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Michigan
College

Board of Trustees

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

Meeting Agenda

Monday, January 23, 2023
at Hagerty Center, Room C
Great Lakes Campus, 715 E. Front Street

5:30 p.m. Regular Meeting

I. GENERAL BUSINESS

- A. Call to Order
- B. Oath of Office for Trustee Chris M. Bott
- C. Oath of Office for Trustee Andrew K. Robitshek
- D. Roll Call
- E. Pledge of Allegiance
- F. Review of Agenda and Approval of Additions, Deletions, or Rearrangements
- G. Annual Meeting Business (Pursuant to Policy A-100.00 Board of Trustees Bylaws)
 - i. Reading of Notice and Proof of Service
 - ii. Report of Secretary—*Andrew K. Robitshek, Secretary*
 - iii. Report of Treasurer—*Kenneth E. Warner, Treasurer*
 - iv. Verification of Residential Address
 - v. Conflict of Interest Disclosure Statement
 - vi. Election of Officers
Nomination and election of officers by approved process.
 - vii. Regular Board Meeting Dates
Review proposed regular meeting dates and locations through June 2024 as presented.

II. STRATEGIC FOCUS

- H. Institutional Distinction and Sustainability—*Jason Slade, Vice President of Strategic Initiatives*

III. REPORTS AND PRESENTATIONS

- I. Program Focus: Uncrewed Aerial Systems—*Tony Sauerbrey, UAS Program Manager*
- J. Faculty Report: Competency Based Education in Accounting—*Steve Rice, Business Instructor*
- K. Building and Site Committee—*Laura Oblinger, Committee Chair*



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IV. PUBLIC INPUT

Each person wishing to address the Board during public comment must be present and shall provide their name, address, city, phone, and issue to be addressed on a form provided prior to the meeting. The topic addressed should be related to business within the jurisdiction of the Board. Forms will be collected and given to the Board Chair prior to the call for order. Comments will be limited to three minutes in length per speaker.

V. UPDATES

L. President's Update—*President Nick Nissley*

M. Board Chair Update

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:

- N. Minutes of the December 12, 2022, regular meeting
- O. Enrollment Report—*Todd Neibauer, Vice President for Student Services and Technologies*
- P. Financial Report—*Troy Kierczynski, Vice President of Finance and Administration*
- Q. PRMC—*Diana Fairbanks, Associate Vice President of Public Relations, Marketing, and Communications*
- R. Foundation Report—*Jennifer Hricik, Interim Associate Vice President for Resource Development and Executive Director of Foundation*
- S. Fellows Nominating Committee—*Ken Warner, Committee Chair*
- T. Executive Committee—*Rachel Johnson, Committee Chair*

VII. ACTION ITEMS

U. **Appointment of Fellows** (Pursuant to Policy A-106.00 Other)

Recommend that Gene Jenneman and Marty, Brad, and DJ Oleson be appointed 2023 Fellows of Northwestern Michigan College with all honors and privileges pertaining thereto.

V. **Search Firm for AVP Resource Development and Executive Director of the NMC Foundation** (Pursuant to Policy A-106.00 Finance)

Recommend authorization for administration to enter into a contract up to \$45,000 with Aspen Leadership Group, executive search firm, for the Associate Vice President of Resource Development and Executive Director of the NMC Foundation position.



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- W. **Splunk Security Log Management System** (Pursuant to Policy A-106.00 Finance)
Recommend authorization for administration to enter into a contract with August Schell Enterprises for the renewal of the Splunk software license at a cost of \$37,800.28.
- X. **Evisions Enterprise Reporting System** (Pursuant to Policy A-106.00 Finance)
Recommend authorization for administration to enter into contract with Evisions for Reporting Software at a cost of \$181,797.31 over three years, with the first-year licensing and implementation cost at \$80,667.00.

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.

February 27, 2023—NMC Hagerty Center, Great Lakes Campus, Room C

March 20, 2023 (3rd Monday)—NMC Hagerty Center, Great Lakes Campus, Room C

April 24, 2023—NMC Hagerty Center, Great Lakes Campus, Room C



Lynne Moritz <lmoritz@nmc.edu>

Notice of Annual Meeting

1 message

Lynne Moritz <lmoritz@nmc.edu>

Tue, Jan 17, 2023 at 9:28 AM

To: Board of Trustees <boardoftrustees@nmc.edu>

Trustees:

Per [Board Policy A-100.00 Board of Trustees Bylaws](#) section 1.c.ii. this email is notification of the 2023 annual meeting of the Northwestern Michigan College Board of Trustees to be held each year during the first meeting held in January. The logistics of the meeting follow:

Date: Monday, January 23, 2023

Time: 5:30 p.m.

**Location: NMC Hagerty Center, Room C
715. E. Front Street
Traverse City, MI 49686**

Purpose: Annual Meeting, Regular Monthly Meeting

Lynne Moritz

Executive Director of the President's Office & Board Operations

FOIA Officer

(231) 995-1900



Northwestern Michigan College



BOARD MEMBER ALERT: This email is not for interactive discussion purposes. The recipient should not forward it to any other individual or copy a reply to other board members.

Northwestern Michigan College
Board of Trustees
Annual Meeting
January 23, 2023
at NMC Hagerty Center, Room C, 715 E. Front Street

Report of Secretary

The 2022 Northwestern Michigan College Board of Trustees Annual Meeting minutes were approved on January 24, 2022, and are available online at the [2022 Trustee Meeting Materials and Minutes website](#) along with all other regular meeting minutes.

Northwestern Michigan College
Board of Trustees
Annual Meeting
January 23, 2023
at NMC Hagerty Center, Room C, 715 E. Front Street

Report of Treasurer

The annual financial audit for Northwestern Michigan College for the fiscal year ending June 30, 2022, was accepted by the NMC Board of Trustees on October 24, 2022, and is available online at the NMC Audit Reports website (<https://www.nmc.edu/departments/finance-administration/audits/files/audit-nmc-2022.pdf>).

NORTHWESTERN MICHIGAN COLLEGE

Board Meeting Dates January 2023 through June 2024

(Fourth Monday of each except where noted)

2023

January 23, 2023—NMC Hagerty Center, Great Lakes Campus, Room C

February 27, 2023—NMC Hagerty Center, Great Lakes Campus, Room C

March 20, 2023 (3rd Monday)—NMC Hagerty Center, Great Lakes Campus, Room C

April 24, 2023—NMC Hagerty Center, Great Lakes Campus, Room C

May 22, 2023—Timothy J. Nelson Innovation Center, Room 106/107 **Proposed location change*

June 26, 2023—Timothy J. Nelson Innovation Center, Room 106/107 **Proposed location change*

All dates proposed below are intended to be located at the Timothy J. Nelson Innovation Center, Room 106/107, unless otherwise noted, pending confirmation with NMC Central Scheduling. Locations will be confirmed and posted within 10 days after the annual meeting per Policy A-100.00 Board of Trustees Bylaws and the Open Meetings Act, MCL 15.265.

July 24, 2023

August 28, 2023

September 25, 2023

October 23, 2023

November 20, 2023 **Third Monday*

December 11, 2023 ***Second Monday*

2024

January 22, 2024

February 26, 2024

March 18, 2024—NMC Hagerty Center—**Third Monday*

April 22, 2024

May 20, 2024 **Third Monday*

June 24, 2024

NMC NEXT

OUR COMMUNITY. OUR COLLEGE. OUR FUTURE.

