



Northwestern  
Michigan  
College

# Board of Trustees

[www.nmc.edu/trustees](http://www.nmc.edu/trustees)

*Northwestern Michigan College provides lifelong learning opportunities to our communities.*

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

## Meeting Agenda

Monday, April 27, 2020

Virtual Zoom Webinar ID: 988 8289 8302

<https://nmc.zoom.us/j/98882898302>

Phone: 1 312 626 6799 or 1 646 558 8656

5:30 p.m.

### 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. REPORTS (Most reports are also provided to the Board in their materials packet, which can be accessed on the [nmc.edu](http://nmc.edu) Board of Trustees website.)

- E. COVID-19 Update—*President Nick Nissley*
- F. Faculty Report—Meeting the Teaching Challenges of the Covid-19 Pandemic: A Virtual Faculty Report
- G. Enrollment Report—*Todd Neibauer, Vice President for Student Services and Technologies*
- H. Financial Report—*Vicki Cook, Vice President of Finance and Administration*
- I. Foundation Report—*Rebecca Teahen, Associate Vice President for Resource Development and Executive Director of Foundation*
- J. PRMC Report—*Diana Fairbanks, Executive Director of Public Relations, Marketing, and Communications*
- K. Presidential Performance and Compensation Committee—*Chris Bott, Committee Chair*
- L. Building & Site Committee—*Ross Childs, Committee Chair*
- M. Legislative Issues Report—*Nick Nissley, President*

### III. PUBLIC INPUT

Request forms for public input are available at the meeting location. 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 should be 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.

### IV. UPDATES

- N. President's Update—*Nick Nissley, President*
- O. Board Chair Update—*Chris Bott, Chair*



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April 27, 2020 Meeting Agenda  
Page 2

### V. DISCUSSION ITEMS

P. FY21 Budget—Vice President Vicki Cook

### 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:

Q. Minutes of the March 23, 2020, regular meeting

### VII. ACTION ITEMS

R. **New Jobs Training Program Contracts** (Pursuant to Policy A-106.00 Finance)

Recommend authorization for administration to enter into training agreements under the terms of the Michigan New Jobs Training Program (NJTP) for the following companies:

1. Century, Inc. (amendment to existing agreement)
2. Cherry Capital Foods (amendment to existing agreement)
3. Tamarack Holding (amendment to existing agreement)
4. Hayes Manufacturing (new agreement)

### 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.*

May 18, 2020 – Great Lakes Campus, Room 112, 715 E. Front Street (3<sup>rd</sup> Monday)

June 29, 2020 – Great Lakes Campus, Room 112, 715 E. Front Street

July 20, 2020 – Great Lakes Campus, Room 112, 715 E. Front Street (3<sup>rd</sup> Monday)

August 24, 2020 – NMC Hagerty Center, Great Lakes Campus, 715 E. Front Street

September 28, 2020 – NMC Hagerty Center, Great Lakes Campus, 715 E. Front Street

October 26, 2020 – Oleson Center A/B, 1881 College Drive

November 23, 2020 – NMC Hagerty Center, Great Lakes Campus, 715 E. Front Street

December 21, 2020 – NMC Hagerty Center, Great Lakes Campus, 715 E. Front Street



## COVID-19 STRATEGIES AND ACTIONS UPDATES

### Students

- **Foundation beginning to distribute aid** to students (and, possible \$1M of funding for College).
- **Planning CARES Act distribution** of 50% student funds and 50% institution funds.
- **University Center partners collaborate on a virtual transfer fair** for NMC students.
- Decided **summer semester focus on online courses**, and ‘incompletes’ recovery strategy, with 51 new online sections/courses.
- Completed our first **fully online orientation** (4/20) - 165 prospective students will complete orientation, meet with an advisor and register for classes (they will also get virtual appointments with financial aid specialists as needed).
- The **library continues to distribute chromebooks** to students - two days a week through a drive-up.
- The **food pantry is still fulfilling orders** for students, using the same drive-up model as the library.

### Staff and Faculty

- **Virtual Town Hall** meeting attended by 200+ from college community.
- **Faculty check-in** phone calls and **staff zoom chats**.
- **Over 60 instructors signed up for ‘Teaching Solutions’ course from EMT staff** this summer, for online teaching professional development/growth.

### Strategy

- **Align supplemental staffing** with new programming realities.
- **HR support to furloughed employees with unemployment registration, webinar with State of Michigan** Dept of Labor and Economic Opportunity, and **coordination with Michigan Works** to assist with these, as well as **job search support**.
- EES prototyping **Online College for Kids offerings** for summer; increasing **K-12 academic enrichment options** online for summer; and, **‘Driveways’ podcast**.
- Beginning **scenario planning for reopening and fall semester**: (i) return to on-campus learning; (ii) hybrid teaching-learning; and, (iii) remote learning, still.
- Begin to **assess financial impacts and build budget**.
- Begin planning for **‘new normal’ retreat** with President’s Council and Leadership Council:
  - Conversation about what’s changed/changing
  - Given the changes, what do we need to do differently
- Coordination between **MCCA colleges** at all levels through weekly statewide meetings.
- **4R’s developed** to focus attention and actions (see next page)

### Organizational Goals

*Keep students and employees safe from COVID-19, with the least disruption possible to learning.*

### Communications Goals

*Keep stakeholders informed of what’s happening, what NMC is doing, provide resources and reduce fear in a consistent and unified voice.*

## **NMC'S 4R'S MODEL**

### **FOR LEADING THROUGH THE CORONAVIRUS PANDEMIC**

This is initial thinking re: a framework for focusing our attention and actions as we live into our 'new normal'. It's "*The 4R's*".

1. **Refocus** - As we transition our focus from crisis to recovery, we must deliberately refocus our attention from 'pre-coronavirus' to now and what lies ahead. We must hit 'pause' on our 'old goals' so we can reevaluate where they are/should be situated in terms of present/refocused priorities, and articulate new priorities/goals (for the next 120 days). We must cascade this throughout the organization, to ensure folks aren't 'stuck' where we were. And, so we can begin creating greater clarity about 'where we're going', as we move from crisis towards recovery.
2. **Reopening and Reengaging** - While there's no indication, yet, what post 'stay at home' looks like, we're beginning to hear signaling that 'reopening' is on the horizon and being planned for. We're also hearing that we're not likely going 'back to normal'. Rather, we will need to begin to formally develop formal, explicit scenarios about our possible futures. In other words, we will need to lead the way, helping the rest of the college with 'reopening' and with 'reengaging' as we 'come back to work'. Again, our challenge will be to not assume we're 'getting back to normal'. Rather, we must help the college 'reimagine' our future/'new normal'.
3. **'Reimagining'** - In some ways we have informally begun this, given our recent furloughing of supplemental staff. Now, we'll need to consider a 'zero-based' approach to whatever our future staffing needs might be, given our to-be-imagined work processes. Based on the above mentioned scenarios, we must then breathe life into these reimagined possibilities. This 'new (or, renewed) college' and supporting new business model will allow us to 'right the ship' (ensure that we're weathering the financial storm, resultant from the coronavirus epidemic).
4. **Righting the Ship** - Refocusing, Reopening and Reengaging, and Reimagining, will allow us to 'Right the Ship' - to ensure the college's financial stabilization and the ultimate sustainability of the institution. So, we'll need to be good fiscal stewards - engaging in weeding (answering what we need to stop doing), pruning (answering what we need to cut back on); and, we'll need to plant some new crops - e.g., new approaches to delivering a community college education.



**Northwestern  
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***MEMO***  
***Enrollment Services***

To: Dr. Nick Nissley, President  
 From: Todd Neibauer, VP for Student Services & Technologies  
 Date: April 15, 2020  
 Subject: Enrollment Services Update –Summer/Fall Semester 2020

**Summer 2020**

All courses for summer semester have been switched to online delivery. Where summer enrollment was nearly equal to the previous summer before the change, we are currently down 8.3% in contact hours over last year. Most of this decline is due to uncertainty brought on by the current health emergency, the cancellation of sections that could not be delivered online, and the lack of a new student orientation session which had already been delivered at this point last year. While our first new student orientation for summer and fall students had been scheduled for April 24, it has been reformatted to be delivered online from April 20 through April 24. Each day, a segment of the students originally scheduled for the April 24 session will receive their orientation and have individual virtual meetings with advisors and financial aid specialists. The first May orientation session is also being moved to an online format.

Now that the switch to online for summer has occurred, we have contacted all current and prospective students with information on the additional online sections available to them. Also, we have relaunched marketing for summer referencing the expanded online sections.

**Summer 2020 Statistics**

(Resources: Digital Dashboard – Same Date Comparison SU2017-2020)

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Admits Registered</b>	175	143	132	116
<b>Prior Admits Registered</b>	12	9	10	3
<b>Retained from Spring</b>	805	760	725	668
<b>Re-Admitted Students</b>	96	100	81	69
<b>Average Contact Hours</b>	5.69	5.88	5.87	5.96
<b>Total Headcount</b>	1,088	1,012	948	856
<b>Total Contact Hours</b>	6,194	5,948	5,563	5,104
<b>Tuition</b>	1,060,054	1,141,067	1,083,203	1,015,601

**Fall 2020**

Fall 2020 registration began March 11 for continuing NMC students. As noted above, the first new student orientation was shifted to an online format and will take place April 20-24. Because there had already been a new student orientation by this time last year, the comparisons of contact hours are not the best indicator of current enrollment. At this point, admissions

applications, which are down 15%, give what is the most accurate indicator of where enrollment stands. There is obviously a great deal of uncertainty about the fall semester at this point. The best way to describe the situation is that current and prospective students are in a “wait and see” mode. While we have not lost a lot of registrations, they are growing at a very slow rate as students are reluctant to commit to a decision about the fall semester. This is best illustrated in the comparisons to previous years of students “Retained from Spring” and “Re-Admitted Students”.

### **Fall 2020 Statistics**

(Resources: Digital Dashboard – Same Date Comparison FA2017-2020)

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Admission Applications	2,673	2,740	2,669	2,250
Admits	1,458	1,610	1,630	1,516
Admits Registered	359	185	337	175
Prior Admits Registered	17	4	19	2
Retained from Spring	1,431	1,316	1,302	1,064
Re-Admitted Students	106	108	104	53
Average Contact Hours	11.73	11.99	11.74	11.86
Total Headcount	1,913	1,612	1,761	1,294
Total Contact Hours	22,434	19,328	20,666	15,341
Tuition	4,099,652	3,708,268	3,996,875	3,136,661



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**MEMO**  
*Administrative Services*

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**To:** Dr. Nick Nissley, President

**From:** Vicki Cook, Vice President of Finance and Administration

**Date:** April 15, 2020

**Subject:** Summary Report for the General Fund as of March 31, 2020

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The attached reports summarize the financial results for the General Fund as of March 31, 2020. The ninth month represents 75% 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 ended the month with revenue over expenses in the amount of \$8,333,268. Revenue increased by 1% when comparing March 2020 to March 2019. Increases in total revenue are primarily due to increases in property tax revenue, investment income and MARAD federal funds. These increase are offset by decreases in tuition and fees, Extended Education fees and training revenue. Expenses decreased by 5% when comparing March 2020 to March 2019.

**Revenue (letters refer to the attached General Fund summary)**

- A. Tuition and Fees revenue: Tuition and fees represent a 6% decrease from those of March 2019. The decrease is due, in part, to the transition of Training Services to MMTC and decreased enrollment. For Spring 2020, the budget was set at 35,252 billing hours for budgeted revenue of \$6,687,922. Actual billing hours are at 34,632 hours for a total tuition revenue of \$6,538,682. Spring 2020 revenue is below budget by \$149,240. Some of the shortfall should be absorbed by reduction in expenses and state appropriations slightly higher than budget. Additional reductions in revenue will be seen based on the COVID-19 crisis. Reductions in this year's budgeted transfers may be required. We will continue to assess the projections as this crisis unfolds.
- B. Property Taxes: Tax revenue is recorded as payments are received. The overall increase for the fiscal year is expected to be 3.6% 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 MARAD fuel payment. These funds are to be used directly for the Maritime program.

- E. Actual year-to-date investment income recorded for fiscal year 2020 reflects interest income only.
- F. Both Private Sources and Other Sources are timing and event dependent.

**Expenses**

- G. Salaries and benefits are under budget due, in part, to Training Services transition to MMTC.
- H. Expenses are equal to, or under, budget at this time with the exception of internal expenses, which increased due to summer events.
- I. Capital Outlay reflects expenditures budgeted through the allocation of COAT dollars, BBQ funds, Foundation support for Marine Center, Maritime and Culinary Capital fund.



# Northwestern Michigan College

## Unaudited



### Summary Report for General Fund Accounts

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

**Fiscal Year 2020, Period 09**

Funds	Accounts	2019-2020 Adjusted Budget	YTD Activity	% of Annual Budget	
<b>TOTAL GENERAL FUND</b>					
<b>50</b>	<b>Revenues</b>				
	Tuition and Fees	23,578,426	18,714,848	79.37%	A
	Property Taxes	11,150,536	10,685,776	95.83%	B
	Other Local	<u>0</u>	<u>0</u>	*	
	Local Sources	34,728,962	29,400,624	84.66%	F
	State Sources	9,895,989	6,975,232	70.49%	C
	Federal Sources	734,339	1,321,495	179.96%	D
	Private Sources	549,000	585,167	106.59%	F
	Investment Income	274,000	342,309	124.93%	E
	Other Sources	<u>441,250</u>	<u>364,388</u>	82.58%	
	<b>Total Revenues</b>	<b>46,623,540</b>	<b>38,989,215</b>	<b>83.63%</b>	
<b>60</b>	<b>Labor</b>				
	Salaries & Wages	22,293,246	15,853,832	71.11%	G
	Benefits	<u>9,444,229</u>	<u>6,810,531</u>	72.11%	G
	<b>Total Labor</b>	<b>31,737,475</b>	<b>22,664,363</b>	<b>71.41%</b>	
<b>70</b>	<b>Expenses</b>				
	Purchased Services	2,655,276	1,497,923	56.41%	H
	Supplies & Materials	3,224,916	2,046,408	63.46%	H
	Internal Services	89,920	83,329	92.67%	H
	Other Expenses	1,766,851	1,097,862	62.14%	H
	Institutional Expenses	1,801,213	1,117,593	62.05%	H
	Maintenance & Renovation	1,740,392	1,144,423	65.76%	H
	Prof Develop, Travel & Events	653,622	489,748	74.93%	H
	Capital Outlay	<u>270,000</u>	<u>230,652</u>	85.43%	I
	<b>Total Expenses</b>	<b>12,202,190</b>	<b>7,707,938</b>	<b>63.17%</b>	
	<b>Total Expenditures</b>	<b>43,939,665</b>	<b>30,372,301</b>	<b>69.12%</b>	
<b>80</b>	<b>Transfers</b>				
	Transfers	2,683,875	283,062	10.55%	
	<b>Total Transfers</b>	<b><u>2,683,875</u></b>	<b><u>283,062</u></b>	<b>10.55%</b>	
	<b>Total Expenditures and Transfers</b>	<b>46,623,540</b>	<b>30,655,363</b>	<b>65.75%</b>	
	<b>Net Revenues over (under) Expenditures</b>	<b>0</b>	<b>8,333,852</b>		



