds. Operational expenditures are being adjusted to align with available revenue beyond one year.

- People Focus:
 - *Increased opportunities for communication and increased Board involvement:* We started the year with in person All-College Forums designed to increase two-way communication with our employees. Because of COVID, we switched to virtual Town Halls that focused on various topics. The feedback has been positive and the frequency of communication from the administration has also increased this year.
 - *PACE Score improvement in the area of communication:* The Personal Assessment of College Environment (PACE) was not administered last Fall due to COVID. The College has administered two well-being climate surveys through the President's Office. The response rates were good on the surveys and we were able to take action based on the results.
 - *Improved rate of diversity of the College to reflect the diversity of the population of the region for our students and staff:* The College is making progress. We have engaged in several initiatives such as Inclusion Advocate Training to foster diversity in searches and Unconscious Bias Training for our staff. We also contracted with Bhattar Consulting to conduct the DEBI audit.

Finally, A. Ursuy thanked the Strategic Planning and Institutional Effectiveness Steering Committee for their input which shaped the action projects as well as providing thoughtful feedback to action project champions in giving guidance for next steps in moving the plan forward.

S. DuFresne then presented the proposed 2021-2022 Budget. She noted the budget requirements, which include a notice of the public budget hearing, the authorized millage rate of 2.0427, and a board approved budget no later than June 30.

S. DuFresne noted that the School Aid Fund reported significant revenue increases. There are still risks that could have an impact on these estimated revenues. The State has not passed a Community College Funding Bill for fiscal year 2022, as of June 15, 2021. The State funding continues to be negotiated and our state appropriations budget reflects an estimated 2% increase from our current funding. Property tax valuations combined for Bay, Saginaw and Midland counties are estimated at 2.13% increase from the 2020 valuations. Personal property tax reimbursement is being increased by \$500,000.

Wages and compensation have been adjusted for projected costs of employee groups including health plan savings and related FICA and retirement expenses. COVID-19 federal grant dollars remaining to be spent have been budgeted in the Restricted Fund. To date, Delta has been awarded over \$6.9 million in direct student support. In the Plant Fund, major capital projects and estimated repairs and maintenance have been budgeted according to the capital outlay master plan. There is a proposed increase of our annual transfer for facility maintenance and equipment life cycle replacement. COVID-19 General Fund expenditures have been set aside at \$100,000 for items that may be necessary in the case that grant funded COVID-19 dollars cannot be used.

The total proposed General Fund revenues are \$68.9 million. This is an overall budget increase of \$1.9 million over the 2020-2021 budget or 2.83%. The total proposed budgeted General Fund expenditures presented are \$68.3 million. This is an increase of approximately \$1.5 million from our 2020-2021 budget or 2.2%. Our revenues are over expenditures of \$549,220 and ending fund balance is \$7,962,999.

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The Designated Fund records many activities such as Corporate Services and the Criminal Justice Training Program as well as reserves for Budget Sustainability designated for innovative initiatives. Total revenues are \$5.4 million and expenditures are \$5.1 million. Projected ending fund balance is \$25 million.

The Restricted Fund is used to account for transactions resulting from revenue received by the College from outside donors or agencies in the form of gifts or grants. This also includes financial aid and the COVID-19 grants. Total revenues are \$32.7 million, and total expenditures are \$32.5 million with a projected ending fund balance of \$7.7 million.

The Auxiliary Fund is used to account for transactions of those activities that deliver a product or perform a service to students, community or staff. Charges for these services have been structured to cover the cost of the service plus a small amount to build a fund balance for necessary equipment, repairs and purchases. This fund transfers back to the General Fund annually \$250,000. These operations took a hit with the pandemic shutting down some services.

Looking at the future sustainability of operations, the College made the decision to contract with Creative Dining for food services. The Bookstore and Fitness and Recreation Center are implementing plans to reengage patrons as the College recovers from the pandemic and will continue to evaluate operations for efficiencies. The budget had planned for an operating deficit of approximately \$240,000. The majority of this deficit is in the anticipation of purchasing several new multi-function copying devices. Total revenues, including transfers are \$3,121,696; and total expenditures, including transfers are \$3,361,741. The ending fund balance is \$6.9 million.

The Plant Fund is used to record the flow of money for capital expenditures related to building and equipment. Expenditures are aligned using our 5-year capital outlay master plan, data from our facility assessment report, and projected annual facility needs based on lifecycle of materials. Annually a transfer to the Plant Fund is made from the General Fund for building projects, facility maintenance and equipment life cycle replacement. The annual transfer has been \$2 million dollars. Based on the valuation of our total assets, the Building Research Council recommends an annual life cycle replacement allocation of 2-4% of the asset value to fund routine maintenance and capital renewal. The College has established savings therefore avoiding the need to borrow and protects the assets in order to maintain the future sustainability of its infrastructure and state-of-the-art facilities.

Our proposed budget includes an increase of our annual transfer from \$2.0 million to \$2.5 million, in order to accumulate savings that will help maintain our downtown centers and main campus while continuing the practice of not incurring any debt. Revenues are budgeted at \$4.2 million, and expenditures at \$6.9 with a projected fund balance of \$31,405,405.

It is a current long-term goal of the College to maintain a fund balance in the General Fund of 10% of its operating budget. All Funds of the College total revenues are \$114.5 million and total expenses of \$116.2 million. The ending fund balance is \$79.1 million.

Our proposed budget is maintaining our conservative approach, as we still have uncertainties in our future. We will need to be agile, flexible and innovative and focused on student success in order to adapt to the new normal. Enrollment will be a challenge for Delta College and is the focal point of the

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upcoming year. Through college-wide aggressive strategic enrollment and retention efforts, the College is moving the needle forward to stabilize and grow enrollment.

Finally, S. Dufresne thanked the collaborative work of the Budget Cabinet and so many members of the Delta College faculty and staff that helped develop this budget.

There being no further business, the dinner meeting was adjourned at 6:47 pm.

Talisa Brown, Assistant Board Secretary

Andrea Ursuy, Board Secretary