To: Dr. Nick Nissley, President

From: Jason Slade, Vice President of Strategic Initiatives

Date: January 16, 2023

Subject: Strategic Initiatives Update: *January 23, 2023 Board of Trustees Meeting*
Topic: **Strategy 5 - Institutional Distinction and Sustainability**

Strategy 5 - Institutional Distinction and Sustainability: Leverage distinctive programs that strengthen institutional sustainability and expand global connections for our learners and communities. (*Champion: Troy Kierczynski*)

Summary: Strategy 5 focuses on NMC's distinctive programs with objectives centered around their long-term sustainability and growth. Activities in this strategy include:

- expansion of the aviation program
- positioning of the Great Lakes Water Studies Institute (GLWSI) as a leader for marine and geospatial programs and professional training
- execution of the Great Lakes Culinary Institutes's (GLCI) "reimagining" plan, and the strategic plans for the International Affairs Forum (IAF), Dennon Museum Center (DMC), and WNMC radio station
- deployment of a unique maritime/culinary certificate leveraging existing expertise

Highlights and Successes:

- Objective 1 (Aviation to execute its expansion plan to increase enrollment and annual net revenue):
 - International aviation program was successfully relaunched after a 2-year hiatus and discussions are ongoing to make NMC an exclusive training partner for UK universities
 - Board approved the purchase of two airplanes which will result in increased capacity
 - Flight hours and revenue are both up year-to-date as compared to previous fiscal year
- Objective 2 (GLWSI will leverage its assets and location to become a leading marine center):
 - NMC was the recipient of a generous donation that is targeted toward funding a survey and geospatial applications recruiter for credit and non-credit programming
 - GLWSI is expanding its partnership with Kongsberg Marine on the delivery of professional development offerings specific to the dredge and marine infrastructure industry sectors beginning this spring
 - \$1.6 million appropriation to fund Discovery Center pier/classroom directly benefits program
- Objective 3 (GLCI will update curriculum, increase enrollment, and maximize space utilization to decrease deficit):
 - GLCI successfully completed two 8-week sessions in Fall 2022 for the first time in the history of the culinary program
 - GLCI was ahead of their financial target for FY23 quarterly review
- Objective 4 (DMC will execute the key financial stewardship initiatives from their Strategic Plan):
 - DMC has begun implementing a digital membership model and reevaluating admission fees
 - DMC had its most successful Giving Tuesday performance in history raising over \$29,500
 - Over 22 grants, totalling \$382K in grant funding, have been secured since FY20

- Developing a pilot course between CMU and NMC on Museum Studies using the DMC
- Objective 5 (GLMA and GLCI will leverage expertise and resources to offer a maritime culinary certificate):
 - Marketing materials are complete with outreach currently on-going
 - First class will be Fall '23 semester.

Challenges:

- Objective 1 (Aviation) - Post-election, working to engage new legislators to gain their support for the expansion of the aviation hangar.
- Objective 2 (GLCI) - With the development of new classes, there has been difficulty in filling adjunct culinary positions. GLCI will continue to seek new revenue streams.
- Objective 4 (Dennos) - Evaluating the profitability of the concert series.
- Objective 4 (WNMC) - Continuing to seek out additional underwriter partners and opportunities.
- Objective 4 (IAF) - Continuing to execute their strategic plan with the goal of increasing memberships and sponsorships to sustain production manager and potential full-time director.

Strategy 5 - Institutional Distinction and Sustainability				
Objective 1: Aviation will execute its multi-phase expansion plan in an effort to increase enrollment by 25% and annual net revenues by 33% from June 30, 2021 to June 30, 2024.				
Status of Action Steps	Baseline	Current	Target	Notes
3 Complete 2 On Schedule 5 Not Yet Started	June 30, 2021: Headcount: F140, S118 Contact Hrs: 1,818 Net Rev: +\$248,167	June 30, 2022: Headcount: F143, S145 Contact Hrs: 2,093 Net Rev: +\$189,155	June 30, 2024: Headcount: F175, S175 Contact Hrs: 2,300 Net Rev: +\$330,062	Approval for 1 new/1 used airplane (Dec '22) President's Office meeting with legislators in January to share growth plan & hangar needs Flight hours & gross revenue are both up compared with last year
Objective 2: The Great Lakes Water Studies Institute (GLWSI) will leverage its assets and geographical position on the Great Lakes to become a leading center for marine and geospatial programs, providing academic pathways, training & professional development, and other innovative technical services which generate positive net revenue by June 30, 2025.				
Status of Action Steps	Baseline	Current	Target	Notes
8 Complete 3 On Schedule 1 Behind Schedule	June 30, 2021: Headcount: F57, S53 Contact Hrs: 460 Net Loss: (-\$340,080)	June 30, 2022: Headcount: F53, S49 Contact Hrs: 468 Net Loss: (-\$303,698)	June 30, 2025: Headcount: F75, S75 Contact Hrs: 600 Net Rev: \$1	Water Environmental Quality Technician program approved (Nov '22) Marine Center (professional development) is net revenue positive through Q2

Objective 3: The Great Lakes Culinary Institute will execute its “Reimagining” plan, which is to modernize curriculum, increase enrollment, and maximize utilization of the current Lobdell’s space to achieve a net deficit no greater than \$150,000 by June 30, 2023.

Status of Action Steps	Baseline	Current	Target	Notes
1 Complete 5 On Schedule 2 Behind Schedule	June 30, 2021: Headcount: F76, S62 Contact Hrs: 1,904 Net Loss: (-\$375,967)	June 30, 2022: Headcount: F79, S63 Contact Hrs: 2,563 Net Loss: (-\$362,698)	June 30, 2023: Headcount: F90, S80 Contact Hrs: 2,750 Net Loss: (-\$150,000)	Completed two 8-week sessions in Fall ‘22 for the first time in the history of the program. The institute met its FY23 Period 4 financial goals. (improvement of \$84K in net revenue vs. FY22 thru Dec.)

Objective 4A: The Dennon Museum Center will execute the key financial stewardship initiatives from the DMC Strategic Plan 2020–2025 by June 30, 2025. *Note: The full dashboard of actions are captured in the DMC Strategic Plan. The metrics below are key performance indicators and takeaways from their comprehensive plan.*

Status of Action Steps: 2 Completed, 16 On Schedule, 3 Behind Schedule, 2 Not Yet Started, 2 Deferred

Action Steps	Baseline	Current	Target	Notes
Increase external grant funding	FY20 federal and state grant funding: 1 state grant @ \$15-20k avg.	FY22 federal and state grant funding: 4 grants @ \$88,700	Secure at least two federal or state grants each FY to support collections and accreditation	Grants secured since FY20: 22 grants @ \$382,000 total for facility upgrades, exhibits, programs, and collections care.
Increase Annual Fund performance	FY20: <i>Overall Annual Giving (all gifts under \$25,000):</i> # donors: 237 Revenue: \$83,049 <i>Appeal Performance:</i> # appeals: 4 # donors: 153 Revenue: \$26,660.	FY22: <i>Overall Annual Giving (all gifts under \$25,000):</i> # donors: 403 (↑70%) Revenue: \$137,210 (↑65%) <i>Appeal Performance:</i> # appeals: 6 (↑50%) # donors: 301 (↑97%) Revenue: \$72,973 (↑173%)	Increase Annual Fund performance 25% over baseline	DMC had its most successful Giving Tuesday performance in history on 11/28/2022: \$29,500 Introduced video campaigns and matching gifts. Introduced donor acquisition efforts in FY21 by expanding mailing and email lists to include DMC visitors, ticket buyers, volunteers, and holiday market attendees who have not yet made a gift. Since FY21, 25 new donors acquired by mail and more through email.
Holiday Artist Market (HAM)	FY19: HAM net revenue: \$20,891.87	FY22 HAM net revenue: \$31,098.13	Increase 15% and reduce staff overhead	Eliminated consignment model and shortened event in FY23. FY19 4 Days → FY23 2 Days
Stabilize/increase memberships	FY20: Members: 857 Revenue: \$73,968	FY22: Members: 875 Revenue: \$81,955	Encourage more members to join at higher levels to increase revenue	Number of members has remained steady/stagnant for 25+ years), so encouraging the higher levels is our goal