**Northwestern Michigan College  
Comparison - Fiscal Year to Date  
General Fund  
March 2020 vs. March 2019**

**INTERIM**  
This statement does not  
reflect year-end results.

	YTD 3/31/2020	YTD 3/31/2019	\$ Diff	% Diff	Comments
<b>Revenue</b>					
Local Sources:					
Tuition & Fees	\$ 18,714,848	\$ 19,863,387	\$ (1,148,539)	-6%	Decrease is due primarily to loss of Training Services revenue in FY20 with transition to MMTC (PY thru March was \$532k), lower than planned Fall enrollment (171k under budget / 209k less than FY19) and associated fees, and lower flight fees in FY20
Property Taxes	10,685,776	10,330,700	355,076	3%	Timing of property tax collections
<b>Total Local Sources</b>	<b>29,400,624</b>	<b>30,194,087</b>	<b>(793,463)</b>	<b>-3%</b>	
State Sources	6,897,281	6,416,933	480,348	7%	Reflects the College's 2% increase in general appropriations. Also, in FY20, MPERS cost offset receipts (under sections 147a and 147e) are being recognized in the general fund during the year (whereas in FY19, these were moved to general fund at year-end only).
State PPT Reimbursement	77,951	83,768	(5,817)	-7%	The State funding formula resulted in slightly lower PPT reimbursement for FY20 (as expected)
Federal Sources	1,321,495	1,057,529	263,966	25%	GLMA received additional appropriations from MARAD in FY20
Private Sources	585,167	395,886	189,281	48%	Primarily due to funding provided in FY20 for Experiential Learning and the Marine Center (new to FY20)
Investment Income	342,309	211,402	130,907	62%	Actual interest recognized in FY20 vs estimate in FY19
Other Sources	364,388	381,962	(17,574)	-5%	Primarily due to loss of administrative fees from NJTP (due to transition of Training Services to MMTC) offset by office rental income received in FY20 from MMTC
<b>Total Revenue</b>	<b>38,989,215</b>	<b>38,741,567</b>	<b>247,648</b>	<b>1%</b>	
<b>Expenses</b>					
Salaries and Wages	15,853,832	16,538,058	(684,226)	-4%	Consistent with prior year
Benefits	6,810,531	6,981,843	(171,312)	-2%	Consistent with prior year
Purchased Services	1,497,923	1,594,925	(97,002)	-6%	Primarily due to changes in amounts paid to Sodexo for facility services
Supplies & Materials	2,046,408	2,376,084	(329,676)	-14%	Decrease is driven by timing of fuel purchases for GLMA and Aviation and lower expenses for international trips that have been cancelled or delayed for FY20
Internal Services	83,329	32,727	50,602	155%	Primarily driven by internal services provided by auxiliary services in FY20 including a water studies/surgical tech event and North Hall accommodations for aviation students
Other Expenses	1,097,862	1,113,291	(15,429)	-1%	Consistent with prior year
Institutional Expenses	1,117,593	1,188,821	(71,228)	-6%	Slight variations from timing of institutional expenses (specifically timing of heating invoicing paid in early April instead of March)
Maintenance & Renovation	1,144,423	994,457	149,966	15%	Increase is primarily driven by increased expenses for equipment maintenance
Professional Development	489,748	498,269	(8,521)	-2%	Consistent with prior year
Capital Outlay	230,652	589,856	(359,204)	3680%	Timing of COAT purchases and prior year includes the GLMA harbor project
<b>Total Expenses</b>	<b>30,372,301</b>	<b>31,908,331</b>	<b>(1,536,030)</b>	<b>-5%</b>	
<b>Transfers</b>	<b>283,062</b>	<b>326,712</b>	<b>(43,650)</b>	<b>-13%</b>	Aviation flight hours transfer
<b>Total Expenses &amp; Transfers</b>	<b>30,655,363</b>	<b>32,235,043</b>	<b>(1,579,680)</b>	<b>-5%</b>	
<b>Net Revenue Over (Under) Expenses</b>	<b>\$ 8,333,852</b>	<b>\$ 6,506,524</b>	<b>\$ 1,827,328</b>	<b>28%</b>	



**Northwestern Michigan College  
Comparison - Month Over Month  
General Fund  
March 2020 vs. February 2020**

**INTERIM**  
This statement does not  
reflect year-end results.

	<b>YTD 3/31/2020</b>	<b>YTD 2/29/2020</b>	<b>Mar 20 Activity</b>	<b>Feb 20 Activity</b>	<b>Comments</b>
<b>Revenue</b>					
Local Sources:					
Tuition & Fees	\$ 18,714,848	\$ 16,997,746	\$ 1,717,102	\$ 1,913,834	Primarily driven by lower flight fees collected in March than in February and extra GLMA seminar fees collected in February
Property Taxes	10,685,776	9,005,791	1,679,985	1,594,584	Timing of fall/winter tax collections
<b>Total Local Sources</b>	<b>29,400,624</b>	<b>26,003,537</b>	<b>3,397,087</b>	<b>3,508,418</b>	
State Sources	6,897,281	5,754,776	1,142,505	1,153,215	Consistent with prior month
State PPT Reimbursement	77,951	77,951	-	-	Consistent with prior month
Federal Sources	1,321,495	1,321,495	-	778,700	Timing of MARAD payments received
Private Sources	585,167	402,718	182,449	-	Timing of Foundation gifts
Investment Income	342,309	269,339	72,970	48,247	Higher interest and dividend activity from investments in March
Other Sources	364,388	294,196	70,192	30,559	Primarily due to Bank of America rebate received from NMC purchasing cards (\$43k)
<b>Total Revenue</b>	<b>38,989,215</b>	<b>34,124,012</b>	<b>4,865,203</b>	<b>5,519,139</b>	
<b>Expenses</b>					
Salaries and Wages	15,853,832	14,034,964	1,818,868	1,759,144	Consistent with prior month
Benefits	6,810,531	6,062,169	748,362	734,861	Consistent with prior month
Purchased Services	1,497,923	1,391,498	106,425	129,017	Primarily driven by multiple small differences in purchased services expenses and advertising/publicity expenses in March
Supplies & Materials	2,046,408	1,898,056	148,352	221,356	Primarily driven by timing of aviation fuel expenses (higher in February)
Internal Services	83,329	83,095	234	8,119	Lack of internal services provided due to campus closures in March
Other Expenses	1,097,862	983,873	113,989	119,250	Consistent with prior month
Institutional Expenses	1,117,593	979,930	137,663	144,359	Slight variations from timing of institutional expenses
Maintenance & Renovation	1,144,423	1,051,358	93,065	117,623	Primarily due to timing of quarterly invoicing for Oracle software support and maintenance (received and paid in February for past quarter)
Professional Development	489,748	431,280	58,468	56,577	Consistent with prior month
Capital Outlay	230,652	224,222	6,430	52,704	\$738 McMaster-Carr, \$341 Kendall Electric, \$1,134 Global Equipment Company, \$1,623 Bailey International, \$2,594 Fastenal (all purchases related to Engineering Tech machinery/equipment)
<b>Total Expenses</b>	<b>30,372,301</b>	<b>27,140,445</b>	<b>3,231,856</b>	<b>3,343,010</b>	
<b>Transfers</b>	<b>283,062</b>	<b>199,384</b>	<b>83,678</b>	-	NPS Grant transfer for use of water studies vessel and clean up of small balance in fund 1510 in January; no activity in February
<b>Total Expenses &amp; Transfers</b>	<b>30,655,363</b>	<b>27,339,829</b>	<b>3,315,534</b>	<b>3,343,010</b>	
<b>Net Revenue Over (Under) Expenses</b>	<b>\$ 8,333,852</b>	<b>\$ 6,784,183</b>	<b>\$ 1,549,669</b>	<b>\$ 2,176,129</b>	



**Northwestern Michigan College**  
**Income Statement Projections - General Fund**  
**For the Year Ended June 30, 2020**  
**As of 4/10/20**

**INTERIM**  
This statement does not  
reflect year-end results.

	FY 19 <u>Actual</u>	FY 20 <u>Budget</u>	YTD <u>4/10/2020</u>	FY 20 <u>Projected</u>	Difference <u>vs. Budget</u>	<u>Comments</u>
<b>Revenue</b>						
Local Sources:						
Tuition & Fees	\$ 23,529,686	\$ 23,578,426	\$ 18,519,027	\$ 21,438,264	(2,140,162)	Unexpected decrease in summer tuition revenue due to Covid-19. Flight fees, EES revenue, and other training/workshop revenue is projected near zero for the remainder of the fiscal year. Also in FY20 there was no Training Services revenue (but \$572k budgeted). Remaining decrease attributed to lower than planned Fall and Spring enrollment.
Property Taxes	10,685,705	11,150,536	10,685,776	11,150,536	-	Expected to be comparable to budget
<b>Total Local Sources</b>	<b>34,215,391</b>	<b>34,728,962</b>	<b>29,204,803</b>	<b>32,588,800</b>	<b>(2,140,162)</b>	
State Sources	10,003,428	9,795,989	6,897,281	10,136,693	340,704	Increase due to add'l MPERS receipts that offset MPERS pension expense
State Property Tax Reimbursement	165,956	100,000	77,951	152,951	52,951	Higher than expected PPT payments from Local Community Stabilization Authority
Federal Sources	1,815,514	734,339	1,488,162	1,669,829	935,490	GLMA received \$1.2M in appropriations in addition to fuel reimbursement; GLMA also just received additional \$166,667 designated for Covid relief
Private Sources	567,361	549,000	585,167	796,452	247,452	Funding for experiential learning and grants from Consumer's Energy and Lee Gardner Foundation were not budgeted
Dividend and Interest Income	384,491	274,000	342,309	442,309	168,309	Favorable rates for the first 3 quarters; Fed emergency rate cuts will thwart q4 income
Unrealized Gain/(Loss) on Investments	406,758	-	-	-	-	Not projected in March due to market volatility; will continue to monitor
Other Sources	571,429	441,250	385,006	441,073	(177)	New MMTC access and office fees offset by lower food and rentals due to Covid closure
<b>Total Revenue</b>	<b>48,130,329</b>	<b>46,623,540</b>	<b>38,980,679</b>	<b>46,228,107</b>	<b>(395,433)</b>	
<b>Expenses</b>						
Salaries and Wages	21,701,410	22,293,246	16,736,277	22,092,032	(201,214)	Lowered projection due to reduced staffing for Covid closure
Benefits	9,336,066	9,444,229	7,180,040	9,264,054	(180,175)	Expected savings in health care costs; lowered MPERS and FICA projection due to reduced staffing for Covid closure
Purchased Services	2,537,324	2,655,276	1,540,769	2,424,988	(230,288)	Reduction in EES independent contactors due to Covid closure
Supplies & Materials	3,251,184	3,224,916	2,074,197	3,139,134	(85,782)	Reduced fuel consumption (fewer flights) and supplies consumption working from home
Internal Services	83,954	89,920	84,229	99,568	9,648	Decrease in joint offerings offset in part by increase of fitness fee transfer
Other Expenses	1,597,838	1,766,851	1,112,673	1,619,522	(147,329)	Native American Tuition Waiver lower than planned
Institutional Expenses	1,621,241	1,801,213	1,172,834	1,646,241	(154,972)	Savings in heating and electricity costs
Maintenance & Renovation	1,554,197	1,740,392	1,147,210	1,761,031	20,639	Comparable to budget
Professional Development	713,810	653,622	508,168	577,359	(76,263)	Reduced conferences and events due to Covid closure
Capital Outlay	696,140	270,000	328,159	367,731	97,731	Gifts from Lee Gardner and Consumer's Energy will be used to purchase GF equipment
<b>Total Expenses</b>	<b>43,093,164</b>	<b>43,939,665</b>	<b>31,884,554</b>	<b>42,991,660</b>	<b>(948,005)</b>	
<b>Transfers</b>						
Plant Fund - General Maintenance	1,609,643	1,019,740	-	1,019,740	-	
Plant Fund - New Construction	800,000	500,000	-	500,000	-	
Plant Fund - Technology Maintenance	500,000	500,000	-	500,000	-	
Plant Fund - Facility Fee for Maintenance	40,000	40,000	-	40,000	-	
Plant Fund - Aviation Capital Fund	444,394	340,000	286,036	336,036	(3,964)	Based on revenue; calculated using tachometer hours
Plant Fund - EES Transfer for Elevate	24,550	-	-	-	-	
Bd Designated - Strategic Projects	400,000	250,000	-	250,000	-	
Bd Designated - Funds for Transformation	50,000	50,000	-	50,000	-	
Bd Designated - MPERS Liability Fund	95,800	-	-	-	-	
Bd Designated - Wellness Initiatives	-	(115,865)	-	(115,865)	-	
Program Specific	(4,202)	100,000	(2,974)	750,000	650,000	MARAD appropriations and Heritage Act funds are reserved for the GLMA program
<b>Total Transfers</b>	<b>3,960,185</b>	<b>2,683,875</b>	<b>283,062</b>	<b>3,329,911</b>	<b>646,036</b>	
<b>Total Expenses &amp; Transfers</b>	<b>47,053,349</b>	<b>46,623,540</b>	<b>32,167,616</b>	<b>46,321,571</b>	<b>(301,969)</b>	
<b>Net Revenue Over (Under) Expenses</b>	<b>\$ 1,076,980</b>	<b>\$ -</b>	<b>\$ 6,813,063</b>	<b>\$ (93,463)</b>	<b>\$ (93,463)</b>	

**Northwestern Michigan College**  
**Statement of Net Position**  
**General Fund**  
**March 31, 2020**



	As of March 31,	
	2020	2019
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 10,071,725	\$ 10,289,295 <b>A</b>
Accounts receivable, net	6,367,824	4,330,577 <b>B</b>
Prepaid expenses and other current assets	474,455	240,665
<b>Total current assets</b>	<b>16,914,004</b>	<b>14,860,537</b>
<b>Noncurrent assets</b>		
Long-term investments	4,520,502	4,267,768 <b>A</b>
<b>Total assets</b>	<b>\$ 21,434,506</b>	<b>\$ 19,128,305</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 163,008	\$ -
Accrued payroll	2,065,006	2,807,720
Unearned revenue	3,880,516	3,866,317
<b>Total current liabilities</b>	<b>6,108,530</b>	<b>6,674,037</b>
<b>Noncurrent liabilities</b>		
Voluntary separation plan	\$ 197,748	\$ 210,347
<b>Total noncurrent liabilities</b>	<b>197,748</b>	<b>210,347</b>
<b>Total liabilities</b>	<b>\$ 6,306,278</b>	<b>\$ 6,884,384</b>
<b>Net position</b>		
Net position, beginning of year	\$ 6,814,377	\$ 5,737,397
Change in net position	8,313,851	6,506,524
<b>Total net position</b>	<b>15,128,228</b>	<b>12,243,921</b>
<b>Total liabilities and net position</b>	<b>\$ 21,434,506</b>	<b>\$ 19,128,305</b>

**Notes:**

**A** - Cash and investments balances fluctuate due to timing of investment purchases and sales.

**B** - Timing of payments from Foundation



Northwestern  
Michigan  
College

**MEMO**  
*Administrative Services*

**To:** Vicki Cook, VP Finance and Administration  
**From:** Troy Kierczynski, Controller  
**Date:** April 10, 2020  
**Subject:** Realized and Unrealized Investment Gains & Losses for the Quarter Ended March 31, 2020

Northwestern Michigan College (“the College”) manages its investments in effort to maximize investment returns while carefully assessing portfolio security, interest rate risk, and cash flow needs. The College’s investment options are limited to those allowable under Michigan’s *Community College Act of 1966*, as amended, including but not limited to bonds, treasury bills, treasury notes, certificates of deposit, savings accounts, commercial paper, and mutual funds, trusts, or investment pools composed entirely of instruments that are eligible collateral.

The College invests in agency bonds, corporate commercial paper, and certificates of deposit. The majority of its portfolio rests in long-term agency bonds with Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal Home Loan Banks. Some of its bonds carry a fixed interest rate, while others are variable step-rate securities, i.e. the interest rates escalate or “step-up” in predetermined increments over the lives of the bonds. The College generally holds its bonds until maturity unless the issuer calls the bonds. The College would rarely sell an instrument to lock in a gain. A gain on a bond reflects declining market interest rates, meaning lower future returns if reinvesting the money.