Objective 4B: The International Affairs Forum will execute the IAF Business Plan for Strategic Growth to create a sustainable business operation by June 30, 2025.				
Status of Action Steps	Baseline	Current	Target	Notes
1 Completed 4 On Schedule	FY20: Memberships: 203 Net Loss: (\$2,979)	FY23 (YTD): Memberships: 225 Net Rev: \$3,478 Fall '22 events: avg. attendance: 236 in-person, 123 virtual	FY24: Memberships: 300 Net Rev: \$50,000	IAF Board completed strategic plan development (Fall '22) Increased outreach through Academic WorldQuest (15 teams from 6 schools) Need to increase funding via sponsorship, memberships, and giving
Objective 4C: WNMC will execute the action steps defined in the report "Refocusing WNMC: A 5-Year Plan" to increase engagement/listenership and sustain WNMC's operations by June 30, 2025.				
Status of Action Steps	Baseline	Current	Target	Notes
1 Completed 2 In Progress	June 30, 2021: Net Loss: (\$5,679) Spots Filled: 28%	June 30, 2022: Net Loss: (\$35,028) Spots Filled: 72%	June 30, 2025: Net Loss: \$0 Spots Filled: 85%	WNMC reduced FY22 balance deficit. Common Good Bakery is newest underwriter. Continue to try to diversify.
Objective 5: The GLMA and GLCI will leverage existing expertise and resources to develop and offer a maritime culinary certificate by Fall 2023, which will expand opportunities for students in this niche, high demand area.				
Status of Action Steps	Baseline	Current Percent Complete	Target	Notes
1 Completed 4 In Progress	N/A	60%	100%	Recruiting and outreach on-going including a visit to Ft. Hood. Fall '23 will be 1st incoming class.

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

Next Month: Summary of the strategic plan process

Competency-Based Accounting

Good Business? Good Baseball? Or Both?

Good Baseball?





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Monday, December 19th - Sunday, December 25th

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Optimizing the potential of CBE?

1. Digital credentials. Digital "backpack"
2. Time?
3. Calendar?
4. Small. Fast. Cheap. "Under the Radar"
5. Co-Designing with Students (Customers)

Northwestern Michigan College
Board of Trustees
Building and Site Committee Minutes
January 12, 2023
President's Office Conference Room
Tanis Building
1701 E. Front Street, Traverse City, MI 49686

Committee Chair Laura Oblinger called the meeting to order at 10:01 a.m.

Members Present: Laura Oblinger, Kennard Weaver, Ken Warner

Others Present: Nick Nissley, Lynne Moritz, Troy Kierczynski

Greenspire Lease at University Center (UC)

The Greenspire High School will have increased enrollment in Fall 2023. With this increased enrollment, Greenspire will need additional classroom space. Two renovation options to accommodate this expansion are being considered: ground floor expansion (currently EES, Business Office, Human Resources, and lobby space) or second floor expansion (current UC classrooms). The second option is significantly less expensive as it requires less demolition and reduces displacement of NMC departments currently located at the UC. As the Greenspire lease is currently being renegotiated, committee input was sought regarding the two options and whether a longer-term lease is acceptable. There was discussion regarding how the immediate needs of Greenspire fit within the master plan process and other potential uses of the University Center. The committee agreed that further discussions with Greenspire representatives should include a request to help fund the required changes needed to the second floor so that the College is not subsidizing this expense in its entirety. A meeting with Committee Chair Oblinger, Troy Kierczynski, Jason Slade, and the Greenspire team will be arranged to discuss this funding. In summary, the committee agreed that the master planning process will ultimately drive the usage of the UC property and acknowledged that the proposed renovation expenses would come to the full Board for approval at a future date pending the continued discussions with Greenspire.

Campus Master Plan

Due to time constraints, the committee determined to schedule another meeting to discuss the campus master plan process. It was also noted that there will be further discussion with the full Board regarding both of these topics at the upcoming Board Retreat.

Public Input—There was no public comment offered.

The meeting was adjourned at 11:03 a.m.

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

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

Committee Chair Laura Oblinger called the meeting to order at 1:36 p.m.

Members Present: Laura Oblinger, Kennard Weaver, Ken Warner

Others Present: Nick Nissley, Lynne Moritz, Troy Kierczynski (via Zoom), Jason Slade

Campus Master Plan—Vice President of Finance and Administration Troy Kierczynski reviewed the request for proposals (RFP) for the Campus Master Plan Update, including the proposed rating matrix. The RFP will be released on the public website and sent directly to recommended architecture and engineering firms. The next step for the Board of Trustees would be to approve the contract with the firm, hopefully at the March regular Board meeting. The committee recommended sending the RFP to a firm that presented at the ACCT conference last October, as well as ensuring local firms are communicated with. Committee Chair Oblinger highlighted input from recent discussions with the full Board regarding deliverables and commended Kierczynski for including the input. Prior input included building a phased, long-term plan, identifying new revenue streams, and stakeholder and community engagement. President Nissley emphasized. There was discussion regarding emphasizing community and stakeholder engagement, emphasizing the need for multiple engagement opportunities within the process. Regarding the ranking criteria for proposals, it is expected that 8-10 proposals are received, criteria will be weighted and considered both quantitatively and qualitatively. President Nissley stated his hope and expectation is to have the descriptive portion of a plan, as well as strategic recommendations.

Kierczynski will update the RFP timeline and move forward with issuing it in early February. It is anticipated the selection of the firm will come to the Board of Trustees at the March meeting to seek use of the Fund for Transformation for the contract expense.

Other Discussion—An update was provided regarding the negotiation of a lease expansion and extension with The Greenspire School at the University Center (UC). Greenspire is considering grant proposals and fundraisers to contribute to the expenses related to renovation needs for the expansion. There was discussion regarding lease rates and the committee provided input on questions and information for Kierczynski and Slade to prepare prior to requests to the full Board of Trustees.

In response to a question regarding impact on other tenants at the UC, Vice President of Strategic Initiatives Jason Slade provided an update on the current University Center partners, their utilization of classroom space, and a future potential vision for those partners to relocate in-person classes and offices to main campus.

It was requested that when the renovation expenses for the Greenspire expansion come to the full Board of Trustees for approval, an update be included on the current status of University Center partners.

Public Input—There was no public comment offered.

The meeting was adjourned at 2:26 p.m.