The College’s investments are reported on its statement of net position at fair value. Realized and unrealized gains, along with dividends and interest, are reflected in aggregate as net investment income in the College’s statement of revenue, expenses, and changes in net position. The College recognized the following investment activity (general fund only):

**Investment Income - General Fund Only**

*For the periods ending:*

	<b>June 30, 2018</b>	<b>June 30, 2019</b>	<b>March 31, 2020</b>
Realized gains (losses)	\$ -	\$ -	\$ 3,600
Unrealized gains (losses)	(254,951)	406,758	81,591
Dividends and interest	271,880	384,491	338,709
<b>Investment income, net</b>	<b>16,929</b>	<b>791,249</b>	<b>423,900</b>

The unrealized loss in FY18 reflects a period of rising interest rates. The unrealized gains in FY19 and FY20 reflect periods of declining interest rates stemming from Federal Reserve rate cuts. In response to the Coronavirus pandemic, in March 2020, the Federal Reserve enacted emergency rate cuts slashing rates 1.50% in a two week period. These rates won’t recover anytime soon, which will drive down the College’s future investment earnings as issuers continue calling existing debt. Unrealized gains and losses don’t impact the College’s long-term investment strategy; NMC holds investments to maturity or until they’re called. The College had no realized gains (no bonds called or sold) in fiscal years 2018 and 2019. The realized gain in FY20 is the result of an issuer calling a step-rate bond in September 2019

**Northwestern Michigan College  
Investments Held  
March 31, 2020**

<b>Financial Institution</b>	<b>CUSIP</b>	<b>Security Issuer</b>	<b>Abbr.</b>	<b>Security Type</b>	<b>Maturity</b>	<b>Coupon or Interest Rate</b>	<b>Cost</b>
Chemical Bank	n/a	Chemical Bank	n/a	Certificate of Deposit	5/3/2020	2.500%	\$ 257,010
Huntington Bank	n/a	Huntington Bank	n/a	Certificate of Deposit	4/1/2021	0.100%	\$ 250,000
Fifth Third	60934N104	Federated Investors	GOIXX	Money Market Fund	n/a	2.230%	\$ 1,076,522
Fifth Third	13668LD63	Canadian Tire	n/a	Commercial Paper	n/a	3.000%	\$ 1,998,050
Fifth Third	06119QED5	Bank of China	n/a	Commercial Paper	n/a	3.000%	\$ 4,980,080
Fifth Third	3134GUAG5	Federal Home Loan Mortgage Corporation	FHLM	U.S. Agency Bond - Semi-Annual	9/16/2024	2.000%	\$ 3,000,000
Fifth Third	3136G36A8	Federal National Mortgage Association	FNMA	U.S. Agency Bond - Semi-Annual	9/27/2024	2.000%	\$ 2,000,000
Fifth Third	3130A9MD0	Federal Home Loan Bank	FHLB	U.S. Agency Bond - Step Coupon	10/25/2024	1.500%	\$ 1,000,000
Fifth Third	3134GU5M8	Federal Home Loan Mortgage Corporation	FHLM	U.S. Agency Bond - Semi-Annual	1/29/2025	1.750%	\$ 3,000,000
Fifth Third	3130A9ME8	Federal Home Loan Bank	FHLB	U.S. Agency Bond - Step Coupon	10/27/2028	2.000%	\$ 1,000,000
Fifth Third	3130A8YY3	Federal Home Loan Bank	FHLB	U.S. Agency Bond - Step Coupon	8/15/2031	2.000%	\$ 1,500,000
<b>Total Investments Held</b>							<b>\$ 20,061,662</b>





*MEMO: Resource Development*

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

**From:** Rebecca Teahen, Assoc. Vice President, Resource Development  
Executive Director, NMC Foundation

**Date:** April 15, 2020

**Subj:** Foundation Update

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**Fund Raising – a “check” on FY20 goals**

- FY20 overall dollars raised as follows:

\$ 1,995,408 Total received (including Annual Fund, pledges, and *documented planned gift intentions*) raised toward goal

+ \$ 239,546 *Gross event revenue vs goal of \$200,000*

**\$2,234,954 Total of gifts + events** (*incl. documented planned gift intentions*)

*Revenue numbers have declined slightly since the last report as one major gift pledge has been delayed, and some event ticket purchases and sponsorships have been refunded.*

**Foundation Initiatives**

- The Foundation is working with college and volunteer leaders to help ensure that during this time of uncertainty, scholarship and other flexible support remains strong for our students, and that our donors are kept informed and engaged to the extent possible.
- All foundation staff are working remotely and are doing a great job to maintain momentum as part of the Be What's Possible Campaign for NMC, especially during this challenging time when our students and college need our support most.
- We have been heartened by the generous response by our donors and friends to provide support for NMC and our students during this challenging time. Thank you!

**Meetings and Events for your calendars:**

- The Foundation Board will meet via Zoom at 8am on Wednesday, April 29.







*MEMO*  
*Public Relations, Marketing,  
 and Communications*

**To:** Nick Nissley, President

**From:** Diana Fairbanks, Executive Director of PR, Marketing and Communications

**Date:** 4-16-20

**Subject:** March Monthly Report

March saw a dramatic shift in the work of Public Relations, Marketing and Communications at NMC with the spread of the COVID-19 pandemic. As the college responded to the rapidly changing health crisis, we prioritized our efforts to focus on urgent communications work to keep our learners, employees and community informed. Paid, owned and shared media were all temporarily paused to different degrees during the last two weeks of March, but all were restored to at least normal levels by April. The following is an overview of the work of PRMC for March 2020.

***COVID-19 Communications***

Communication has been critical during the COVID-19 pandemic. The college has focused our work around the following organizational and communications goals.

Organizational Goals

1. Keep students and employees safe from COVID-19 with the least disruption possible to learning.
2. Limit the negative impact of the COVID-19 pandemic as much as possible on our college including students, employees and community partners.
3. Demonstrate NMC values in our individual and collective efforts including:
  - a. practicing **innovation, agility and thoughtful risk-taking**
  - b. **exceeding expectations** for quality and service
  - c. **valuing all people**
  - d. **seeking others** who share our vision and values, and **collaborating** with them on behalf of our communities.
  - e. **Responsible stewardship.**

Communications Goals

1. Keep stakeholders informed of what's happening, what NMC is doing, provide resources and reduce fear in a consistent and unified voice.
2. To engage, educate and entice potential and current students about online options and give them an easy, clear path to take action toward enrollment, persistence and completion.
3. Find and share stories of students, employees, alumni, college initiatives and partners who are helpers and heroes during the COVID-19 pandemic.
4. Seek to understand the needs of our communities by offering listening and feedback opportunities.

To support these goals, the College communicated regularly to its stakeholder groups including hundreds of direct communications and through a newly built, robust online [COVID-19 communications hub](#). This site hosts all written updates, tools for learners, faculty and employees, information for community members and important resources.

NMC employees, learners and alumni are helping in the response to this pandemic in many ways including making 3-D printed masks for Munson Healthcare and volunteering to travel to New York City to assist in the medical response. The College is also working to be a good community partner in several ways including donating medical equipment to Munson, offering our dorms for medical personnel and NMC has as a member of Grand Traverse County's Joint Operations Center (JOC.) We have attended daily JOC meetings since they began March 13. The JOC includes health, government, first responders, education, social service and business sectors to provide a coordinated and cooperative response to this health crisis.

### ***Paid Media***

*Marketplace mix 3-1-20 through 3-16-20*

- Google (search, display & remarketing)
- Web display (prospecting & remarketing)
- Facebook
- Instagram
- Spotify

All paid media was paused on March 16 as the COVID-19 pandemic threat increased to prioritize resources and pivot messaging to support changing learner needs. New campaigns were launched in April with targeted messages and landing pages to highlight NMC's online learning options.

### ***Earned Media***

*Monthly recap of media coverage and sentiment*

In March, NMC was featured in 72 media mentions with an estimated publicity value of \$15,500 based on the Cision media monitoring system. COVID-19 related updates were covered by all local media outlets.

Media coverage stories that resulted in the most attention include:

- [Northwestern Michigan College hosts Career Fair](#)  
TV 9 & 10 News, March 5
- [NMC taking precautions as coronavirus spreads](#)  
UpNorthLive, March 12
- [NMC Moves Classes Online, TADL Closes All Branches Indefinitely](#)  
The Ticker, March 14

Media sentiment ranking for March (based on a Cision algorithm that ranks pre-assigned tone of keywords) shows 94.5% positive or neutral coverage. This is an expected decrease MOM (February, 97.9%) but YOY increase (2019, 93.1%). The decrease in sentiment was due to coronavirus related coverage. Please note this is a reflection of the pandemic itself, not the College.

### Owned Media

#### Monthly published owned media

During March, PRMC published one NMC Now e-newsletter to 805 supporters and community members. The average open rate was 49.7%, an increase MOM (47.4%), above the list average (46.2%) and well above the industry average of 17%.

This [feature article](#) highlighting NMC's retooled career fair was the most popular link clicked.

Other popular links include:

- [NMC Names Two Fellows](#)  
The Ticker, Feb. 25
- [Is TC Ready For Coronavirus? From Hospitals To Schools To Airports, Local Experts Talk Preparation & Advice](#)  
The Ticker, Feb. 29

Planning is now underway for the next Nexus magazine. We are working on a delayed publication date of August 2020 in response to the COVID-19 pandemic. Content will include NMC's response to the health crisis and the new West Hall Innovation Center.

### Shared Media

#### Monthly progress report on NMC's Main social media channels

Content sharing progressed as planned during the first two weeks of March. For the last two weeks of the month we paused all paid social posts and paused content on Instagram. Facebook content continued, but focused on COVID-19 related material. We continue to see YOY growth in all categories on Facebook and Snapchat. We also saw YOY growth in followers and impressions on Instagram. Highest performing posts focused on NMC's response to the COVID-19 pandemic including a video by President Nissley.

Platform	Followers	Impressions	Engagement	Gender	Age	Region
Facebook	11,564 up 5.8% YOY	18.1% increase YOY	1,936%* increase YOY	Fans 68% F 32% M	#1 25-34 (26.5%)  #2 35-44 (19.8%)  #3 45-54 (19.3%)	GT Region & Grand Rapids
	Up 0.55% MOM	Down 25.8%** MOM 	Down 32.1%** MOM 	Reach 50%F 50%M  Engaged 82%F 18%M		
Instagram	2,246 up 33.1% YOY)	59.3% Increase YOY	25.2%*** decrease YOY	61% F 39% M	#1 18-24 (32.5%)  #2 25-34 (30%)  #3 25-44 (16.4%)	GT Region & Grand Rapids
	Up 2.09% MOM 	Up 30.5% MOM 	Down 45.4%*** MOM 			

\*This reflects a change in the reporting makeup which has expanded what post interaction activities count toward engagement.

\*\*This due to the pause in paid social posts. Organic engagement and impressions were still up MOM.

\*\*\*Instagram posts were all paused for the last two weeks of March. This content is highly focused on campus life and campus was closed.

While one of the most used social media channels by current and potential students, Snapchat does not have the same data reporting capabilities as Facebook owned platforms. In addition to event specific geofilters, NMC has the following community filters in place.

Location and image	Date activated	Uses	Views from sent snaps or stories
Front St. Campus (clock tower)	11-4-17	3.3k ↑	61.6k ↑
Front St. Campus (Hawk Owl)	2-27-18	5.8k ↑	107.3k ↑
Great Lakes Campus (GLMA)	6-6-18	567 ↑	19.4K ↑

Northwestern Michigan College  
Board of Trustees  
**Presidential Performance and Compensation Committee Minutes**  
April 17, 2020  
Virtual Zoom Meeting ID: 933 9298 510  
Traverse City, MI 49686

Committee Chair Chris Bott called the meeting to order at 1:30 p.m.

Members Present: Chris Bott, Jane McNabb, Rachel Johnson (joined at 1:30 p.m.)

Members Absent: None

Others Present: President Nick Nissley, Holly Gorton, Mark Liebling, Kyle Morrison

### **Status of Transition Process for New President**

There was discussion pertaining to the transition process and how the current COVID-19 pandemic has changed the course from the original 90-day plan. It has accelerated the president's shift from the listen and learn phase into the leadership role more quickly. Chris Bott shared that he has been kept well informed, as he and President Nissley continue with weekly phone conversations. Committee members also recognized that focus areas of the president, such as business relationships, have slowed down or paused with the pandemic situation, and that budget planning was a priority at this time. They also commended the college for the recent virtual town hall meeting, which was very well attended.

President Nick Nissley provided an update on the NMC COVID-19 pandemic emergency response and recover planning, highlighting the updated areas since the last committee meeting. There was a discussion about the recent furlough of most of NMC's temporary supplemental staff and clarification between those employees and student employees, as well as the transition of faculty, staff and students to working and learning remotely. Nissley reviewed anticipated future considerations, which included CARES Act distribution plans, as continued clarification is received; and scenario planning for fall semester and beyond, financial impacts, and the future new normal. Trustee Jane McNabb provided a workforce development update.

President Nissley also reviewed a 4R's model for leading through the coronavirus pandemic—refocus, reopening and reengaging, reimagining, and righting the ship. He shared that the President's Council was working on identifying key priorities of refocus for the next 120 days, and that a sub team of the Emergency Management Team was being created to work on potential reopening scenarios. Nissley also shared, in response to a question, that MCCA presidents have been virtually meeting weekly and anticipate a reduction in state appropriations. NMC is using the assumption of a 6% reduction in FY21 budget planning. He also reviewed anticipated CARE Act funding and NMC Foundation aid to help offset the negative budget impact resulting from the COVID-19 pandemic. The trustees offered help from the committee as needed.

### **Presidential Evaluation Process**

Chair Chris Bott shared that he has obtained several presidential evaluation models from other MCCA community colleges and ACCT. He plans to review them and have them sent on to the other committee members.

**Public Comment**—There was no public comment offered.

The meeting was adjourned at 1:57 p.m.

Recorded by Holly Gorton, Chief of Staff to the President and Board of Trustees.

P.O. Box 184  
Traverse City, MI 49685

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## MEMO

**To:** Northwestern Michigan College Board of Trustees  
**Cc:** Dr. Nick Nissley, Ed.D.  
**From:** Gabe Schneider, Founder/Principal, Northern Strategies 360  
**Date:** Wednesday, April 15, 2020  
**Re:** **State/Federal Legislative Update**

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### **State Legislative Calendar**

The House and Senate have session days scheduled for Thursday, April 16, and Thursday, April 30, although due to the current COVID-19 restrictions it is unclear if any business will be conducted on those days.

### **COVID-19**

#### **Legislature Extends Governor's Emergency Order Until April 30**

On Tuesday, April 7, the House and Senate both extended the Governor's emergency order powers until April 30, 2020. Senate Concurrent Resolution 24, sponsored by Majority Leader Mike Shirkey (R-Clarklake), extends the Governor's abilities to address the outbreak of the coronavirus. It was passed by voice vote in both chambers. The Governor had requested that the order be extended for an additional 70 days due to the unknown length of time it would take to contain the pandemic. An amendment was proposed in the Senate to extend it 70 days but was rejected. The Legislature will have to return by April 30, or the emergency order will expire.

#### **Governor Extends Stay Home Order**

On Thursday, April 9, Governor Gretchen Whitmer issued Executive Order 2020-42, an extension of the Temporary Requirement to suspend activities that are not necessary to sustain or protect life. The order extends the stay home order through April 30, in accordance with the current state of emergency, as well as detailing several new limitations to clarify businesses that should be closed and procedures to maintain social distancing at critical businesses that do remain open.

#### **Governor Issues Executive Order to Extend FOIA Deadlines**

Also last week, Whitmer issued Executive Order 2020-38, Temporary extensions of certain FOIA deadlines to facilitate COVID-19 emergency response efforts. The order temporarily extends a number of deadlines for responses to Freedom of Information Act requests in order to better keep public employees safe and is in effect through June 4, 2020.

#### **CARES Act**

Following the passage of the CARES Act by Congress, the Department of Education has begun to distribute over \$6 billion dollars in Higher Education Emergency Relief Fund dollars. Colleges and universities are required to utilize the \$6.28 billion made available to provide grants to students for expenses related to disruptions to their educations due to the COVID-19 outbreak, including things like course materials and technology as well as food, housing, health care, and childcare.

The Department also announced that funds would be available to States from the Governor's Emergency Education Relief Fund also appropriated under the CARES Act. These grant dollars will be awarded to states who will then have significant leeway in distributing funds to educational institutions including K-12,

community colleges, universities and/or charter schools. We do not yet know what the Governor's intentions are for these funds or how she plans to distribute them.

### **State Budget**

The COVID-19 crisis will certainly have an impact on the State's FY20 and FY21 budget with initial estimates from Treasure placing the hit at between \$1 billion and \$3 billion for FY20 and another \$1 billion to \$4 billion in the FY21 budget.

Of course some of these losses could be offset by a potential \$3.8 billion from the federal stimulus package, \$700 million anticipated in carryover from the General Fund and School Aid Fund from the 2020 budget and \$1.2 billion in the Rainy Day Fund.

However the reality is that there will need to be tough budget decisions made in the FY21 Budget, most likely impacting NMC priorities.

#### *Next Steps*

While legislative Appropriations Committee and Subcommittee Chairs hold teleconferences to discuss a framework for the FY21 budget, the next step will be the May Revenue Estimating Conference and then if the newly enacted July 1 budget deadline should be scrapped in favor of the required September 30 end of the fiscal year as a target.

### **Michigan Reconnect**

#### *Legislative Appropriation*

After the legislature approved a FY20 supplemental budget that included \$35 million for the Reconnect program, the Governor issued a veto of the funding in order to re-allocate funds to the COVID-19 response package.

#### *Authorization Legislation*

On Thursday, April 2, the Governor signed the three authorization bills that make up the Michigan Reconnect Program.

#### *Next Steps*

The passage of the authorizing legislation without corresponding appropriations for FY20 and great uncertainty around the FY21 budget will certainly delay the roll out of the Michigan Reconnect Program. At this point if funding is included in the FY21 budget before September, the roll out will be sometime in late 2021.

### **State Bills to Watch**

See a quick list of all the bills relevant to community colleges on the [MCCA website](#)



Northwestern  
Michigan  
College

*MEMO*  
*Administrative Services*

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**To:** Dr. Nick Nissley, President

**From:** Vicki Cook, Vice President of Finance and Administration

**Date:** April 15, 2020

**Subject:** 2021 Budget development

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This memo provides a summary of the major assumptions that we are using as we begin to build the 2021 budget. It is important to note that these are extremely uncertain times. We are working closely with the colleges across the state in monitoring the environment.

The Administration has been reviewing multiple scenarios for the 2021 budget. This includes a combination of reductions in both tuition and fees and state appropriations. We are also working closely with the NMC Foundation Board on opportunities that would include additional support for college operations.

The Vice Presidents have reviewed in great detail college wide expenses. We will make recommendations for reductions in areas that will have the least disruption to classroom learning. Although these reductions may not be able to be sustained in the long-term, they can be used as a short-term solution to our budget short-fall.