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



MEMO
Office of the President

To: NMC Board of Trustees
From: Nick Nissley, President
Subject: January Mid-Month Update
Date: Wednesday, January 11, 2023

Dear Board of Trustees,

Since our December Board meeting the following are key updates:

- Federal Earmarks. The 117th Congress may be over, but federal lawmakers managed to end the congress with a bang by squeezing in a massive \$1.7 trillion end-of-year spending bill. The omnibus legislation helped avoid a government shut-down and will fund the government until September 30, 2023. NMC has benefited from two earmarks that we have worked tirelessly advocating for: 1) \$2.7 million for NMC's \$12 million geothermal/power plant project, and 2) \$1.627 million for NMC and our four partner institutions to develop the Freshwater Research and Innovation Center on West Bay. I should add that the omnibus funding bill also included a \$500 Pell Grant increase. This is significant for our students as it's the largest single-year increase in the maximum award.
 - Geothermal/Power Plant Project: This energy infrastructure project would replace NMC's existing centralized steam power plant and decentralized air handling units with a new distributed geothermal system. The proposed system would serve six buildings on campus, have an expected life cycle payback period of 13.3 years, and will reduce site carbon emissions by 96% and natural gas consumption in the current system by 94%. The College's existing heating plant consists of four inefficient steam boilers of various sizes, three out of four of which are approximately 50+ years old, and well beyond their expected life.
 - Freshwater Research and Innovation Center: Recall, the Freshwater Research and Innovation Center is being envisioned for development on West Bay, on the current site of the Discovery Center & Pier. NMC is one of five partners, along with: 20Fathoms, Discovery Center & Pier, Michigan Technological University, and Traverse Connect. Once complete, the Freshwater Research and Innovation

Center will establish the region as a hub for applied freshwater innovation offering research, education, commercialization, incubation, and acceleration programs. This \$1.627 million earmark will further support Phase 1 of the development which is currently underway and includes: fundraising, pier development, campus design and planning, and governance.

- Associate Degree in Nursing (ADN) to Bachelor of Science in Nursing (BSN) Completion Grant Program. After receiving and evaluating nine (9) proposals, NMC has selected Davenport University to be our BSN partner (this was done in consultation with Munson). Later this month we will be announcing this to the public. This builds on our already successful programming with Davenport, in nursing and other academic areas. Our next step is to complete the required letter of intent (a 3-to-5-page summary of NMC's plan to utilize and meet the intent of this grant funding, as well as the expected impact, including a timeline and preliminary budget).
- Reconnect. Last month, the governor signed the Reconnect bills, HB 6129-6130, now Public Acts 251 and 252 of 2022. The Governor also reinforced her commitment to lower the age to 21 early next year and is open to additional amendments to the performance improvement system. Recall, Reconnect affords free in-district tuition to earn an associate degree or Pell-eligible skill certificate, for those 25 years of age or older.
- Community College Academic Catch-Up Program. Recall, grants are designed to support a community college's efforts to combat learning loss among recent high school graduates who experienced interruptions to in-person learning due to the Covid-19 pandemic (e.g., a summer bridge program). It's estimated that NMC will qualify for \$250,000. NMC has begun our planning for delivery of catch-up programming, and we're preparing to make our application submission upon finalization of the rules. MCCA is hosting a webinar on Tuesday, January 17 to share information with colleges.

Upcoming Dates of Note:

- January 19—Legislative Gathering
- January 20—Traverse Connect Policy Conference and Annual Gala
- January 23—Regular monthly Board of Trustees meeting
- February 23 & 24—Board Retreat
- February 27— Regular monthly Board of Trustees meeting



148 E. Front Street, Suite 203
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Phone: (517) 449-6453
www.northernstrategies360.com

MEMO

To: Northwestern Michigan College Board of Trustees
Cc: Dr. Nick Nissley, Ed.D.
From: Gabe Schneider, Founder/Principal, Northern Strategies 360
Date: Friday, January 13, 2023
Re: **State/Federal Legislative Update**

State

102nd Legislature

With the 102nd Legislature convening this week, we have additional clarity around new committees and assignments that will impact our legislative advocacy work in Lansing. After meeting with Senator Damoose's staff this week, it sounds like he is pleased to have been named to committees impacting community colleges and will be focusing on education as a priority this session.

Senate Committees Relevant to Community Colleges

Appropriations Subcommittee on Universities and Community College

- *Sen. Sean McCann (D-Kalamazoo Valley) (Chair)*
- *Sen. Jeff Irwin (D-Schoolcraft, Washtenaw) (MVC)*
- *Sen. Kristen McDonald-Rivet (D-Delta)*
- *Sen. Sam Singh (D-Lansing)*
- *Sen. Thomas Albert (R-Grand Rapids, Kalamazoo Valley, Kellogg) (MinVC)*
- *Sen. John Damoose (R-North Central, Northwestern)*

Joint Capital Outlay

- *Sen. Kristen McDonald-Rivet (D-Delta) (Chair)*
- *Sen. Jeff Irwin (D-Schoolcraft, Washtenaw) (MVC)*
- *Sen. Sean McCann (D-Kalamazoo Valley)*
- *Sen. Sylvia Santana (D-Henry Ford, Wayne)*
- *Sen. John Damoose (R-North Central, Northwestern) (MinVC)*
- *Sen. Jon Bumstead (R-Muskegon, Westshore)*

House Committees Relevant to Community Colleges

Appropriations Subcommittee on Higher Education and Community Colleges

- *Rep. Samantha Steckloff (Chair) (D-Oakland)*
- *Rep. Jason Morgan (D-Oakland, Schoolcraft, Washtenaw) (MVC)*
- *Minority members TBA*

Joint Capital Outlay

- *Rep. Natalie Price (D-Oakland, Wayne) (Chair)*
- *Rep. Samantha Steckloff (D-Oakland) (MVC)*
- *Minority members TBA*

Higher Education Policy

- *Rep. Carol Glanville (D-Grand Rapids) (Chair)*
- *Rep. Carrie A. Rheingans (D-Jackson, Washtenaw) (MVC)*
- *Rep. Erin Byrnes (D-Henry Ford, Wayne)*
- *Rep. Betsy Coffia (D-Northwestern)*
- *Rep. Veronica A. Paiz (D-Macomb, Wayne)*
- *Rep. Sharon Macdonell (D-Oakland)*
- *Rep. Jenn Hill (D-Bay)*
- *Rep. Helena Scott (D-Oakland, Wayne)*
- *Rep. Matt Koleszar (D-Schoolcraft)*
- *Rep. Curtis Vanderwall (R-Muskegon, Westshore) (MinVC)*
- *Rep. Tom Kunse (R-Mid-Michigan)*
- *Rep. Brad Paquette (R-Lake Michigan, Southwestern)*
- *Rep. Dale Zorn (R)*
- *Rep. James Desana (R-Monroe, Wayne)*

Community College Housing Response Proposal

In my bi-weekly call with the MCCA, I learned that there are 10 community colleges who have identified student housing as a need and are working collaboratively to secure \$127 million to support capital investments in new or expanded housing offerings on campus. Given that the Capital Outlay statute does not allow for housing projects to qualify for capital outlay funding, there are two paths that the MCCA is pursuing. The first would be to change the capital outlay statute to allow for these types of costs. The other and perhaps parallel tract would be to advocate for the inclusion of \$127 million in the FY24 budget to be allocated to the project identified by the 10 colleges and create a model for future funding for other colleges and projects.

The full proposal is attached for your reference.

2023 Priorities

When thinking about key areas that we will be focusing our advocacy efforts this legislative session the following are some initial thoughts on our direction

- Capital Investments
 - Funding for the Aviation Hanger project (\$7 million)
 - Capital Outlay authorization for the Osterlin Student Services project
 - Additional support for central campus powerhouse/geothermal project
 - Partnership in the Freshwater Research and Innovation Center
- Policy Issues
 - Michigan Reconnect accountability
 - Housing
 - Behavioral health

Federal

Omnibus/Earmark

We were very excited to see that included in the final year end spending package that Congress passed and President Biden signed was the inclusion of \$2.7 million for our central campus powerhouse/geothermal project and \$1.6 million for the Great Lakes Freshwater Research Institute project. While these funds have been approved, the process for allocating them to NMC will take some time. I have learned from Senator Stabenow's office (who was the champion of this request on our behalf) that it could be 9-12 months before we receive the funding from the federal agencies through which the funding flows. More to come on this – but certainly exciting news!