Revenue assumptions:

- Contact hours reduced by 10-15%
  - A reduction in revenue of \$2,000,000-\$2,500,000
- State appropriations reduced by 6%
  - A reduction in revenue of \$560,000
- No change in tuition rates for 2021
- A reduction in portfolio b and Extended Education revenue
  - \$400,000

Expense changes:

- Freeze professional development spending for 2021
- Reduce capital equipment purchases
- Reduce transfers



- Reduce deferred maintenance projects for 2021
- Reduce general expenditures based on enrollment
- Reduce furniture and equipment purchases
- Reduce payroll related expenses by \$500,000

We will continue to review our major assumptions for revenue during the months of May and June. We will also work to build into the fiscal year 2021 budget any additional revenue sources that we are able to determine with some certainty.

The final 2021 budget may include a recommendation to use some of the college's reserves to balance the budget. Although this is not a sustainable model, I believe it is appropriate during these unprecedented times.

		<b>No change in tuition rate</b>			
<b>Before COVID net loss</b>		<b>(1,641,754)</b>			
Additional contact hour reduction total 10% from 2020		(1,000,000)			
State aid reduction 6%		(561,000)			
EES -revenue losses (estimated)		(300,000)			
Marine Center revenue losses (estimated)		(100,000)			
Aviation revenue (estimated)		(200,000)			
Tuition change					
<b>Income changes</b>		<b>(3,802,754)</b>			
<b><u>Reductions in expenses</u></b>					
Payroll reductions		500,000			
General expense reductions		200,000			
Reduce professional development		600,000			
Reduce transfers		700,000			
COAT reduction		200,000			
Expense reductions		2,200,000			
<b>Net Gain (loss)</b>		<b>(1,602,754)</b>			
Other non general fund losses:					
Hagerty Center		(300,000)			
Housing Spring & Summer		(500,000)			



Northwestern  
Michigan  
College

## **MEMO**

*Administrative Services*

**To:** Dr. Nick Nissley, President  
**From:** Vicki Cook, Vice President of Finance and Administration  
**Date:** April 14, 2020  
**Subject:** Review of Transfer for fiscal year 2018 & 2019

The college has budgeted for transfers out of the General Fund to provide resources for deferred maintenance, technology infrastructure and funding for new initiatives. The chart below provides both the budgeted amount and actual transfer for fiscal years ending June 30, 2018 and June 30, 2019. The purpose for each transfer is also provided below the chart.

<b>General Fund Transfers Out (In)</b>		<b>Budget 2018</b>	<b>Actual 2018</b>	<b>Budget 2019</b>	<b>Actual 2019</b>
(a)	Plant Fund - Reserves for maintenance projects	999,647	999,647	1,009,643	1,609,643
(b)	Plant Fund - New Construction	200,000	600,000	250,000	800,000
(c')	Plant Fund - Technology Reserve	500,000	500,000	500,000	500,000
(d)	Plant Fund - Aviation Capital Reserve	340,000	413,213	340,000	444,394
(e')	Plant Fund - Facility Fee	40,000	40,000	40,000	40,000
(f)	Plant Fund - EES Transfer for Elevate	-	24,550	-	24,550
(g)	Strategic Projects Reserve	250,000	250,000	400,000	400,000
(h)	Transformation Reserve	100,000	600,000	50,000	50,000
(i)	MPSERS Reserve	50,000	50,000	95,800	95,800
(j)	Wellness & Program Specific Reserve	(15,865)	273,238	(15,865)	(4,202)
<b>Net General Fund Transfers Out</b>		<b>2,463,782</b>	<b>3,750,648</b>	<b>2,669,578</b>	<b>3,960,185</b>

- (a) The transfer is used for NMC annual deferred maintenance projects. Projects include resurfacing of parking lots. In fiscal year 2019 we replaced heat pumps in the Beckett building, transformer upgrades, classroom furniture and ADA projects such as cross walk signals for the blind.
- (b) New construction transfer is to set aside money for future bond payments.
- (c) The technology reserve is used for infrastructure technology upgrades.
- (d) Aviation capital reserve is used for purchase of engines and new planes.
- (e) Facility fee transfer is used for additional deferred maintenance projects.
- (f) EES elevate transfer was Extended Education purchase of software.

- (g) Strategic projects transfer is used at the President's discretion for special projects. The primary use of these funds have been the Foundation Campaign expenses. Other uses have been consultant costs for IAF, Marketing and Governmental relations.
- (h) Transformation reserve is used at the President's discretion up to \$50,000. The Board of Trustees must approve any costs over \$50,000.
- (i) MPSERS reserve fund has been established in the event the state does not fund the unfunded MPSERS contributions. Last year the state contribution for MPSERS was over two million dollars.
- (j) Wellness fund is a transfer into the general fund. The Wellness fund reimburses the General Fund for specific programs related to employee wellness initiatives.



Northwestern  
Michigan  
College

**MEMO**  
*Administrative Services*

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**To:** Dr. Nick Nissley, President

**From:** Vicki Cook, Vice President of Finance and Administration

**Date:** March 5, 2020

**Subject:** Net Asset Reserves as of June 30, 2019  
Attachments: Resource Guidelines & Long-term debt obligations

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This memo provides recommended guidance on the use of net asset (reserves) and provides NMC's designated reserve benchmarks. The attached spreadsheet includes June 30, 2019 balances compared to targeted reserves.

**Background**

Net assets are the College's savings. They are non-recurring sources of funding. The role of net assets in budgeting and operation include:

- Meet Board approved Resource Guidelines (attached)
- Allow the College to meet unexpected changes in revenue or expense levels.
- Allow the College to invest in itself for the development of programs, products or services. An investment in either programs or facilities should include a plan to replenish reserves.
- Allow the college to invest in capital improvement projects that connect with program growth.

As a general rule, net assets should not be used:

- To substitute for operating revenues when a shortfall is known or predictable until all other reasonable remedies have been reviewed.
- As an ongoing portion of the revenue mix required to provide a balanced budget
- Without a plan for how the assets will be replenished.

As an organization reviews its overall financial position the Administration and Board of Trustees should ask these questions:

- Is the institution financially healthy?
- Is the institution financially better off at the end of the fiscal year than it was at the beginning?
- Are financial resources managed strategically to advance the mission?

The amount of reserves required to be flexible and agile should be weighed with the needs of the organization. There are varying recommended reserve balances. The Government Financial Officers Association recommends between 5% and 15% of total expenses while the National Association of Colleges and University Business Officers Association recommends 5 months (or 42%) of your expenses.

The General Fund and Board Designated Fund net assets include separate funds for specific purposes designated in the Board approved Resource Guidelines. The funds allow for the College to have liquidity to meet unforeseen declines in revenue or higher expenses. In addition, funds have been set aside to invest in programs and facilities that will lead to an increase in the College's revenue stream.

### **Overview**

The reserves have been set aside in order for the college to provide liquidity for unforeseen shortfalls in revenue, unexpected expenses, invest in new programs, infrastructure and capital building needs.

Our annual budgeting process transfers approximately \$1,500,000 toward deferred maintenance needs and annual technology needs. Although we have continued to invest in maintaining our buildings, this amount does not equal our depreciation expense, which is now \$4,550,000 annually.

Based on the Board's recommendation to maintain a three-month reserve and our future needs in facilities, equipment, infrastructure and program investments, the reserves are fiscally appropriate. The annual transfers to the plant fund are used to meet deferred maintenance needs.

## FINANCIAL RESERVES

<u>Required Reserves Resource Guidelines</u>	<u>Calculated Reserves *</u>	<u>Actual Reserve @ 6/30/19</u>	<u>Over/(Under)</u>
A. Working Capital Reserves	\$ 1,445,972	\$ 3,159,049	\$ 1,713,077
B. Reserve for MPSERS Retirement Plans	614,187	832,800	218,613
C. Reserve for Unexpected Medical/Non-Medical Costs	445,216	470,000	24,784
D. Fund for Transformation	873,595	1,546,084	672,489
E. Physical Plant Major Maintenance	4,466,235	4,466,235	-
F. Plant Fund New Construction	4,588,501	5,871,093	1,282,592
G. Reserve for Unexpected Energy Costs	121,850	200,000	78,150
H. Reserve for State Aid	2,453,450	2,453,450	-
<b>Total Required Reserves</b>	<b>\$ 15,009,006</b>	<b>\$ 18,998,711</b>	<b>\$ 3,989,705</b>

<u>Additional Reserves</u>			
Program Specific (restricted for Maritime)		\$ 731,907	
Wellness Initiatives		355,103	
Unemployment Insurance		108,082	
Insurance Liability		69,000	
Strategic Projects		766,074	
<b>Total Additional Reserves</b>		<b>\$ 2,030,166</b>	
<b>Total Reserves</b>	<b>\$ 15,009,006</b>	<b>\$ 21,028,877</b>	<b>\$ 6,019,870</b>

**Notes on calculated reserves: \***

- A. Used FY19 budgeted expenses (all funds) of \$53,113,702 times 15% less reserves B-F
- B. 30% of State of Michigan's Contribution to MPSERS. FY19 contributions were \$2,047,289
- C. Per calculation difference of estimated maximum aggregate and estimated expected claims and 3 months term life, long term disability, and wk. comp Medical information provided by Ballard (email backup), life-disability-wk comp. based on annual budget
- D. Formula: FY19 Budgeted expenses general funds of \$43,679,770 times 2%
- E. Formula: Bldg & Content value per 19/20 insurance renewal - \$223,311,756 times 2%.
- F. Formula: Current Year Depreciation
- G. Electric and Fuel costs budgeted for FY19 (all funds) \$1,218,500 times 10%
- H. Current state aid award amount from award letter times 25%



## NMC BOARD OF TRUSTEES 2020-2021 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.

### **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 – Reserves**

The budget should include an appropriate allocation for reserves. The following reserves should be monitored annually. The Board will approve transfers to the appropriate reserve fund balances.

### **A – Working Capital Reserves**

A fiscally sound organization should have adequate reserves for emergencies and unanticipated cash flow needs. Northwestern Michigan College funds should maintain a Working Capital Reserve of 10 - 15% of annual budgeted expenditures not included in reserves B through G.

### **B – Reserve Funds For Any Future Reduction in State Contributions for MPSERS Retirement Plans**

This is a reserve for any future reduction in State contributions related to the unfunded liability payment for MPSERS plans. The amount to maintain is 30% of the annual State contribution to MPSERS retirement plans.

### **C – Reserve For Unexpected Medical and Non-Medical Costs**

This is a reserve for dramatic fluctuations in medical, and non-medical costs (e.g. term life insurance, long term disability, and worker's compensation) that are significantly beyond prudent predictions. The College should maintain funds equal to the difference between the calculated maximum aggregate claims and expected claims plus three (3) months of non-medical costs.

### **D – Fund for Transformation**

The Fund for Transformation was established for the purpose of responding to emerging opportunities and changes. A fund balance equal to approximately 2% of General Fund budgeted expenses should be maintained.

### **E – Physical Plant Major Maintenance and Future Buildings**

Two percent of the appraised replacement value-new of the College's physical assets, including buildings, building equipment, and built-in fixtures, should be invested or maintained in a fund for major maintenance, renovation, or replacement of those assets. This should be calculated as the total of major plant maintenance expenditures, operating budget maintenance expenditures on physical plant, and the Plant Fund balance. Reserves above 2% will be designated for future buildings.

### **F – Reserve For Unexpected Fluctuation In Energy Costs**

This is a reserve for dramatic fluctuations in energy costs that are significantly beyond prudent predictions. The reserve is equal to 10% of the College's annual budget for the total energy bill.

### **G – Reserve For Any Future Reduction in State Appropriation Revenue**

This is a reserve for any future reduction in State appropriation revenue. The amount to maintain is 25% of annual State Appropriation.

Northwestern Michigan College  
General Obligation  
Long-term Debt  
June 30, 2019

Obligation	Purpose	Principal & Interest	Source of Funding
2016 Bond	Housing	\$9,448,850	Housing charges
2016 Bond	DMC, Library, General	\$16,764,150	Private & Reserves
2018 Bond	West Hall	<u>\$9,663,475</u>	Private & Reserves
<b>Total</b>		<b>\$35,876,475</b>	
<b>Total less housing</b>		<b>\$26,427,625</b>	

**Summary:**

Total debt less housing	\$26,427,625
Less: Private Donations for DMC	4,000,000
Less: Private Donations for Library & West Hall	<u>2,907,650</u>
Remaining College Obligation as of June, 2019	\$19,519,975

**Original Principal Issue**

2016 Housing Bond	\$ 7,810,000
2016 DMC, Library, General	\$13,080,000
2018 West Hall	\$ 7,300,000

Payments will fluctuate each year but on average Bond Payments including housing are \$1,888,235. Payments excluding housing are \$1,390,927.

**NORTHWESTERN MICHIGAN COLLEGE  
BOARD OF TRUSTEES  
MINUTES  
Monday, March 23, 2020  
at NMC Hagerty Center, Great Lakes Campus, 715 East Front St**

**CALL TO ORDER**—Chair Chris M. Bott called the regular meeting to order at 5:30 p.m.

**ROLL CALL**

Trustees present: Douglas S. Bishop (virtually), Chris M. Bott, K. Ross Childs (virtually), Michael Estes, Rachel A. Johnson (virtually), Jane T. McNabb (virtually), Kennard R. Weaver (virtually)

Trustees absent: None

Also present: President Nick Nissley, Jerry Achenbach, Vicki Cook, Marguerite Cotto, Holly Gorton, Kyle Morrison, Todd Neibauer, Stephen Siciliano

**REVIEW OF AGENDA**—The agenda was accepted as presented.

**DISCUSSION ITEMS**

**COVID-19 Update**—President Nick Nissley reviewed NMC’s emergency response and recovery planning for the occurring coronavirus COVID-19 pandemic. The report included the process of developing response capability through collaboration with campus and community stakeholders, key decisions and actions made to date, as well as future considerations. The Board thanked faculty and staff for all their work to help students complete their courses.

**Enrollment**—Todd Neibauer, Vice President for Student Services and Technologies, shared the work being done by student services to help students and faculty with the transition to online learning. Student services, also operating online and were available to address any questions or issues as they occurred. Neibauer shared that the COVID-19 situation had added a degree of uncertainty to enrollment projections. He did note that orientations for summer and fall were being offered online.

**FY21 Budget**—Vicki Cook, Vice President of Finance and Administration, also noted the uncertainty of tuition revenue assumptions as a result of the COVID-19 pandemic and the uncertain enrollment projections. She presented three FY21 budget scenarios using no change in tuition, along with increases of 2.5% and 4.25%. Vice President Cook addressed a question pertaining to the use of all the reserves, as well as the cost of the college in contributions to the Foundation, by explaining that the Foundation would need to have time to plan any transition to self-funding. Cook noted they would be looking at several options, including those suggested. The question was raised as to the revenue and cost projections of a new model of increased online instruction in the future. Cook explained that the online summer semester decision was anticipated to increase summer enrollment. Also discussed was the projected impact of higher unemployment due to the occurring pandemic, but this would be a different model than in the past. It was noted by the board that reserves are in place for such unplanned circumstances as is now occurring. Vice President Cook agreed, but noted the college should still be aware of the long-term debt associated with construction projects.

**PUBLIC INPUT**—There was no public input offered.

## **UPDATES**

**President's Update**—President Nick Nissley did not have any additional update other than to credit the faculty and staff for their work to address the issues related to the COVID-19 pandemic.

**Board Chair Update**—Chair Chris Bott reminded trustees to send questions to Holly Gorton and thanked faculty and staff for their work in this unusual time. Bott acknowledged the changes to the meeting format regarding some trustees participating virtually was in compliance with the Michigan Open Meetings Act with the stay-at-home executive orders by Governor Whitmer.

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

- Minutes of the February 24, 2020, regular meeting

## **ACTION ITEMS**

**Housing and Board Rates for FY2021**—On a motion by Michael Estes, seconded by Ross Childs, the Board adopted the Housing and Board Rates for the 2020-2021 fiscal year as presented. The motion passed with a unanimous vote.

**Lease of GLMA Tow Vessel**—On a motion by Michael Estes, seconded by Kennard Weaver, the Board authorized administration to lease a tow vessel from approximately May 1, 2020, to November 1, 2020, as presented in proposal, for an amount not to exceed \$217,120, to be funded by the GLMA Operating Budget. GLMA Superintendent Jerry Achenbach addressed questions of the board on how this would benefit cadets with additional sea time credit, funded through available GLMA funds. The motion passed with a unanimous vote.

**Fine Arts Roof Replacement**—On a motion by Michael Estes, seconded by Doug Bishop, the Board authorized administration to enter into a contract with Story Roofing Company for the amount of \$79,500 (plus \$7,950 for contingency) for removal of old shingles and the installation of new shingles to be funded by the FY20 Plant Fund. Vice President Vicki Cook addressed a question as to whether the work could be put off to another year, in light of the current situation. Cook explained she does not want to risk damage to the building and that the roof work had been recommended by the architect and construction company when the siding was replaced on the building. The motion passed with a majority vote.