**NORTHWESTERN MICHIGAN COLLEGE
BOARD OF TRUSTEES
MINUTES**

**Monday, December 12, 2022
NMC Hagerty Center, Room C**

CALL TO ORDER—Chair Rachel A. Johnson called the regular meeting to order at 5:30 p.m.

ROLL CALL

Trustees present: Rachel A. Johnson, Laura J. Oblinger, Kennard R. Weaver, Chris M. Bott, Douglas S. Bishop, Andrew K. Robitshek

Trustees absent:

Trustees participating remotely: Kenneth E. Warner (from Bainbridge Island, WA)

Also present: President Nick Nissley, Lynne Moritz, Hollie DeWalt, Jason Slade, Marcus Bennett, Kyle Morrison, Todd Neibauer, Jennifer Hricik, Stephen Siciliano, Alex Bloye, Glenn Wolff, Tony Jenkins, Rachel Nickerson, Madison Blough, Lizzie Brown

REVIEW OF AGENDA—The agenda was accepted as presented.

STRATEGIC FOCUS: Community Partnerships and Engagement—Jason Slade, Vice President of Strategic Initiatives, is the champion for this strategy, which is on track with 4 of the 4 objectives currently classified as “green.” The objectives are focused on community partnerships, workforce and technical training, Extended Educational Services optimizations, and access to needed 4-year pathways. Year 1 activities focused on inventorying current states, performing gap analyses, implementing training programs, and identifying stakeholders. Year 2 work is being developed to continue momentum and focus on the metrics associated with the objectives. With many of the objectives tied to the Community Awareness and Attitude Survey (CAAS), leading performance indicators were added to objectives 2 and 4 to monitor progress. Slade described several mutually beneficial partnerships that span a broad spectrum of community services and needs, such as Grand Valley State University, Team Elmer’s, Sara Lee, and Munson Healthcare.

REPORTS AND PRESENTATIONS

Faculty Report: NMC Magazine and Freedom—Glenn Wolff, Art Department Head, presented on behalf of Caroline Schaefer-Hills and Alissia Lingaur, faculty advisors to the student magazine. Wolff highlighted that the magazine is published entirely by students. Lizzie Brown, co-editor, and Rachel Nickerson, design editor, presented their roles in the process, and Brown celebrated the first place regional award received for the Spring 2022 Anxiety issue. In response to a question, Brown described the call for submission process, which is also when the theme of the magazine (e.g., freedom) and parameters for submissions are announced.

NMC Foundation Strategic Plan Update—Chair Rachel Johnson recognized the work of Trustees Kennard Weaver and Laura Oblinger representing the full Board on the Foundation’s Strategic Planning Steering Committee. Oblinger and Weaver commended the process, citing broad engagement from various stakeholders. Jennifer Hricik, Interim Associate Vice President for Resource Development and Executive Director of Foundation, summarized the planning process before sharing the mission, vision, and three strategy statements, which will be presented to the Foundation Board for their approval on December 14, 2022. Once approved, these guiding

statements will be operationalized through objectives and action plans; in addition, the approval of the guiding statements will also inform the ongoing review of Foundation governance documents. President Nissley commended Hricik for taking on the strategic planning work amidst her transition into the role of Interim Executive Director of the NMC Foundation, the alignment with the college's strategic plan, as well as her work in donor engagement and revenue generation.

PUBLIC INPUT—There was no public input offered.

UPDATES

President's Update—President Nick Nissley updated the Board on legislative issues, including planning for a January gathering with northern Michigan legislators and funding requests at both the state and federal levels. Nissley emphasized the importance of diversity, equity, and inclusion work at the college, citing that as GLMA cadets compete for berths ships, cadets applying for highly desirable opportunities with Crowley were evaluated on essay questions focusing on diversity, inclusion, anti-bullying and cultivating a harassment-free environment. Lastly, as college auxiliary operations grow post-pandemic, Nissley shared that despite staffing challenges, year-to-date sales at Hawk Owl Cafe are up 35% and Hagerty Center sales have increased 300%. Trustee Laura Oblinger commended President Nissley and Jason Slade for their recent presentation at the Community Development Speaker Series.

Board Chair Update—Chair Rachel Johnson directed trustees to a high level agenda for the February Board Retreat included in the meeting packet before reflecting on the year and the accomplishments in 2022. Johnson shared her appreciation for the trustees, President Nissley, executive staff and all the college accomplished this year.

All unanimous votes recorded below refer to those trustees physically present. Trustee Ken Warner participated remotely due to travel, and therefore did not count toward the quorum, nor did he have the authority to vote on consent or action items.

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

Minutes of the November 21, 2022, regular meeting and closed sessions

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

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

Presidential Performance and Compensation Report—*Rachel Johnson, Committee Chair*

ACTION ITEMS

Aircraft Purchase—On a motion by Chris Bott, seconded by Andy Robitshek, the Board authorized for administration to enter into an aircraft purchase agreement with Textron Aviation, Inc. for the purchase of a new 2024 Cessna Skyhawk 172 at the amount of \$526,560 for delivery by September 30, 2024. Alex Bloye, Director of Aviation, discussed the supply chain challenges regarding

previous authorization in the spring for another aircraft. The motion passed with a unanimous vote of those trustees present in person.

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. No follow-up requests were noted.

ADJOURNMENT—The meeting adjourned at 6:25 p.m.

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

SIGNED _____
Rachel A. Johnson, Chair

ATTESTED _____
Andrew K. Robitshek, Secretary



**Northwestern
Michigan
College**

MEMO
Enrollment Services

To: Dr. Nick Nissley, President
 From: Todd Neibauer, VP for Student Services and Technologies
 Date: January 13, 2023
 Subject: Enrollment Update – Spring 2023

Spring 2023

Overall contact hour enrollment is currently down 8.5%. There are a number of factors at play contributing to the downturn. First, though the gap in applications has narrowed to be down only 1.3%, this is a relatively recent development that left little time to process these students through the funnel. So, while our percentage of admits registered is similar to last year, our percentage of admits from application is down 6.1 percentage points. We will work to bring these students into a future semester.

Another contributing factor is the average contact hours is down 2.3%. This had been a fairly stable metric but has varied more than expected over the last three years. Finally, and most impactful, is the absence of a Yellow River cohort of students this year. Their absence represents a 4.8% decline in contact hours over this time last year.

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

	2020	2021	2022	2023
Applicants	1,531	1,684	1,392	1,375
Admits	1,206	1,316	1,130	1,033
Admits Registered	717	788	742	665
Prior Admits Registered	7	4	7	0
Retained Students	2,378	2,004	2,135	2,057
Return Students	119	146	143	113
Average Contact Hours	10.72	10.23	10.86	10.61
Total Headcount	3,221	2,942	3,027	2,834
Total Contact Hours	34,521	30,094	32,861	30,061
Tuition	6,518,719	5,654,112	6,689,526	6,097,878



MEMO

Administrative Services

To: Dr. Nick Nissley, President

From: Troy Kierczynski, Vice President of Finance and Administration

Date: January 16, 2023

Subject: Summary Report for the General Fund as of December 31, 2022

The attached reports summarize the financial results for the General Fund as of December 31, 2022. The sixth month represents 50% of the year.

The general fund has year-to-date revenue over expenses of \$854,159. Revenue remained the same when comparing December 2022 to December 2021 largely due to late timing of FY23 property tax receipts. Expenses increased by 6% when comparing December 2022 to December 2021 primarily due to inflation.