**Great Lakes Campus Entrance Work**—On a motion by Michael Estes, seconded by Doug Bishop, the Board authorized administration to enter into a contract with Spence Brothers in the amount of \$269,700 (plus \$26,970 for contingency) to remove and reinstall entrance pavers, new sidewalk with ice melt, and new walkway lights at the Great Lakes Campus entrance to be funded by the FY20 Plant Fund. Again, questions were raised as to the necessity of project at that time. In response, Vice President Cook explained the project was to address safety concerns. The motion passed with a majority vote.

## **REPORTS**

Chair Chris Bott stated that due to the meeting format and in the interest of time, the reports section of the agenda would focus on questions brought forth by the trustees.

**Faculty Report**—Melissa Sprenkle, Communications Instructor—Postponed until a later date.

**Enrollment Report**—Todd Neibauer, Vice President for Student Services and Technology—No questions.

**Financial Report**—Vicki Cook, Vice President of Finance and Administration—No questions.

**Foundation Report**—Rebecca Teahen, Associate Vice President for Resource Development and Executive Director of Foundation—No questions.

**PRMC Report**—Diana Fairbanks, Executive Director of Public Relations, Marketing, and Communications—No questions.

**Presidential Performance and Compensation Committee Report**—Committee Chair Chris Bott provided a report on the work of the Board Presidential Performance and Compensation Committee. The committee met on Friday, March 13, and President Nissley provided a COVID-19 update.

**Building and Site Committee Report**—Committee Chair Ross Childs reported there was no committee meeting in March and work on the West Hall Innovation Center project would have to be suspended in light of Governor Whitmer’s executive order to “stay home, stay safe.”

**Legislative Issues Report**—President Nick Nissley noted the State Legislature passed the Reconnect Act that would provide grants and scholarships for individuals 25-years and older, but given the current COVID-19 situation it was still uncertain when the governor would approve.

**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 6:30 p.m.

Recorded by Holly Gorton, Chief of Staff to the President and Board of Trustees.

SIGNED \_\_\_\_\_  
Chris M. Bott, Chair

ATTESTED \_\_\_\_\_  
Michael Estes, Secretary



*Lifelong &  
Professional Learning*

To: Nick Nissley, President  
 From: Marguerite Cotto  
 Date: April 20, 2020  
 Subject: MNJTP – Agreements for Board Approval

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Recommendation

Requesting Board approval of the following New Jobs Training Program agreements:

- Hayes Manufacturing: New agreement to align with sale of the company to Western Diesel Services, Inc.
- Century, Inc.: Amended to increase training budget and extend completion date through February, 2021.
- Cherry Capital Foods, LLC: Amended to increase training budget and extend completion date through August 23, 2024.
- BB&HC, LLC dba Tamarack Holdings: Amended to increase training budget and extend completion date through May 23, 2024.

Changes in training budget are related to adjustments to projected number of new positions, and changes in the prevailing minimum wage calculation.

Observations on the program

This cycle of NJTP agreements includes the following milestones:

- Since the initial agreement authorized by the Board in 2010, over fifty-three NJTP agreements have been approved, representing new job creation by over thirty-five area companies across all economic sectors.
- New jobs qualified under the program are projected at 1,062.
- Training expenditures valued at \$6,234, 614 delivered through 2028.
- NMC is the only community college generating NJTP agreements in each funding cycle since the program's onset in 2010. (Special appreciation to Lisa Rolling for managing NJTP agreements, and NMC Business Office for managing due diligence procedures).

Thank you.

# Michigan New Jobs Training Program -- Board Summary

Company:	<b>Century Inc.</b>																																						
	2410 West Aero Park Court; Traverse City, MI 49686																																						
Classification Code:	332811 -- Metal Heat Treating																																						
Agreement Type:	Five-Year Agreement (original agreement signed on 02/28/11)	<b>Amended on 08/25/14 to: Seven-Year Agreement</b>	<b>Amended on 02/28/18 to: Ten-Year Agreement</b>																																				
Overview:	<p>Century Inc. is a privately held precision manufacturing company comprised of three distinct business units: Precision Machining, World-Class Heat Treating, and Material Research and Development. For over 40 years, Century has excelled at manufacturing products that consist of highly complex machined precision components with exacting microstructure requirements. Century serves the needs for many industries including: metal working, aerospace, defense, medical, nuclear, mining, and oil and gas.</p>																																						
Existing Jobs:	162																																						
Net New Jobs to be Created:	35	<b>Amended on 08/25/14 to: 40.</b>																																					
People to be Trained:	35																																						
Approximate Start Date:	04/2011																																						
Approximate End Date:	01/2016	<b>Amended on 08/25/14 to: 12/2018.</b>																																					
Budget Analysis:	<table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>Revenues</u></th> <th></th> <th style="text-align: center;"><b>Amendment of 08/25/14</b></th> <th style="text-align: center;"><b>Amendment of 02/27/18</b></th> <th style="text-align: center;"><b>Amendment of 04/27/20</b></th> </tr> </thead> <tbody> <tr> <td>Estimated State Withholding</td> <td style="text-align: right;">\$ 199,622</td> <td style="text-align: right;"><b>\$ 259,622</b></td> <td style="text-align: right;"><b>\$ 276,646.75</b></td> <td style="text-align: right;"><b>\$ 330,000.00</b></td> </tr> <tr> <td colspan="5"> <u>Estimated Expenses</u></td> </tr> <tr> <td>Financing Costs</td> <td style="text-align: right;">\$ 5,838</td> <td style="text-align: right;"><b>\$ 7,592</b></td> <td></td> <td></td> </tr> <tr> <td>MCCA Administration Costs (1%)</td> <td style="text-align: right;">\$ 1,736</td> <td style="text-align: right;"><b>\$ 2,258</b></td> <td style="text-align: right;"><b>\$ 2,405.62</b></td> <td style="text-align: right;"><b>\$ 2,869.57</b></td> </tr> <tr> <td>College Administration Costs (14%)</td> <td style="text-align: right;">\$ 24,302</td> <td style="text-align: right;"><b>\$ 31,606</b></td> <td style="text-align: right;"><b>\$ 33,678.73</b></td> <td style="text-align: right;"><b>\$ 40,173.91</b></td> </tr> <tr> <td>Total Estimated Training Budget</td> <td style="text-align: right;">\$ 167,746</td> <td style="text-align: right;"><b>\$ 218,166</b></td> <td style="text-align: right;"><b>\$ 240,562.39</b></td> <td style="text-align: right;"><b>\$ 286,956.52</b></td> </tr> </tbody> </table>				<u>Revenues</u>		<b>Amendment of 08/25/14</b>	<b>Amendment of 02/27/18</b>	<b>Amendment of 04/27/20</b>	Estimated State Withholding	\$ 199,622	<b>\$ 259,622</b>	<b>\$ 276,646.75</b>	<b>\$ 330,000.00</b>	 <u>Estimated Expenses</u>					Financing Costs	\$ 5,838	<b>\$ 7,592</b>			MCCA Administration Costs (1%)	\$ 1,736	<b>\$ 2,258</b>	<b>\$ 2,405.62</b>	<b>\$ 2,869.57</b>	College Administration Costs (14%)	\$ 24,302	<b>\$ 31,606</b>	<b>\$ 33,678.73</b>	<b>\$ 40,173.91</b>	Total Estimated Training Budget	\$ 167,746	<b>\$ 218,166</b>	<b>\$ 240,562.39</b>	<b>\$ 286,956.52</b>
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Recommendation:	Agreement Approval																																						



**MICHIGAN NEW JOBS TRAINING AGREEMENT**  
**Amendment No. 3**  
**PART I**

**This amendment between Northwestern Michigan College and Century Inc., dated April 27, 2020, amends the previous Agreement dated February 28, 2018. This Agreement increases the amount from \$276,646.75 to \$330,000.**

1. “College” means Northwestern Michigan College, Traverse City, Michigan. Notices, requests, or other communications directed to the College under this Agreement shall be addressed as follows:

**Finance:**

Troy Kierczynski, Controller  
 Northwestern Michigan College  
 1701 East Front Street  
 Traverse City, MI 49686  
 tkierczynski@nmc.edu  
 231-995-1147

**Training:**

Lisa Rollin, Senior Accountant  
 Michigan Manufacturing Technology  
 Center-Northern Lower Office  
 1701 East Front Street  
 Traverse City, MI 49686  
[lrollin@nmc.edu](mailto:lrollin@nmc.edu)  
 231-995-2005

2. “Employer” means Century Inc. of Traverse City, Michigan. Notices, requests, or other communications directed to the Employer under this Agreement shall be addressed as follows:

Ms. Kimberly Weber  
 Human Resources Manager  
 Century Inc.  
 2410 West Aero Park Court  
 Traverse City, MI 49686  
**Federal ID #: 38-1810580**

3. The Employer certifies that the number of jobs on its payroll in Michigan as of the date of the Agreement of Intent was August 24, 2010, and that the highest number of jobs on its payroll in Michigan in the last 12 months was 162.
4. The Employer agrees that the New Jobs Credit from Withholding paid by the Employer to the College for Program Costs will begin as employees are hired.
5. The effective date of this Agreement shall be February 28, 2011 (the “Effective Date”).
6. The term of this Agreement shall be ten (10) years; provided that this Agreement shall not terminate and the obligations, representations, warranties, covenants, and agreements of the Employer hereunder shall continue until the Program Costs have been paid in full as provided herein.



The provisions of Part II and Part III of this Agreement are hereby approved and incorporated in full by reference.

## NEW JOBS TRAINING AGREEMENT

### PART II

#### EXHIBIT A

#### Estimated Budget

1.	Training	\$ 286,957
2.	[financing costs, bond issuance costs, contingency or other costs]	\$ 0
3.	SUBTOTAL	\$ 286,957
4.	Administrative Fee	\$ 43,043
	TOTAL	\$ 330,000

#### Final Costs

1.	Training	\$
2.	[financing costs, bond issuance costs, contingency or other costs]	\$
3.	SUBTOTAL	\$
4.	Administrative Fee	\$
	TOTAL	\$

Acknowledged this 27th day of April 2020.

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Kimberly Weber  
Human Resources Manager  
Century Inc.

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Nick Nissley  
President  
Northwestern Michigan College

**EXHIBIT B**  
**Tentative Training Program**

I. Overview

A. Number of New Jobs: 40

Century Inc. expects to create 50 new positions including:

4 Engineering	@	\$30 per hour
36 Production	@	\$13 per hour

B. Expected date by which new jobs will be filled: January 2015

C. Estimated Costs of Training: \$ 286,957

D. Expected Beginning Date of Training: April 2011

E. Expected Ending Date of Training: February 2021

II. Description of Training

- BS – Manufacturing Engineering Technology – Ferris State University
- Espirit
- TIP/TIG
- Liquid Penetrant
- Magnetic Particle
- CNC Machining
- 8D Problem Solving
- Gearpro Involute
- Lean Manufacturing Champion
- Export Controls
- Metal Treating

**EXHIBIT C****Employer Projections of Sources of Payments of Program Costs**

- I. Employer's projections of gross wages for employees in new jobs, new jobs credit from withholding and fees to be paid for program costs:

12-Month Period Ending	Estimated Gross Wages	Estimate of New Jobs Credit From Withholding	Fees
12/31/2011	\$ 698,706	\$ 29,695	\$ 3,873
12/31/2012	\$ 698,706	\$ 29,695	\$ 3,873
12/31/2013	\$ 698,706	\$ 29,695	\$ 3,873
12/31/2014	\$ 698,706	\$ 29,695	\$ 3,873
12/31/2015	\$ 698,706	\$ 29,695	\$ 3,873
12/31/2016	\$ 698,706	\$ 29,695	\$ 3,873
12/31/2017	\$ 698,706	\$ 29,695	\$ 3,873
12/31/2018	\$ 698,706	\$ 29,695	\$ 3,873
12/31/2019	\$ 698,706	\$ 29,695	\$ 3,873
12/31/2020	\$ 698,706	\$ 29,695	\$ 3,873
12/31/2021	\$ 698,706	\$ 29,695	\$ 3,873

[continue as necessary]

IN WITNESS WHEREOF the College and Employer have caused this Agreement to be duly executed all as of the Effective Date.

NORTHWESTERN MICHIGAN COLLEGE

By: \_\_\_\_\_  
Nick Nissley

Title: President

Date: April 27, 2020

CENTURY INC.

By: \_\_\_\_\_  
Kimberly Weber

Title: Human Resources Manager

Date: April 27, 2020

## Michigan New Jobs Training Program -- Board Summary

Company:	<b>Cherry Capital Foods, LLC</b>	
	1610 Barlow Street, Suite 201; Traverse City, MI 49686	
Company Classification:	422410 -- General Line Grocery Merchant Wholesalers	
Type of Agreement:	Five-Year Agreement	<b>Amended: 04/27/20 Nine-Year Agreement</b>
Company Overview:	<p>Cherry Capital Foods is a continuously growing food distributor headquartered in Traverse City, Michigan with a second location in Okemos, Michigan. They work with restaurants, groceries, K-12 schools, and large institutions to deliver all categories of food grown and produced inside the state of Michigan. Cherry Capital Foods has experienced growth of 50 percent for several years and has grown their staff from 10 to 58 in the last six years. Their new facility in Traverse City is considered the greenest building in northwest lower Michigan and houses the Grand Traverse Food Shed Alliance. Cherry Capital Foods' capacity to meet the demand for regional/local food within Michigan continues to grow. Adding new jobs and at least another facility within Michigan are essential strategic objectives to support their mission of building a resilient and socially just food system for our state.</p>	
Existing Jobs:	58	
Net New Jobs to be Created:	6	
People to be Trained:	6	
Approximate Start Date:	01/01/16	
Approximate End Date:	07/31/24	
Budget Analysis:	<u>Revenues</u>	<b>Amended 04/27/20</b>
	Estimated State Withholding	<u>\$ 45,000    \$ 100,000</u>
	<u>Estimated Expenses</u>	
	MCCA Administration Costs (1%)	\$ 392    \$ 870
	College Administration Costs (14%)	\$ 5,478    \$ 12,174
	Total Estimated Training Budget	\$ 39,130    \$ 86,956

**MICHIGAN NEW JOBS TRAINING AGREEMENT**  
**Amendment No. 1**  
**PART I**

**This amendment between Northwestern Michigan College and Cherry Capital Foods LLC, dated April 27, 2020, amends the previous Agreement dated August 24, 2015. This agreement increases the amount from \$45,000 to \$100,000 and extends the program end date through August 23, 2024.**

1. “College” means Northwestern Michigan College, Traverse City, Michigan. Notices, requests, or other communications directed to the College under this Agreement shall be addressed as follows:

**Finance**

Troy Kierczynski, Controller  
 Northwestern Michigan College  
 1701 East Front Street  
 Traverse City, MI 49686  
[tkierczynski@nmc.edu](mailto:tkierczynski@nmc.edu)  
 231-995-1147

**Training**

Lisa Rollin, Senior Accountant  
 Michigan Manufacturing Technology  
 Center-Northern Lower Office  
 1701 East Front Street  
 Traverse City, MI 49686  
[lrollin@nmc.edu](mailto:lrollin@nmc.edu)  
 231-995-2005

2. “Employer” means Cherry Capital Foods, LLC of Traverse City, Michigan. Notices, requests, or other communications directed to the Employer under this Agreement shall be addressed as follows:

Marcy Hermann  
 Human Resources Manager  
 Cherry Capital Foods, LLC  
 1610 Barlow Street, Suite 201  
 Traverse City, MI 49686  
**Federal ID #: 20-8995519**

3. The Employer certifies that the number of jobs on its payroll in Michigan as of the date of the Agreement of Intent was 58 and that the highest number of jobs on its payroll in Michigan in the last 12 months was 58.
4. The Employer agrees that the New Jobs Credit from Withholding paid by the Employer to the College for Program Costs will begin as employees are hired.
5. The effective date of this Agreement shall be August 24, 2015 (the “Effective Date”).
6. The term of this Agreement shall be nine (9) years; provided that this Agreement shall not terminate and the obligations, representations, warranties, covenants and agreements of the Employer hereunder shall continue until the Program Costs have been paid in full as provided herein.

The provisions of Part II and Part III of this Agreement are hereby approved and incorporated in full by reference.

**NEW JOBS TRAINING AGREEMENT  
PART II  
EXHIBIT A—ESTIMATED BUDGET**

1.	Training	\$ 86,956
2.	Administrative Fee	\$ 13,044
	TOTAL	\$100,000

The dollar amounts within the line items may fluctuate because of the need to adapt the monies to specific program costs.

**Final Costs**

1.	Training	\$_____.
2.	Administrative Fee	\$_____.
	TOTAL	\$_____.

Acknowledged this 27<sup>th</sup> day of April 2020.