Revenue (letters refer to the attached General Fund summary)

- A. Tuition and fees: For Fall 2022, the budget is 34,758 for a total budgeted revenue of \$6,999,079. Actual fall billing hours were 32,744 with actual fall revenue of \$6,616,037. Fall revenue is under budget by \$383,042. For Spring 2023, the budget was set at 31,365 contact hours for a total budget revenue of \$6,601,719. Actual spring contact hours projected at 29,796 with projected revenue of \$6,218,711. Spring revenue is trending under budget by \$383,008.
- B. Property Taxes: Tax revenue is recorded as payments are received. The overall increase for the fiscal year is expected to be 6% over the previous fiscal year.
- C. State Sources include budget appropriations, personal property tax payments and MPSERS retirement payments. State appropriations payments began in October.
- D. Federal Sources consist primarily of the MARAD grants and fuel payments. These funds are to be used directly for the Maritime program.
- E. Actual year-to-date investment income recorded for fiscal year 2023 reflects interest and dividend income only. Interest income is expected to surpass fiscal year 2022 due to rising interest rates.
- F. Both Private Sources and Other Sources are timing and event dependent.

Expenses

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

Northwestern Michigan College

Unaudited



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

Summary Report for General Fund Accounts Fiscal Year 2023, Period 06

Funds	Accounts	2022-2023 Adjusted Budget	YTD Activity	% of Annual Budget	
TOTAL GENERAL FUND					
50	Revenues				
	Tuition and Fees	22,001,840	11,537,006	52.44%	A
	Property Taxes	12,769,825	5,732,374	44.89%	B
	Other Local	0	0	*	
	Local Sources	34,771,665	17,269,380	49.67%	
	State Sources	10,745,000	3,608,965	33.59%	C
	Federal Sources	0	0	*	D
	Private Sources	979,765	220,279	22.48%	F
	Investment Income	196,000	132,679	67.69%	E
	Other Sources	426,100	292,163	68.57%	F
	Total Revenues	47,118,530	21,523,466	45.68%	
60	Labor				
	Salaries & Wages	23,916,066	10,714,162	44.80%	G
	Benefits	10,025,563	4,453,885	44.43%	G
	Total Labor	33,941,629	15,168,048	44.69%	
70	Expenses				
	Purchased Services	2,753,059	1,322,816	48.05%	H
	Supplies & Materials	3,041,584	1,381,144	45.41%	H
	Internal Services	103,065	30,396	29.49%	H
	Other Expenses	1,628,696	592,898	36.40%	H
	Institutional Expenses	1,738,804	774,657	44.55%	H
	Maintenance & Renovation	1,762,581	796,653	45.20%	H
	Prof Develop, Travel & Events	594,112	219,742	36.99%	H
	Capital Outlay	170,000	102,960	60.56%	I
	Total Expenses	11,791,901	5,221,265	44.28%	
	Total Expenditures	45,733,530	20,389,313	44.58%	
80	Transfers				
	Transfers	-1,385,000	234,062	-16.90%	
	Total Transfers	-1,385,000	234,062	-16.90%	
	Total Expenditures and Transfers	44,348,530	20,623,375	46.50%	
	Net Revenues over (under) Expenditures	2,770,000	900,091		



Northwestern Michigan College
Comparison - Fiscal Year to Date
General Fund
Dec 2022 vs. Dec 2021

INTERIM

This statement does not
reflect year-end results.

	YTD 12/31/2022	YTD 12/31/2021	\$ Diff	% Diff	Comments
<u>Revenue</u>					
Local Sources:					
Tuition & Fees	\$ 11,537,006	\$ 11,536,555	\$ 451	0%	Primarily due to timing of fall tuition allocations and aviation flight revenue in FY23; partially offset by lower summer tuition in FY23
Property Taxes	5,732,374	5,720,772	11,602	0%	Timing of property tax payments received from townships
Total Local Sources	17,269,380	17,257,327	12,053	0%	
State Sources	3,533,027	3,713,104	(180,077)	-5%	Primarily due to State's 201e One-Time Operational Support payment received in FY22; partially offset by higher state appropriations received in FY23
State PPT Reimbursement	75,938	78,239	(2,301)	-3%	Consistent with prior year
Federal Sources	-	500	(500)	-100%	Marine center grant received in FY22
Private Sources	220,279	110,185	110,094	100%	Timing of Foundation gifts (second quarter activity recognized in January in FY23 and December in FY22)
Investment Income	132,679	81,174	51,505	63%	Higher interest/dividends recognized in FY23 than in FY22
Other Sources	292,163	212,410	79,753	38%	Primarily due to higher Marine Center revenue and GLMA billing for providing cruise time to external maritime students
Total Revenue	21,523,466	21,452,939	70,527	0%	
<u>Expenses</u>					
Salaries and Wages	10,714,162	10,581,090	133,072	1%	Consistent with prior year
Benefits	4,453,885	4,454,833	(948)	0%	Consistent with prior year
Purchased Services	1,322,816	1,044,384	278,432	27%	Primarily due to higher EES instructor expenses as activity picks up in FY23, higher security expenses, and higher food expenses for the GLMA cruises; partially offset by lower advertising and legal expenses
Supplies & Materials	1,381,144	1,007,565	373,579	37%	Primarily driven by the timing of aviation fuel purchases and higher printing, postage, general supplies, and fee related expenses in FY23
Internal Services	30,396	4,491	25,905	577%	Timing of internal events/charges including more onsite employee/campus events in FY23
Other Expenses	592,898	625,082	(32,184)	-5%	Primarily due to lower financial fees after summer 2022 banking transition
Institutional Expenses	774,657	619,198	155,459	25%	Primarily due to the timing of snow removal deposit and expenses and timing of insurance expenses in FY23; also impacted by slightly higher utility expenses in FY23
Maintenance & Renovation	796,653	739,148	57,505	8%	Primarily due to timing of contract renewals and timing of IT related invoices
Professional Development	219,742	149,201	70,541	47%	Timing of professional development fees and reimbursements
Capital Outlay	102,960	64,783	38,177	59%	Timing of COAT purchases
Total Expenses	20,389,313	19,289,775	1,099,538	6%	
Transfers	234,062	250,262	(16,200)	-6%	Aviation flight hours transfer
Total Expenses & Transfers	20,623,375	19,540,037	1,083,338	6%	
Net Revenue Over (Under) Expenses	\$ 900,091	\$ 1,912,902	\$ (1,012,811)	-53%	



**Northwestern Michigan College
Comparison - Month Over Month
General Fund
Dec 2022 vs. Nov 2022**

INTERIM

This statement does not
reflect year-end results.