\_\_\_\_\_  
 Marcy Hermann  
 Human Resources Manager  
 Cherry Capital Foods, LLC

\_\_\_\_\_  
 Nick Nissley  
 President  
 Northwestern Michigan College

## **EXHIBIT B**

### **Tentative Training Program**

#### I. Overview

A.	Number of new jobs:	6 @ \$14.26+
B.	Expected date by which new jobs will be filled:	12/31/2016
C.	Estimated costs of training:	\$ 86,956
D.	Expected beginning date of training:	01/01/2016
E.	Expected ending date of training:	07/31/2024

#### II. Description of Training

- EDiBLE
- Lean Overview
- Lean Office
- Lean Leadership



## EXHIBIT C

### Employer Projections of Sources of Payments of Program Costs

I. Employer's projections of gross wages for employees in new jobs, new jobs credit from withholding, and fees to be paid for program costs:

12-Month Period Ending	Estimated Gross Wages	Estimate of New Jobs Credit From Withholding	Fees
12/31/2016	\$ 261,435	\$ 11,111	\$ 1,449
12/31/2017	\$ 261,435	\$ 11,111	\$ 1,449
12/31/2018	\$ 261,435	\$ 11,111	\$ 1,449
12/31/2019	\$ 261,435	\$ 11,111	\$ 1,449
12/31/2020	\$ 261,435	\$ 11,111	\$ 1,449
12/31/2021	\$ 261,435	\$ 11,111	\$ 1,449
12/31/2022	\$ 261,435	\$ 11,111	\$ 1,449
12/31/2023	\$ 261,435	\$ 11,111	\$ 1,449
12/31/2024	\$261,435	\$ 11,111	\$ 1,449

[continue as necessary]

IN WITNESS WHEREOF the College and Employer have caused this Agreement to be duly executed all as of the Effective Date.

NORTHWESTERN MICHIGAN COLLEGE

Name: \_\_\_\_\_  
Nick Nissley

Title: President

Date: April 27, 2020

CHERRY CAPITAL FOODS, LLC

Name: \_\_\_\_\_  
Marcy Hermann

Title: Human Resources Manager

Date: April 27, 2020

## Michigan New Jobs Training Program -- Board Summary

Company:	<b>BB&amp;HC, LLC dba Tamarack Holdings</b>	
	1610 Barlow Street, Suite 201; Traverse City, MI 49686	
Company Classification:	551112 -- Offices of Other Holding Companies	
Type of Agreement:	Five-Year Agreement	<b>Amended: 04/27/20 Eight-Year Agreement</b>
Company Overview:	BB&HC, LLC dba Tamarack Holdings is a newly formed organization that has been put into place to manage and coordinate a number of businesses owned by the same individual and an artisanal food distributor.	
Existing Jobs:	1	
Net New Jobs to be Created:	4	
People to be Trained:	4	
Approximate Start Date:	07/01/16	
Approximate End Date:	06/30/24	
Budget Analysis:	<u>Revenues</u>	<b>Amended 04/27/20</b>
	Estimated State Withholding	<u>\$ 50,150    \$ 100,000</u>
	<u>Estimated Expenses</u>	
	MCCA Administration Costs (1%)	\$    436    \$     870
	College Administration Costs (14%)	\$ 6,105    \$ 12,174
	Total Estimated Training Budget	\$ 43,609    \$ 86,956
Funding Vehicle:	Pay-As-You-Go Agreement	
Recommendation:	Agreement Approval	

**MICHIGAN NEW JOBS TRAINING AGREEMENT**  
**Amendment No. 1**  
**PART I**

**This amendment between Northwestern Michigan College and BB&HC, LLC dba Tamarack Holdings dated April 27, 2020, amends the previous Agreement dated May 23, 2016. This agreement increases the amount from \$50,150 to \$100,000 and extends the program end date through May 23, 2024.**

1. “College” means Northwestern Michigan College, Traverse City, Michigan. Notices, requests, or other communications directed to the College under this Agreement shall be addressed as follows:

**Finance**

Troy Kierczynski, Controller  
Northwestern Michigan College  
1701 East Front Street  
Traverse City, MI 49686  
[tkierczynski@nmc.edu](mailto:tkierczynski@nmc.edu)  
231-995-1147

**Training**

Lisa Rollin, Senior Accountant  
Michigan Manufacturing Technology  
Center-Northern Lower Office  
1701 East Front Street  
Traverse City, MI 49686  
[lrollin@nmc.edu](mailto:lrollin@nmc.edu)  
231-995-2005

2. “Employer” means BB&HC, LLC dba Tamarack Holdings of Traverse City, Michigan. Notices, requests, or other communications directed to the Employer under this Agreement shall be addressed as follows:

Marcy Hermann  
Human Resources Manager  
BB&HC, LLC dba Tamarack Holdings  
1610 Barlow Street, Suite 201  
Traverse City, MI 49686  
**Federal ID #: 20-8995519**

3. The Employer certifies that the number of jobs on its payroll in Michigan as of the date of the Agreement of Intent was 12 and that the highest number of jobs on its payroll in Michigan in the last 12 months was 1.
4. The Employer agrees that the New Jobs Credit from Withholding paid by the Employer to the College for Program Costs will begin as employees are hired.
5. The effective date of this Agreement shall be May 23, 2016 (the “Effective Date”).
6. The term of this Agreement shall be eight (8) years; provided that this Agreement shall not terminate and the obligations, representations, warranties, covenants and agreements of the Employer hereunder shall continue until the Program Costs have been paid in full as provided herein.

The provisions of Part II and Part III of this Agreement are hereby approved and incorporated in full by reference.

**NEW JOBS TRAINING AGREEMENT  
PART II  
EXHIBIT A—ESTIMATED BUDGET**

1.	Training	\$ 86,956
2.	Administrative Fee	\$ 13,044
	TOTAL	\$100,000

The dollar amounts within the line items may fluctuate because of the need to adapt the monies to specific program costs.

**Final Costs**

1.	Training	\$_____.
2.	Administrative Fee	\$_____.
	TOTAL	\$_____.

Acknowledged this 27<sup>th</sup> day of April 2020.

\_\_\_\_\_  
 Marcy Hermann  
 Human Resources Manager  
 BB&HC, LLC dba Tamarack Holdings

\_\_\_\_\_  
 Nick Nissley  
 President  
 Northwestern Michigan College

## **EXHIBIT B**

### **Tentative Training Program**

#### I. Overview

A.	Number of new jobs:	4 @ \$14.88+
B.	Expected date by which new jobs will be filled:	01/01/17
C.	Estimated costs of training:	\$ 86,956
D.	Expected beginning date of training:	07/01/16
E.	Expected ending date of training:	05/01/24

#### II. Description of Training

- Meeting Facilitation
- Strategic Planning
- Leadership and Coaching
- Lean Management
- Project Management

## EXHIBIT C

### Employer Projections of Sources of Payments of Program Costs

I. Employer's projections of gross wages for employees in new jobs, new jobs credit from withholding, and fees to be paid for program costs:

12-Month Period Ending	Estimated Gross Wages	Estimate of New Jobs Credit From Withholding	Fees
12/31/2017	\$ 294,118	\$ 12,500	\$ 1,631
12/31/2018	\$ 294,118	\$ 12,500	\$ 1,631
12/31/2019	\$ 294,118	\$ 12,500	\$ 1,631
12/31/2020	\$ 294,118	\$ 12,500	\$ 1,631
12/31/2021	\$ 294,118	\$ 12,500	\$ 1,631
12/31/2022	\$ 294,118	\$ 12,500	\$ 1,631
12/31/2023	\$ 294,118	\$ 12,500	\$ 1,631
12/31/2024	\$ 294,118	\$ 12,500	\$ 1,631

[continue as necessary]

IN WITNESS WHEREOF the College and Employer have caused this Agreement to be duly executed all as of the Effective Date.

**NORTHWESTERN MICHIGAN COLLEGE**

Name: \_\_\_\_\_  
Nick Nissley

Title: President

Date: April 27, 2020

**BB&HC, LLC dba TAMARACK HOLDINGS**

Name: \_\_\_\_\_  
Marcy Hermann

Title: Human Resources Manager

Date: April 27, 2020



## Michigan New Jobs Training Program -- Board Summary

Company: **Hayes Manufacturing**  
 6875 US 131; Fife Lake, MI 49633

Type of Agreement: Eight-Year Agreement

Existing Jobs: 0

Net New Jobs to be Created: 31

People to be Trained: 20

Approximate Start Date: 04/27/20

Approximate End Date: 04/26/28

**Budget Analysis:**

Revenues

Estimated State Withholding

Estimated Expenses

MCCA Administration Costs (1%)

College Administration Costs (14%)

Total Estimated Training Budget

Funding Vehicle:  
 Recommendation:

Pay-As-You-Go Agreement  
 Agreement Approval

Original Award	
04/27/20	
\$ 250,000	
\$ 2,174	
\$ 30,435	
\$ 217,391	

# MICHIGAN NEW JOBS TRAINING AGREEMENT

## PART I

1. “College” means Northwestern Michigan College of Traverse City, Michigan. Notices, requests, or other communications directed to the College under this Agreement shall be addressed as follows:

**Finance**

Troy Kierczynski, Controller  
 Northwestern Michigan College  
 1701 East Front Street  
 Traverse City, MI 49686  
[tkierczynski@nmc.edu](mailto:tkierczynski@nmc.edu)  
 231-995-1147

**Training**

Lisa Rollin, Senior Accountant  
 Michigan Manufacturing Technology Center  
 Northern Lower Office  
 1701 East Front Street  
 Traverse City, MI 49686  
[lrollin@nmc.edu](mailto:lrollin@nmc.edu)  
 231-995-2005

2. “Employer” means Western Diesel Services, Inc. d/b/a Hayes Manufacturing of Fife Lake, Michigan. Notices, requests, or other communications directed to the Employer under this Agreement shall be addressed as follows:

Penny Challender  
 President  
 Hayes Manufacturing  
 6875 US 131  
 Fife Lake, MI 49633  
[penny@hayescouplings.com](mailto:penny@hayescouplings.com)  
 Federal ID No.: 43-0762599

3. The Employer certifies that the number of jobs on its payroll in Michigan as of November 15, 2019, the date of the Preliminary Agreement, was zero and that the highest number of jobs on its payroll in Michigan in the last 12 months prior to the date of the Preliminary Agreement was zero.
4. The Employer agrees that the New Jobs Credit from Withholding paid by the Employer to the College for Program Costs will begin as employees are hired.
5. The effective date of this Agreement shall be April 27, 2020.
6. The term of this Agreement shall be eight (8) years, expiring April 26, 2028, provided this Agreement shall not terminate and the obligations, representations, warranties, covenants, and agreements of the Employer hereunder shall continue until the Program Costs have been paid in full as provided herein.

The provisions of Part II and Part III of this Agreement are hereby approved and incorporated in full by reference.

**MICHIGAN NEW JOBS TRAINING AGREEMENT  
PART II  
EXHIBIT A**

**Estimated Budget**

1.	Training	\$ 217,391
2.	Training Equipment	\$ 0
3.	Administrative Fee	\$ 32,609
	TOTAL	\$ 250,000

**Final Costs**

1.	Training	\$
2.	Training Equipment	\$
3.	Administrative Fee	\$
	TOTAL	\$

Acknowledged this 27<sup>th</sup> day of April 2020.

\_\_\_\_\_  
Penny Challender, President  
Hayes Manufacturing

\_\_\_\_\_  
Nick Nissley, President  
Northwestern Michigan College

## **EXHIBIT B**

### **Tentative Training Program**

#### I. Overview

A.	Estimated number of new jobs:	31 @ \$16.89+
B.	Expected date by which new jobs will be filled:	12/01/19
C.	Estimated costs of training:	\$ 217,391
D.	Expected begin date:	04/27/20
E.	Expected end date:	04/26/28

#### II. Description of Training

- Advanced Lean Practices and Concepts
- Personnel Management
- Machine Repair
- CNC Machine Programming

#### III. Description of Training Equipment

## EXHIBIT C

### Employer Projections of Payroll and New Jobs Credit

Year of Agreement	Estimated Payroll of New Positions	Estimate of Diverted Payroll Taxes	Cumulative Diverted Payroll Taxes
1	\$735,294	\$ 31,250	\$ 31,250
2	\$735,294	\$ 31,250	\$ 62,500
3	\$735,294	\$ 31,250	\$ 93,750
4	\$735,294	\$ 31,250	\$125,000
5	\$735,294	\$ 31,250	\$156,250
6	\$735,294	\$ 31,250	\$187,500
7	\$735,294	\$ 31,250	\$218,750
8	\$735,294	\$ 31,250	\$250,000

Note: Although the term of this Agreement is eight (8) years, the amount of payroll taxes diverted hereunder may not exceed the total amount of the budget. The College will work with the Employer and the Michigan Department of Treasury to ensure taxes in excess of the required amounts are not diverted but rather are forwarded directly to the State of Michigan by the Employer.

## **MICHIGAN NEW JOBS TRAINING AGREEMENT**

### **PART III**

An agreement to provide for:

- The creation of a New Jobs Training Program between the College and the Employer.
- The capture of New Jobs Credit from Withholding from employees in New Jobs.
- The use of New Jobs Credit from Withholding to pay Project Costs.

This New Jobs Training Agreement (the “Agreement”) made and entered into as of the Effective Date, between the College and the Employer, under the following circumstances:

A. Pursuant to the New Jobs Training Programs codified in Chapter 13 of the Community College Act of 1966, Act 331, Public Acts of Michigan, 1966, as amended (“Act 331”), the College and the Employer have determined to enter into this Agreement for purposes of establishing a project to educate and train certain persons employed by the Employer in new jobs.

B. The College and the Employer each have full power and authority to authorize, execute, and deliver this Agreement.

C. When duly executed and delivered, this Agreement will be will be a legal, valid, and binding obligation of the College and of the Employer enforceable in accordance with its terms.

NOW, THEREFORE, in consideration of the mutual covenants and benefits set forth below, it is agreed by the parties hereto as follows:

#### **ARTICLE I**

#### **DEFINITIONS**

Section 1.1 “Act” means the New Jobs Training Programs codified in Chapter 13 of the Community College Act of 1966, Act 331, Public Acts of Michigan, 1966, as amended.

Section 1.2 “Bonds” means Bonds or Notes of the College issued pursuant to the Act to pay all or part of the Program Costs pursuant to this Agreement.

Section 1.3 “Debt Service” means the payment of the principal of and interest on and redemption premium, if any, on Bonds issued pursuant to this Agreement.

Section 1.4 “New Job” means a full-time job in this state that meets all of the following:

- (i) Except as provided in subparagraph (ii) or (iii), is a new, existing, or expanding business of an employer.
- (ii) Is not a job of a recalled worker, a replacement job, or any other job that existed in the employer's business within the one-year period preceding the date of the Agreement.
- (iii) Is not a job that is part of an employer's business operation located in a municipality in this state, if that job existed in a business operation or a substantially similar business operation of the employer formerly located in another municipality in this state, the employer moved that business operation or substantially similar business operation to its current location, and the employer closed or substantially reduced that former business operation or substantially similar business operation.

(iv) Results in a net increase in employment in this state for that employer.

(v) The wage paid for the job is equal to or exceeds 175 percent of the state minimum hourly wage rate in effect as of the Effective Date (**\$16.89**).

Section 1.5 “New Jobs Credit from Withholding” or “Jobs Credit” means the New Jobs Credit from Withholding, established in Section 163 of the Act, MCL 389.163, paid to the College by the Employer pursuant to Article IV of this Agreement.

Section 1.6 “Program Costs” means all necessary and incidental costs of providing Program Services for the Project and shall include an administrative fee of 15 percent of the aggregate amount paid under this Agreement. Attached hereto as Part II Exhibit A and incorporated herein by reference is an estimated budget relating to the Project.

Section 1.7 “Program Services” for the Project are as tentatively set forth on Part II Exhibit B attached hereto and incorporated herein by reference.

Section 1.8 “Project” shall consist of this training arrangement to provide Program Services pursuant to this Agreement with respect to employees to be employed by the Employer in New Jobs at the Project Site.

Section 1.9 “Project Fund” means a special fund of the College established for the payment of Program Costs as provided in Section 3.1 and for no other purpose.

Section 1.10 “Project Site” means the Employer’s business address named in Part I attached hereto and incorporated herein by reference, where the New Jobs will be created.

Section 1.11 “Resolution” means the Resolution or Resolutions authorizing the issuance of New Jobs Training Bonds adopted by the College in connection with the Project.

Section 1.12 “Training” means the Program Services exclusive of administrative fees for the New Jobs Training Program and the College’s legal fees.

Other terms used in this Agreement shall have the meanings set forth in the Act.

## **ARTICLE II PROJECT: PROGRAM SERVICES**

Section 2.1 The College agrees to provide the Program Services to the extent of funds available for that purpose in the Project Fund. It is understood and agreed that the Employer and the College will cooperate in the coordination and programming of the specific expenditures and of the Project within the guidelines set out in this Agreement and Part II, Exhibits B and C. The College may, in its discretion, subcontract with other entities or persons to provide all or part of the Training. It is understood and agreed that the Training set forth on Part II, Exhibit B is tentative and is subject to change and further development, within the budget for the Project, upon the mutual written agreement of the College, acting through its authorized officer, and the Employer.