	YTD 12/31/2022	YTD 11/30/2022	Dec 22 Activity	Nov 22 Activity	Comments
Revenue					
Local Sources:					
Tuition & Fees	\$ 11,537,006	\$ 10,264,961	\$ 1,272,045	\$ 2,388,339	Four weeks of tuition recognized in November and only three weeks of tuition recognized in December and lower flight fees recognized in December than in November
Property Taxes	5,732,374	5,661,279	71,095	17,505	Timing of tax collections received
Total Local Sources	17,269,380	15,926,240	1,343,140	2,405,844	
State Sources	3,533,027	2,479,805	1,053,222	1,144,462	Primarily due to LCSA payment received in November and timing of MPSERS payment
State PPT Reimbursement	75,938	-	75,938	-	- Consistent with prior month
Federal Sources	-	-	-	-	- Consistent with prior month
Private Sources	220,279	220,279	-	-	- Consistent with prior month
Investment Income	132,679	117,178	15,501	30,438	Lower interest earned in December than November
Other Sources	292,163	275,109	17,054	45,119	Primarily driven by timing of GLMA revenue for providing cruise time to external Maritime students
Total Revenue	21,523,466	19,018,611	2,504,855	3,625,863	
Expenses					
Salaries and Wages	10,714,162	8,081,196	2,632,966	1,824,315	December had an extra pay period (3 pays instead of 2)
Benefits	4,453,885	3,457,436	996,449	765,207	December had an extra pay period (3 pays instead of 2)
Purchased Services	1,322,816	1,054,975	267,841	178,790	Primarily due to timing of audit expenses and salary support for MSU/NMC coordinator recognized in December
Supplies & Materials	1,381,144	1,122,376	258,768	353,382	Primarily due to timing of fee related expenses for fall courses, classroom supplies, new printers, and postage in November
Internal Services	30,396	27,367	3,029	23,658	Timing of internal events/charges
Other Expenses	592,898	480,324	112,574	114,161	Consistent with prior month
Institutional Expenses	774,657	634,383	140,274	216,018	Primarily due to timing of snow removal deposit and higher snow removal expenses in November
Maintenance & Renovation	796,653	752,746	43,907	124,773	Primarily due to the reclassification of expenses for new printers from maintenance to supplies/materials
Professional Development	219,742	181,019	38,723	71,203	Timing of professional development expenses
Capital Outlay	102,960	102,960	-	24,244	No activity in December
Total Expenses	20,389,313	15,894,782	4,494,531	3,695,751	
Transfers	234,062	136,709	97,353		- Aviation flight hours transfer
Total Expenses & Transfers	20,623,375	16,031,491	4,591,884	3,695,751	
Net Revenue Over (Under) Expenses	\$ 900,091	\$ 2,987,120	\$ (2,087,029)	\$ (69,888)	

Northwestern Michigan College
Statement of Net Position
General Fund
December 31, 2022



	As of December 31,	
	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 10,212,278	\$ 10,366,600 A
Accounts receivable, net	9,638,158	10,113,226
Prepaid expenses and other current assets	1,803,852	1,095,525 B
Total current assets	21,654,288	21,575,351
Noncurrent assets		
Long-term investments	24,608,898	22,860,246 A
Due to other funds	(25,286,177)	(21,004,540)
Total noncurrent assets	(677,279)	1,855,706
Total assets	\$ 20,977,009	\$ 23,431,057
Liabilities		
Current liabilities		
Accounts payable	\$ 214,113	\$ 91,414
Accrued payroll	2,035,158	2,107,623
Unearned revenue	7,447,812	8,256,951
Total current liabilities	9,697,083	10,455,988
Noncurrent liabilities		
Voluntary separation plan	\$ 52,000	\$ 114,400
Total noncurrent liabilities	52,000	114,400
Total liabilities	\$ 9,749,083	\$ 10,570,388
Net position		
Net position, beginning of year	\$ 10,327,835	\$ 10,978,421
Change in net position	900,091	1,882,248
Total net position	11,227,926	12,860,669
Total liabilities and net position	\$ 20,977,009	\$ 23,431,057

Notes:

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

B - Prepaids includes a \$700,439 unrealized loss in investments due to investment market (discussed in further detail in the Investment Memo)



MEMO
Administrative Services

To: Troy Kierczynski, VP Finance and Administration

From: Lindsey Lipke, Controller

Date: January 16, 2023

Subject: Realized and Unrealized Investment Gains & Losses for the Quarter Ended December 31, 2022

Northwestern Michigan College (“the College”) manages its investments in effort to maximize 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 primarily in bonds, commercial paper, and certificates of deposit. In its long-term strategy, the College typically holds investments to maturity rather than seeking short-term gains at the expense of future returns. Market conditions ultimately drive the College’s investment holdings, income and overall performance.

The College reports investments on its statement of net position at fair value. Dividends, interest, and gains (realized and unrealized) 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 income (general fund only):

Investment Income - General Fund Only

For the periods ending:

	June 30 2021	June 30 2022	December 31 2022
Realized gains (losses)	\$ -	\$ -	\$ -
Unrealized gains (losses)	(525,507)	(1,891,082)	(700,439)
Dividends and interest	148,546	172,479	131,304
Investment income, net	(376,961)	(1,718,603)	(569,136)

The College had no realized gains in fiscal years 2021, 2022, or 2023 (year to date) related to investments.

The unrealized losses in fiscal years 2021, 2022, and 2023 (year to date) represent a rebound in bond market rates after bottoming out in June 2020. In November and December 2022, we began recognizing unrealized gains again.

In March 2020, the Fed enacted emergency rate cuts, slashing the federal funds rate 150 basis points (to near zero) in response to the economic impact of the Coronavirus pandemic. In response to inflation concerns, the Fed began rate increases beginning in March 2022 and are planning to continue their additional planned rate hikes for the remainder for 2022 and into the first quarter of 2023, which could result in a more positive impact on future returns.

Northwestern Michigan College
Investments Held
December 31, 2022

Financial Institution	CUSIP	Security Issuer	Abbr.	Security Type	Maturity	Coupon or Interest Rate	Interest Frequency	Cost	NMC Notes
Huntington Bank	3136G4N33	Federal National Mortgage Association	FNMA	U.S. Agency Bond	8/27/2025	0.500%	Semi-Annual	\$ 5,000,000	callable on 2/27/23
Huntington Bank	3136G45G4	Federal National Mortgage Association	FNMA	U.S. Agency Bond	10/27/2028	0.750%	Semi-Annual	\$ 5,000,000	callable on 1/27/23
Huntington Bank	3135GA3L3	Federal National Mortgage Association	FNMA	U.S. Agency Bond	11/23/2029	1.070%	Semi-Annual	\$ 5,000,000	callable on 2/23/23
Huntington Bank	3134GWNX0	Federal Home Loan Mortgage Corporation	FHLM	U.S. Agency Bond	8/27/2030	1.100%	Semi-Annual	\$ 3,900,000	callable on 2/27/23
Huntington Bank	06744GMP4	Barclays Bk Plc/Barclays US Commercial Paper		Corporate Bond	2/6/2023	4.550%	Maturity	\$ 1,100,000	matures 2/6/2023
Huntington Bank	I1042MN95	Britannia FDG Co LLC Commercial Paper		Corporate Bond	1/9/2023	4.200%	Maturity	\$ 1,100,000	matures 1/9/2023
Huntington Bank	40060XPE4	GTA FDG LLC Commercial Paper		Corporate Bond	2/14/2023	4.400%	Maturity	\$ 1,100,000	matures 2/14/2023
Huntington Bank	82124MP87	Sheffield Receivables Co LLC Commercial Paper		Corporate Bond	2/8/2023	4.550%	Maturity	\$ 1,100,000.00	matures 2/8/2023
Huntington Bank	40434RQH8	HSBC USA Inc Commercial Paper		Corporate Bond	3/17/2023	3.600%	Maturity	\$ 2,200,000	matures 3/17/23
Huntington Bank	87019SPDO	SwedBank AB Commercial Paper		Corporate Bond	2/13/2023	3.250%	Maturity	\$ 2,000,000	matures 2/13/23
Total Investments Held								\$ 27,500,000	



MEMO

*Public Relations, Marketing,
and Communications*

To: Nick Nissley, President

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

Date: 1-14-23

Subject: December 2022 Monthly Report

The end of the year marked an important turning point for paid media as we finished launching all of our new digital marketing campaigns to support the strategic plan. This includes our two large campaigns for the adult and traditional learner as well as individual campaigns for specific low enrolled, high demand academic areas. Now we are focused on establishing baselines and adjusting campaign performance. In earned media, total media mentions were on the low side, but we had 100% positive or neutral earned media sentiment and high publicity value driven by two stories that saw wide coverage; the Freshwater Research Innovation Center and the WET Tech degree. December is a slower month for shared media with low activity on campus. We are pleased that one of our highest performing posts was for Michigan Reconnect. The following is an overview of the work of Public Relations, Marketing and Communication for December 2022.

Paid Media ↑

- First full MOM available in January 2023 for all campaigns
- To date the campaigns have resulted in:
 - 129 applications submitted
 - 82 Ellucian accounts created

Earned Media ↑

- Media mentions: 48
- Positive/neutral sentiment: 100%
- Publicity value: \$241.5k

Owned Media ↑

- NMC Now: 895 followers, 50% open rate
- January Nexus sent to print

Shared Media mixed ↑

- Facebook followers: +6% YOY
- Facebook engagement: +120% YOY
- Instagram followers: +13% YOY
- Instagram engagement: -19% YOY



MEMO: Resource Development

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

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

Date: January 16, 2023

Subj: Foundation Update

Fund Raising – Report on FY23 goals

- The number of gifts received to date this fiscal year 2,517 is ahead of last year at this time (2,309).
- FY23 total dollars raised through the NMC Foundation

\$2,055,176	Total received (including Annual Fund, pledges, and <i>new documented planned gift intentions</i>) raised toward goal
+ \$15,436	Gross event revenue
\$2,070,612	Total raised through new gifts, commitments, & events
	<i>(Goal: \$1,200,000)</i>
+ \$110,000	<i>from previously documented planned gifts</i>

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

- Unrestricted gifts to the Fund for NMC - \$186,577
- Scholarships at NMC - \$1,186,566 - 1,186,566
- Programs and capital projects at NMC - \$807,469

Foundation Initiatives

- Year end direct mail and email campaigns were very successful.
- Finalized mission, vision, and strategy statements received foundation board approval December 2022. Finalized objectives for each strategy and their action plan to meet each objective are underway with an updated plan to be shared at the February 2023 foundation board meeting.
- Foundation governance documents are under review and revision. The Board Development Committee of the foundation is preparing recommendations for the Board Executive Committee for review.

Northwestern Michigan College
Board of Trustees
Executive Committee Minutes
January 17, 2023
Gray Conference Room 202
University Center
2200 Dendrin Drive, Traverse City, MI 49686

Committee Chair Rachel Johnson called the meeting to order at 10:03 a.m.

Members Present: Rachel Johnson Laura Oblinger, Kennard Weaver

Others Present: Nick Nissley, Lynne Moritz, Elaine Wood

February Board Retreat Planning

The first portion of the retreat will focus on Board development with the main goal being relationship building, considering Board and college staff transitions throughout the past few years and amidst the pandemic. Elaine Wood will facilitate the Board development portion of the retreat agenda; Wood sought insight from the committee on current Board culture. While Wood develops further details of the agenda, which will provide for flexibility within the discussion, she plans to address levels of governance, the role of a policy Board, and establishing Board culture. Trustees will be asked to submit examples of “sticky situations” to Lynne Moritz in the President’s Office; the examples will be compiled and sent to Elaine to provide insight and examples to guide the retreat discussion.

Regarding the second segment of the retreat agenda, the following topics were proposed for discussion: sources of revenue, analysis of financial reserves, and enrollment. The committee emphasized the desire to have a comprehensive discussion of these topics, with the Board Chair and President Nissley setting the context for this portion. It was also requested that retreat materials be sent to the full Board well in advance of the meeting date and an additional study session focused solely on the campus master planning process be considered.

Public Input—There was no public comment offered.

The meeting was adjourned at 11:23 a.m.

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

Northwestern Michigan College
Board of Trustees
Fellows Nominating Committee Minutes
January 12, 2023
President's Office Conference Room
Tanis Building
1701 E. Front Street, Traverse City, MI 49686

Committee Chair Ken Warner called the meeting to order at 11:05 a.m.

Members Present: Ken Warner, Laura Oblinger (until 11:28), Andy Robitshek

Others Present: Nick Nissley, Lynne Moritz

Selection of 2023 Fellow(s)

Nominations for the 2023 Fellow(s) were reviewed and discussed. The committee selected Marty, DJ, and Brad Oleson, and Gene Jenneman for recommendation to the full Board for the appointment as 2023 Fellows of Northwestern Michigan College.

The President's Office will coordinate contacting both nominees, as well as their nominators, to inform them of the recommendation that will be put forth at the regular Board meeting on Monday, January 23, 2023.

Other Discussion

There was a discussion about logistics of the event celebrating the honorees.

Public Input—There was no public comment offered.

The meeting was adjourned at 11:51 a.m.

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



To: Nick Nissley, EdD, President

From: Hollie DeWalt, Interim AVP of Human Resources

Date: January 6, 2023

Subject: Board Authorization Request- Executive Search Firm for Foundation AVP

Board Authorization Request

Recommend authorization for administration to enter into a contract up to \$45,000 with Aspen Leadership Group, an executive search firm, for the Associate Vice President of Resource Development and Executive Director of the NMC Foundation position.

Rationale

Utilizing the services of a national executive search firm will provide access to an expanded pool of exceptional candidates that are sought out beyond a traditional job posting. Search firms have additional expertise in specific industry and functional areas that make them particularly successful in finding the right candidate to meet the needs of NMC. The consultant is expected to guide our internal search team composed of Foundation and College stakeholders.

The AVP of Resource Development and Executive Director of the NMC Foundation is a key position for the college and the sustainability of the NMC Foundation. Engaging an experienced executive search consultant provides for a robust exchange of ideas and deep discussion with NMC leaders that leaves them with a clear understanding of the elements most important to ensure an excellent and lasting appointment. The executive search firm will also employ the wide network of connections they have throughout the country focusing on philanthropy.

NMC has a history of using executive search firms for senior and Vice President level positions. Demonstrating that we are practicing our values of integrity, respect, inclusion, stewardship, and excellence. This position is critical to the mission of NMC, and the cost associated with this search will be a worthy investment that will bring long term value to the college.

Funding Source

This engagement will be funded by the College's Strategic Fund.

MEMO
Systems & LAN Management

To: Dr. Nick Nissley, President
From: Todd Neibauer, Vice President for Student Services and Technologies
Date: January 23, 2023
Subject: Splunk Log Management and Analysis License renewal

Board Authorization Requested

Authorize the administration to enter into a contract with August Schell Enterprises for the renewal of the Splunk software license at a cost of \$37,800.28.

Background

In an effort to enhance the security measures at NMC, we previously implemented a log management and analysis system. This request is to renew the license of this software for one year. The log management system is designed to help with the task of monitoring network and system security logs and can notify staff of anomalous entries or patterns requiring follow up.

Cost Summary

The cost for this software license is within the annual budgeted amount in the Technology Plant Fund for FY23.

Funding Source

This purchase will be funded by the Technology Plant fund.

MEMO
Information Technology
Systems

To: Dr. Nick Nissley, President
From: Todd Neibauer, Vice President for Student Services and Technologies
Date: January 23, 2023
Subject: Reporting System

Board Authorization Requested

Authorize the administration to enter into contract with Evisions for Reporting Software at a cost of \$181,797.31 over three years, with the first year licensing and implementation cost at \$80,667.00.

Background

The existing reporting solution in use at the college has become antiquated and will no longer be supported by the vendor(Ellucian). A new reporting system will enable IT staff, along with other staff and faculty, to prepare, access, distribute and analyze data more effectively.

Bid Summary

NMC prepared a list of requirements and questions, and solicited proposals from three vendors. The RFP was also available to the public. We have selected the Argos system from Evisions as our choice. A proposal was also received from Ellucian (vendor of Banner and other software in use at NMC) in the amount of \$432,215.00 for the same three year period. Our third potential vendor did not respond.

Funding Source

The initial purchase and implementation charges will be funded by the Technology Plant fund. Licensing costs for following years will be from the operational budget.