Section 2.2 The College and Employer agree that all necessary and incidental costs, including but not limited to Program Costs and Debt Service, if any, and related costs may be paid from New Jobs Credit from Withholding, to be received or derived from new employment resulting from the Project.

If any equipment is to be procured as part of the Program Services under this Agreement (“Training Equipment”), all of the following apply:

(a) Training Equipment may be procured by either purchase or pursuant to a lease which does not result in or end with the ownership of the property by the leasing party.

Training Equipment acquired by purchase may only be acquired by the College and title to such Training Equipment shall immediately vest with the College. Training Equipment procured by the College, whether by lease or purchase, shall comply with the College's approved procurement policy and state law.

Training Equipment acquired by lease may be acquired by either the College or the Employer with prior written approval of the College. The term of any such lease shall not be longer than the term of this Agreement.

(b) During the term of this Agreement, Training Equipment shall be used exclusively to provide the Program Services and may not be used by the Employer for any other purpose.

(c) Upon expiration or termination of this Agreement, the College may use or dispose of the Training Equipment acquired by purchase in compliance with the same policies, procedures and practices in effect for similar property of the College.

(d) Any costs for the delivery of the Training Equipment shall be paid as part of Program Costs. Any installation accommodations, such as compressed air, or routine maintenance necessary to keep the Training Equipment in good and working condition, such as fluid refills or changes, replacement of worn tools, parts, or consumables, etc. during the term of this Agreement, shall be the sole responsibility of the Employer.

(e) Only fully qualified, competent, trained and certified (if applicable) personnel providing the Training ("Training Personnel") may use the Training Equipment to provide Program Services.

(f) Each of the College or the Employer, as applicable, shall contractually or otherwise require Training Personnel to keep a record of each day and time the Training Equipment is used to provide Training and the name of every employee who participated in Training on such day and time. The Employer shall provide these records to the College upon request.

(g) Training Personnel shall manage the Training Equipment in a professional manner and properly instruct any employees in the use of the Training Equipment.

(h) The Employer shall ensure that the Training Equipment is properly operated and maintained in accordance with the manufacturer's recommendations and that all scheduled maintenance or necessary repairs are carried out promptly by a qualified person so as to keep the Training Equipment in good working order and to maintain all applicable manufacturer's warranties.

(i) During the term of this Agreement, the Employer shall indemnify, defend, and hold College its officials, administrators, employees, agents, contractors, successors, and assignees, harmless from and against any and all claims, suits, debts, demands, actions, judgments, liens, costs, expenses, damages, injuries and liabilities, including reasonable attorney's fees, arising from the ownership or lease, use, storage, procurement, delivery, maintenance, repair, movement or relocation of the Training Equipment, including, without limitation, all claims relating to injury or death of any person or damage to any property.

(j) If Training Equipment will be physically located on the property of the College, then all of the following apply:

- (i) The College shall be responsible for any damage to the Training Equipment other than normal wear and tear.
- (ii) The College shall ensure the Training Equipment is housed in a safe location on its property and shall protect the Training Equipment from all risks, including but not limited to risk of damage or theft.
- (iii) The College and the Employer shall mutually agree on a Training schedule to ensure the Employer has access to the Training Equipment.



(k) If Training Equipment will be physically located on the property of the Employer, then all of the following apply:

- (i) The Employer shall be responsible for any damage to the Training Equipment other than normal wear and tear.
- (ii) The Employer shall ensure the Training Equipment is housed in a safe location on its property and shall protect the Training Equipment from all risks, including but not limited to risk of damage or theft.
- (iii) To the extent the Training Equipment requires internet access, the Employer shall provide a secure internet connection (wired or wireless) for the Training Equipment and the Employer shall be solely responsible for the selection, implementation and maintenance of security procedures, policies and protocols sufficient to protect electronic records and data against improper access, use, loss, alteration or destruction.
- (iv) The Employer shall procure Commercial General Liability Insurance, and maintain such insurance at all times the Training Equipment is on the property of the Employer, that meets all of the following requirements:
  - (1) Limits of liability shall not be less than the commercially reasonable value of the Training Equipment.
  - (2) Commercial General Liability shall include an endorsement stating the following shall be Additional Insureds: the College, its officials, administrators, employees, agents, contractors, successors and assignees. It is understood and agreed by naming the College as additional insured, coverage afforded is considered to be primary and any other insurance the College may have in effect shall be considered secondary and/or excess
  - (3) The policy shall include an endorsement providing that the College shall be provided thirty (30) days' advance written notice of Non-Renewal, Reduction, and/or Material Change of the policy and ten (10) days' advance written notice of cancellation of the policy for non-payment of premium.
  - (4) The Employer shall provide the College a Certificate of Insurance as well as the required endorsements prior to the location of any Training Equipment on the property of the Employer. In lieu of required endorsements, if applicable, a copy of the policy sections where coverage is provided for additional insured and cancellation notice would be acceptable. Copies or certified copies of all policies mentioned above shall be furnished to the College upon request.
- (v) The Employer shall provide the College access to the Training Equipment upon request to allow the College to inspect the Training Equipment and ensure the Employer's compliance with the provisions of this Section 2.2.
- (vi) The Employer shall, at its sole cost, deliver or cause to be delivered the Training Equipment to the College, or to the owner of the Training Equipment if leased, in compliance with any delivery instructions provided by the College's representative upon the earlier of (A) the completion of Training for all eligible and identified positions, (B) ten (10) business days of the expiration or termination of this Agreement, or (C) the day of expiration of the lease of the Training Equipment.

Section 2.3 The College may revise or expand the Training from time to time as may be mutually agreed between the parties; provided that no revision shall be made which would change the Project to purposes other than those purposes permitted by the Act.

Section 2.4 Employer certifies that the number of jobs, including formerly existing jobs, on its payroll in Michigan is as set forth in Part I of this Agreement.

Section 2.5 As part of the Program Services, the Employer shall pay to the College an administrative fee of 15 percent of the aggregate amount paid under this Agreement. The College shall retain that portion of the administrative fee representing 14 percent of the aggregate amount paid under this Agreement for its administrative expenses and the remaining sum representing 1 percent of the aggregate amount paid under this Agreement shall be paid by the College to the Michigan Community College Association (the "MCCA") to cover certain costs of the MCCA with respect to administration, coordination, and reporting requirements for new jobs training agreements, including this Agreement.

### **ARTICLE III PROJECT FUND**

Section 3.1 The College shall open a separate depository account or create a separate Project Fund on the books of the College to facilitate the funding of this Agreement. The College shall deposit into the Project Fund (i) funds on hand of the College, (ii) tuition, student fees, or special charges received by the College for the Project, (iii) training funds received by the College from the Employer (other than New Jobs Credit from Withholding) intended as direct payment for the Project, and (iv) proceeds of the Bonds issued for the Project pursuant to Article VI. All sums held in the Project Fund shall be used solely and only for payment of costs of the Project.

### **ARTICLE IV NEW JOBS CREDIT FROM WITHHOLDING**

Section 4.1 The Employer and the College hereby acknowledge and agree that the costs of the Project are to be paid from New Jobs Credit from Withholding which shall be based on salary and wages paid to employees of the Employer in the New Jobs.

Section 4.2 This Agreement is entered into upon the expectation that, as set forth in Part II, Exhibit C, sufficient funds from New Jobs Credit from Withholding will be generated to pay the Program Costs. Part II, Exhibit C sets forth the minimum annual amount of New Jobs Credit from Withholding or tuition and fee payments to be paid for Program Costs. Employer's projections of gross wages to be paid to employees in New Jobs covered by this Agreement are set forth in Part II, Exhibit C attached hereto.

Section 4.3 Part II, Exhibit B sets forth the estimated number of employees in New Jobs to be trained, the expected beginning and ending date of the training to be provided, the estimated costs, the training that will be provided, and the expected date by which the number of New Jobs will be filled.

Section 4.4 The Employer shall each month for each employee in a New Job pay the amount required to be deducted and withheld by the Employer under section 703 of the income tax act of 1967, 281 PA 1967, MCL 206.703, to the College in the same manner as the Employer returns and pays withholding payments to the Revenue Division of the Department of Treasury.

Section 4.5 The Employer agrees to certify to the Department of Treasury all New Jobs Credit from Withholding paid to the College pursuant to this Agreement and shall provide any other information reasonably requested by the Department of Treasury.

Section 4.6 Upon receipt of New Jobs Credit from Withholding and other funds received pursuant to this Article, if any, the College shall deposit said funds into a special fund designated as the Project Receipt Fund and used exclusively for the purposes of reimbursing the College for Program Costs.

Section 4.7 The College agrees to certify to the Michigan Department of Treasury, at the end of each calendar quarter, the amount of New Jobs Credit from Withholding that the Employer has remitted to the College in said quarter. In addition, the College agrees to satisfy all reporting requirements to the Department of Treasury as set forth in the Act.

Section 4.8 The Employer agrees to provide the College at least quarterly during the term of this Agreement with payroll and such other records as the College may reasonably request with respect to all employees in New Jobs in sufficient detail to permit the College to review and confirm the wages paid to said employees; timing of payments, deductions, and withholdings from income tax for purposes of generated New Jobs Credit from Withholding; and dates of employment.

## **ARTICLE V REIMBURSEMENT OF EMPLOYER TRAINING EXPENSES**

Section 5.1 The Employer has consented to pay for all training conducted under this Agreement for remuneration of all expenses incurred by the College including but not limited to assessment; instruction; training materials and manuals; required equipment; evaluation; and other related costs. The College will not require payment from the Employer, nor is the Employer obligated to prepay, any College administrative costs incurred as a result of this Agreement except for the administrative fee of 15 percent required by Section 2.5 of this Agreement.

Section 5.2 The College agrees to periodically submit invoices to the Employer delineating all anticipated expenses related for the ensuing training period. These invoices will include costs and fees associated with providing training to meet expectations established in the approved Training Plan. Unless the Employer disputes the invoiced amount in good faith, the Employer agrees to remit, in full, the total amount listed on the invoice within thirty (30) days of its receipt. If the Employer disputes any portion of the invoiced amount in good faith, the Employer shall pay the disputed portion as required under this Section 5.2 and provide written notice to the College describing the Employer's reason(s) for disputing the balance of the invoice. The Employer and College shall promptly meet to discuss and resolve such dispute. Upon completion of each training period, the College shall provide documentation to the Employer evidencing the actual costs and expenses incurred.

Section 5.3 The Employer may, with the College's prior written approval, directly incur certain training expenses. The Employer is required to submit to the College copies of all invoices, receipts, records, and any additional data necessary to describe all expenses it incurred and paid, if any, for purposes of providing the training as outlined in the Training Plan.

Section 5.4 If training is provided by an entity or person other than the College, the College shall add a project management fee of twenty (20) percent to the total cost of Training.

## **ARTICLE VI NEW JOBS TRAINING REVENUE BONDS: SECURITY**

Section 6.1 If Bonds are issued to finance or refinance all or a part of the Project, then the provisions of this Article shall apply.

Section 6.2 The College may irrevocably pledge the New Jobs Credit from Withholding, and the Project Receipt Fund into which the withholdings are paid, for the payment of the principal of and interest on bonds issued by the College to finance or refinance the Project in whole or in part. The Employer acknowledges and agrees that the College may issue bonds for this Project in conjunction with and as a single issue, or as multiple series of bonds, to finance multiple projects of the College pursuant to new jobs training agreement(s) entered into between the College and other employers. The Employer's obligations, covenants and representations set forth herein are not and shall not be conditioned on the issuance of Bonds identifiable or specifically attributable to this Project.

Section 6.3 The College and the Employer agree that the receipts from the New Jobs Credit from Withholding and the Project Receipt Fund into which the same are paid may be irrevocably pledged by the College for the payment of the Debt Service. If Bonds are to be issued, a tentative payment schedule for the Bonds shall be attached to this Agreement. Following issuance and sale of the Bonds a final payment schedule, if different from the attached schedule, shall be prepared using the actual rates of interest and maturities for the Bonds. Such final payment schedule, if prepared, shall become a part of this Agreement without further action by the Employer or the

College and shall supersede the schedule attached hereto. A copy of such final payment schedule shall be provided to the Employer.

Section 6.4 The term of this Agreement shall coincide with the period of time over which the Bonds mature and the Program Costs are deferred; provided, that this Agreement shall not terminate and the obligations, representations, warranties, covenants and agreements of the Employer hereunder shall continue until the Bonds, if any, issued in connection with the Project shall have been paid in full.

Section 6.5 The Bonds will be issued pursuant to a Resolution adopted by the Board of Trustees of the College in the aggregate principal amount, bearing interest (at a rate to be determined at the time the Bonds are authorized to be issued), maturing, and being redeemable as set forth in the Resolution.

Section 6.6 The proceeds from the sale of the Bonds shall be paid to the College and deposited in the Project Fund or other fund established by the College. The Project Fund shall be used only for purposes of the Project. Pending disbursements for Program Services and Program Costs, the proceeds so deposited in the Project Fund, together with any investment earnings thereon, shall be subject to a lien in favor of the holders of the Bonds as provided in the Resolution authorizing the Bonds.

Section 6.7 The College agrees to use its best efforts to sell and issue the Bonds, and the Employer agrees to cooperate with the College to provide necessary financial information in connection with the marketing and sale of the Bonds.

## **ARTICLE VII COVENANTS, REPRESENTATIONS, AND WARRANTIES**

Section 7.1 Representations of the College. The College represents that (i) it is a community college duly organized and validly existing under the Act, (ii) it has full power and authority pursuant to the Act to enter into this Agreement, and to execute, deliver, and perform its obligations under this Agreement, and (iii) it has full power and authority pursuant to the Act to carry out and consummate all actions required to be taken by it in connection with the activities contemplated in this Agreement.

Section 7.2 Representations, Warranties, and Covenants of Employer. Employer represents, warrants, and covenants that:

- (a) The Employer is duly organized and validly existing under the laws of the State of Michigan and is duly qualified, authorized, and licensed to do business in the State of Michigan.
- (b) The Employer it has full power and authority to enter into the Agreement.
- (c) The Employer has duly authorized, by all necessary action, the execution, delivery, and due performance of the Agreement
- (d) There is no action, suit, proceeding, inquiry, or investigation pending before any court or before or by any public board or body, nor, to the knowledge and information of the Employer, threatened against or affecting the Employer, and to the best of the knowledge and information of the undersigned is there any basis therefor, wherein an unfavorable decision, ruling, or finding that would materially adversely affect the activities contemplated by or the validity of this Agreement.
- (e) There is no litigation or proceeding pending, or to the knowledge of Employer threatened, against the Employer or any other person affecting in any manner whatsoever the right of the Employer to execute the Agreement or to otherwise comply with its obligations under the Agreement.
- (f) Each of the jobs covered by this Agreement is a New Job as that term is defined in the Act and each of the employees to be trained under this Agreement will be employed directly by the Employer.

(g) The Employer's projections of the annual gross wages to be paid by the Employer to employees in the New Jobs covered by this Agreement are accurately depicted on Part II, Exhibit C based on current expectations of the Employer.

(h) All training and services provided pursuant to this Agreement constitute the Program Services as that term is defined in the Act and qualify for funding from the New Jobs Credit from Withholding.

(i) Employer knowingly assumes the obligation under this Agreement to pay the Program Costs in the event the sources of payment described in Section 4.6 are not sufficient to satisfy the Program Costs in full, and the Employer shall also pay the Training costs for any Non-Eligible Employees.

(j) Employer agrees to hold the College harmless and to reimburse the College for any Program Costs, Training costs, or other costs or expenses related to this Agreement which are determined to be ineligible to be paid for with New Jobs Credit from Withholding by any order of the State of Michigan, any agency therefor, or a court of competent jurisdiction, including the College's costs and expenses (including, without limitation, reasonable attorneys, and consultant fees) in responding to or defending any claim, demand, audit, action, or suit questioning the use of New Jobs Credit from Withholding.

## **ARTICLE VIII EVENTS OF DEFAULT**

Section 8.1 Events of Default. Each of the following shall be an "event of default":

(a) The Employer shall fail to pay, advance, or deposit any amount required to be made by the Employer on or prior to the date on which such payment, advancement, or deposit is due and payable and continuing for more than five (5) business days thereafter.

(b) The Employer shall fail to observe and perform any representation, term, or condition contained in this Agreement, if such failure continues for a period of twenty (20) days after notice of such failure is given to the Employer by the College, or for such longer period as the College may agree to in writing; provided, that if the failure is other than the payment of money and is of such nature that it cannot be corrected within the applicable period, such failure shall not constitute an event of default so long as the Employer institutes a curative action plan approved by the College within the applicable period and diligently pursues such action plan to completion and cures such default within sixty (60) days thereafter.

(c) The Employer, any guarantor of the obligations of the Employer to the College pursuant to this Agreement, a Person controlled by the Employer or Person in control of the Employer shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or other similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for ninety (90) days; (iv) make an assignment for the benefit of creditors; or (v) have a receiver or trustee appointed for it or for the whole or any substantial part of its property.

(d) The Employer shall close or announce that it is closing its operations at the Project Site (unless such operations will be transferred to another facility in the state of Michigan and as a result the College will be entitled to receive the revenue from the sources set forth in Section 4.6 or receives assurance satisfactory to the College of the receipt by the College of payments to satisfy the obligations of the Employer).

(e) The College determines from time to time that, for any reason, including but not limited to a work force reduction at the Project Site, sufficient realized or projected revenue from New Jobs Credit from Withholding will not be generated by the Project to enable the College to satisfy the Obligations.

(f) Any representation or warranty made by the Employer herein or any statement in any report, certificate, financial statement, or other instrument furnished in connection with this Agreement or with the sale of the Bonds shall at any time prove to have been false or misleading in any material respect when made or given.

(g) The Employer acts in a manner contrary to any provision of this Agreement or fails to act in a manner required by any provision of this Agreement and the College determines as a result of such act or failure to act that (1) there are not or will not be sufficient funds generated by the Project to enable the College to satisfy the costs of the Project and/or (2) that the security interest granted to the College pursuant to this Agreement is not perfected or that the College's relative priority as a secured party has changed to the detriment of the College without its written consent.

(h) Any guarantor of the obligations of the Employer under this Agreement shall no longer own or control the Employer, such guarantor shall be dissolved, merged, or consolidated or such guarantor shall notify the College that it rejects or disavows the guarantor's obligations to the College.

The exercise of remedies upon the occurrence of any event of default under subsection (c) above shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding such exercise during the pendency of or immediately following any bankruptcy, liquidation, or reorganization.

Section 8.2 In the event of default by the Employer, the College may, without notice to Employer, withhold, suspend, or terminate the Training and the Program Services, and apply all or a part of any remaining funds budgeted for Training to the satisfaction of the Obligations. In addition, the College may take whatever other action at law or in equity may appear necessary or desirable to collect the payments and other amounts then due and thereafter to become due, or to enforce performance and observance of any other obligation or agreement of the Employer under this Agreement. Notwithstanding the foregoing, the College shall not be obligated to take any step which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until a satisfactory indemnity bond has been furnished to the College at no cost or expense to the College.

Section 8.3 Immediately upon the occurrence of an event of default, there shall be due from the Employer to the College such amount as will enable the College to presently satisfy the unpaid amount of the Obligations, including Debt Service on the Bonds. No demand or notice of the amount due immediately upon the occurrence of an event of default is or shall be required to fix the liability of Employer or the amount due from Employer. The amount due hereunder from the Employer shall be a debt of Employer to the College and the College may set off against the amount due from the Employer any debt or debts of the College to Employer.

Section 8.4 No remedy conferred upon or reserved to the College by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the College to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be expressly required herein, nor shall it be necessary to make any declaration of an event of default other than such declaration as may be expressly required herein.

Section 8.5 In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to be a waiver of any other breach hereunder.

## **ARTICLE IX MISCELLANEOUS**

Section 9.1 This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same instrument.

Section 9.2 If any Section or provision of this Agreement shall be found invalid, that Section or provision shall be severable and the balance of the Agreement shall remain in full force and effect.

Section 9.3 This Agreement shall be governed under the laws of the State of Michigan.

Section 9.4 Amendments to this Agreement shall not be effective unless approved in writing by both parties.

Section 9.5 All notices, requests, or other communications under this Agreement shall be in writing and deemed given when delivered personally, upon the next business day if deposited with a nationally recognized over-night delivery service, or upon the third following business day, if deposited in the United States Mail with postage prepaid and sent by certified mail, return receipt requested, addressed as set forth in Part I of this Agreement.

Employer and the College may, by notice given hereunder, designate any further or different addresses or persons to which subsequent notices, requests, or other communications shall be sent.

Section 9.6 This Agreement shall inure to the benefit of and shall be binding in accordance with its terms upon the College, the Employer, and their respective permitted successors and assigns provided that this Agreement may not be assigned by Employer without the prior written consent of the College.

Section 9.7 This Agreement, including Part II Exhibits, constitutes the entire agreement between the College and the Employer with respect to the subject matter hereof and as such supersedes all previous negotiations, commitments, and understandings. Captions and the alignment of the Agreement are for convenience only and shall not be construed to modify the rights or obligations of the parties.

Section 9.8 This Agreement consists of Part I, Part II, and Part III and includes all attachments, appendices, and exhibits thereto all of which are hereby approved and incorporated in full by reference.

IN WITNESS WHEREOF the College and Employer have caused this Agreement to be duly executed all as of the Effective Date.

**NORTHWESTERN MICHIGAN COLLEGE**

Name: \_\_\_\_\_  
Nick Nissley

Title: President

Date: April 27, 2020

**HAYES MANUFACTURING**

Name: \_\_\_\_\_  
Penny Challender

Title: President

Date: April 27, 2020



COMPANY NAME			TRAINING COSTS			ADMINISTRATION FEE			TOTAL	DATES				NET NEW JOBS TO BE CREATED
	GRANT NO.	NMC ACCT #	TRAINING	FINANC E	SUBTOTAL	NMC (14%)	MCCA (%)	ADMIN TOTAL	TOTAL	PRELIMINARY AGREEMENT	AGREEMENT	EXPECTED END	CLOSEOUT	
ACAT GLOBAL	NJTP-050	25808	\$ 26,951	\$ -	\$ 26,951	\$ 3,773	\$ 270	\$ 4,043	\$ 30,994	04/03/13	04/22/13	04/30/20		70
ADAPTIVE COUNSELING AND CASE MANAGEMENT, LLC	NJTP-152	25834	\$ 43,478	\$ -	\$ 43,478	\$ 6,087	\$ 435	\$ 6,522	\$ 50,000	05/23/16	12/19/16	12/18/21		3
AJD FOREST PRODUCTS	NJTP-051	25809	\$ 27,826	\$ -	\$ 27,826	\$ 3,896	\$ 278	\$ 4,174	\$ 32,000	03/12/13	04/22/13	04/30/20		4
ARMOR EXPRESS	NJTP-038	25803	\$ 80,870	\$ -	\$ 80,870	\$ 11,321	\$ 809	\$ 12,130	\$ 93,000	11/13/12	12/17/12	12/31/19	CLOSED	29
BRITTEN BANNERS, INC.	NJTP-098	25819	\$ 99,940	\$ -	\$ 99,940	\$ 30,624	\$ 2,187	\$ 32,812	\$ 132,752	02/03/14	08/25/14	12/31/19	06/11/19	23
BRITTEN INC.	NJTP-237	25845	\$ 86,957	\$ -	\$ 86,957	\$ 12,173	\$ 870	\$ 13,043	\$ 100,000	12/26/18	05/20/19	05/19/24		100
BRITTEN DÉCOR, INC.	NJTP-xxx	258XX	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	12/04/14	04/20/15	05/31/20	07/27/16	0
BRITTEN METALWORKS, INC.	NJTP-115	25823	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	12/04/14	04/20/15	05/31/20	CLOSED	8
BRITTEN SERVICES, INC.	NJTP-xxx	258XX	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	09/11/14	04/20/15	05/31/20	07/27/16	0
BRITTEN WOODWORKS, INC.	NJTP-xxx	25825	\$ 60,870	\$ -	\$ 60,870	\$ 8,522	\$ 608	\$ 9,130	\$ 70,000	02/12/15	04/20/15	05/31/20		10
BULMANN ENTERPRISES	NJTP-195	25837	\$ 65,217	\$ -	\$ 65,217	\$ 9,131	\$ 652	\$ 9,783	\$ 75,000	08/23/17	12/18/17	12/17/22		9
CEDAR RUN EYE CENTER	NJTP-193	25838	\$ 17,391	\$ -	\$ 17,391	\$ 2,435	\$ 174	\$ 2,609	\$ 20,000	09/13/17	12/18/17	12/17/22		2
CENTURY EXTRUSION	NJTP-032	25804	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	11/08/12	12/17/12	12/17/17	CLOSED	5
CENTURY INC.	NJTP-012	25802	\$ 286,957	\$ -	\$ 286,957	\$ 40,174	\$ 2,870	\$ 43,043	\$ 330,000	08/25/10	02/28/11	02/27/21		40
CENTURY INC.	NJTP-220	25842	\$ 108,696	\$ -	\$ 108,696	\$ 15,217	\$ 1,087	\$ 16,304	\$ 125,000	07/26/18	09/24/18	09/23/23		13
CHERRY CAPITAL FOODS, LLC	NJTP-128	25826	\$ 86,956	\$ -	\$ 86,956	\$ 12,175	\$ 870	\$ 13,044	\$ 100,000	07/02/15	08/24/15	08/23/24		6
CHERRY REPUBLIC	NJTP-052	25810	\$ 156,522	\$ -	\$ 156,522	\$ 21,913	\$ 1,565	\$ 23,478	\$ 180,000	01/07/13	04/22/13	04/21/21		10
CHERRY REPUBLIC	NJTP-219	25841	\$ 108,696	\$ -	\$ 108,696	\$ 15,217	\$ 1,087	\$ 16,304	\$ 125,000	07/26/18	09/24/18	09/23/23		18
EFULFILLMENT SERVICE	NJTP-161	25835	\$ 46,087	\$ -	\$ 46,087	\$ 6,452	\$ 461	\$ 6,913	\$ 53,000	01/12/17	01/23/17	01/22/22		4
ELECTRO-OPTICS TECHNOLOGY (2017)	NJTP-192	25839	\$ 65,217	\$ -	\$ 65,217	\$ 9,131	\$ 652	\$ 9,783	\$ 75,000	11/09/17	12/18/17	12/17/22		10
ELECTRO-OPTICS TECHNOLOGY INC.	NJTP-010	25801	\$ 434,783	\$ -	\$ 434,783	\$ 60,870	\$ 4,348	\$ 65,217	\$ 500,000	03/08/10	12/15/10	12/31/20		21
ELMER'S CRANE AND DOZER, INC.	NJTP-095	25820	\$ 186,956	\$ -	\$ 186,956	\$ 26,174	\$ 1,870	\$ 28,043	\$ 215,000	02/01/14	08/25/14	08/24/21		18
ELMER'S CRANE AND DOZER, INC.	NJTP-250	25847	\$ 260,870	\$ -	\$ 260,870	\$ 36,520	\$ 2,609	\$ 39,129	\$ 300,000	09/17/19	10/28/19	10/27/26		22
GRAND TRAVERSE SENIOR LIVING LLC	NJTP-099	25821	\$ 52,174	\$ -	\$ 52,174	\$ 7,304	\$ 522	\$ 7,826	\$ 60,000	02/13/14	08/25/14	12/31/19	2020	14
GREAT LAKES STAINLESS	NJTP-053	25811	\$ 73,043	\$ -	\$ 73,043	\$ 10,226	\$ 730	\$ 10,956	\$ 83,999	01/16/13	04/22/13	04/21/20		8
HAGERTY	NJTP-077	25814	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	10/15/12	12/16/13	12/31/18	01/30/19	0
HAYES MANUFACTURING	NJTP-069	25815	\$ 22,609	\$ -	\$ 22,609	\$ 3,165	\$ 226	\$ 3,391	\$ 26,000	11/12/13	12/16/13	12/31/20	2020	3
HAYES MANUFACTURING			\$ 217,391		\$ 217,391	\$ 30,435	\$ 2,174	\$ 32,609	\$ 250,000	11/15/19	04/27/20	04/26/28		31
IMAGE 360	NJTP-217	25844	\$ 21,738	\$ -	\$ 21,738	\$ 3,043	\$ 217	\$ 3,262	\$ 25,000	01/23/18	09/24/18	09/23/23		2
IMM, INC.	NJTP-135	25828	\$ 8,696	\$ -	\$ 8,696	\$ 1,217	\$ 87	\$ 1,304	\$ 10,000	03/01/16	05/23/16	04/30/21		2
INDUSTRIAL ARTS INSTITUTE	NJTP-XXX	25829	\$ 9,239	\$ -	\$ 9,239	\$ 1,293	\$ 92	\$ 1,386	\$ 10,625	06/24/14	05/23/16	04/30/21		1
ISENHART ELECTRIC LLC	NJTP-239	25846	\$ 86,957	\$ -	\$ 86,957	\$ 12,173	\$ 870	\$ 13,043	\$ 100,000	11/05/18	05/20/19	05/19/26		8
MATERNE NORTH AMERICA CORP.	NJTP-074	25816	\$ 139,130	\$ -	\$ 139,130	\$ 19,478	\$ 1,391	\$ 20,870	\$ 160,000	06/26/13	12/16/13	12/15/21		17
MATERNE NORTH AMERICA CORP.	NJTP-252	25848	\$ 86,957	\$ -	\$ 86,957	\$ 12,174	\$ 869	\$ 13,043	\$ 100,000	10/18/19	10/28/19	10/27/26		14
MORAN IRON WORKS	NJTP-039	25805	\$ 6,662	\$ -	\$ 6,662	\$ 2,470	\$ 176	\$ 2,646	\$ 9,308	11/26/12	12/17/12	12/17/17	11/22/16	8
NAVEEGO, INC.	NJTP-232	25843	\$ 395,652	\$ -	\$ 395,652	\$ 55,391	\$ 3,957	\$ 59,348	\$ 455,000	07/25/18	09/24/18	09/23/23		236
NORTHWEST MICHIGAN SURGERY CENTER, LLC	NJTP-xxx	28827	\$ 43,478	\$ -	\$ 43,478	\$ 6,087	\$ 435	\$ 6,522	\$ 50,000	04/22/15	08/24/15	07/31/20		5
PLASCON INC.	NJTP-054	25812	\$ 60,871	\$ -	\$ 60,871	\$ 8,521	\$ 608	\$ 9,129	\$ 70,000	03/14/13	04/22/13	04/30/20		10
PRECISION EDGE SURGICAL PRODUCTS	NJTP-034	25806	\$ 29,840	\$ -	\$ 29,840	\$ 4,178	\$ 298	\$ 4,476	\$ 34,316	10/12/12	12/17/12	12/16/17	03/26/18	12
PRESTON FEATHER BUILDING CENTERS	NJTP-145	25830	\$ 69,565	\$ -	\$ 69,565	\$ 9,739	\$ 696	\$ 10,435	\$ 80,000	10/23/15	05/23/16	05/22/21		4
RJG INC.	NJTP-136	25831	\$ 104,348	\$ -	\$ 104,348	\$ 14,609	\$ 1,043	\$ 15,652	\$ 120,000	04/11/16	05/23/16	04/30/21		8
SHORELINE FRUIT	NJTP-035	25807	\$ 104,348	\$ -	\$ 104,348	\$ 14,609	\$ 1,043	\$ 15,652	\$ 120,000	04/14/11	12/17/12	12/31/17	05/23/16	29
SHORELINE POWER SERVICES	NJTP-055	25813	\$ 295,663	\$ -	\$ 295,663	\$ 41,393	\$ 2,957	\$ 44,349	\$ 340,012	03/18/13	04/22/13	04/30/20		65
SHORELINE POWER SERVICES	NJTP-251	25849	\$ 86,957	\$ -	\$ 86,957	\$ 12,174	\$ 869	\$ 13,043	\$ 100,000	10/18/19	10/28/19	10/27/26		35
SKILLED MANUFACTURING INC.	NJTP-072	25817	\$ 68,615	\$ -	\$ 68,615			\$ 16,246	\$ 84,860	10/18/13	12/16/13	12/31/18	10/29/18	38
SPRINGFIELD INC.	NJTP-194	25840	\$ 13,044	\$ -	\$ 13,044	\$ 1,826	\$ 130	\$ 1,956	\$ 15,000	10/04/17	12/18/17	12/17/22		2
STRATA DESIGN	NJTP-137	25832	\$ 21,739	\$ -	\$ 21,739	\$ 3,043	\$ 217	\$ 3,261	\$ 25,000	10/19/12	05/23/16	05/23/21		4
TAMARACK HOLDINGS	NJTP-146	25833	\$ 86,956	\$ -	\$ 86,956	\$ 12,175	\$ 870	\$ 13,044	\$ 100,000	01/01/16	05/23/16	05/23/24		4
TENTCRAFT INC.	NJTP-070	25818	\$ 738,043	\$ -	\$ 738,043	\$ 103,326	\$ 7,380	\$ 110,706	\$ 848,749	10/15/13	12/16/13	12/31/22		50
TENTCRAFT INC.	NJTP-171	25836	\$ 304,348	\$ -	\$ 304,348	\$ 42,609	\$ 3,043	\$ 45,652	\$ 350,000	05/25/17	06/26/17	06/25/22		27
TOTAL			\$ 5,399,301	\$ -	\$ 5,399,301	\$ 764,464	\$ 54,600	\$ 835,311	\$ 6,234,614					1,062