

**JUNIOR COLLEGE DISTRICT OF EAST CENTRAL MISSOURI  
BOARD OF TRUSTEES MEETING  
Saturday, March 4, 2023**

**CALL TO ORDER:** The Board of Trustees retreat was called to order at 9 a.m. by Board President Ann Hartley. Other Board members present for all or parts of the meeting were Joseph Stroetker, Eric Park, Cookie Hays, and Audrey Freitag. Prudence Johnson was absent. Also present were President of the College Jon Bauer; Administrators – Vice President of External Relations Joel Doepker, Vice President of Finance and Administration DeAnna Cassat, Vice President of Academic Affairs Robyn Walter, and Vice President of Student Development Sarah Leassner; Professional Staff - Executive Assistant to the President Bonnie Gardner.

**REDISTRICTING:** Dr. Bauer reminded the Board that subdistrict lines need to be redrawn every ten years following the census. Each subdistrict is to be substantially close in population. A citizen's committee developed the new subdistrict plan which was approved by the Board and the Coordinating Board for Higher Education last fall. Subdistrict 2 is still the smallest district, but the new map provides subdistricts that are compact and contiguous and do not split voting precincts. Candidates for the Board must file for a seat in the subdistrict where they reside.

The terms of Prudence Johnson and Audrey Freitag expire in 2024. There will be one seat open in both subdistricts 1 and 2. However, under the new plan, Ms. Freitag now resides in subdistrict 2 so both incumbents will be running for the same seat and there will be no incumbent for the seat in Subdistrict 1.

For the 2026 election, Joe Stroetker and Ann Hartley will be at the end of their terms. However, Dr. Stroetker was elected in Subdistrict 1 and his residence is in Subdistrict 2 under the new plan. He and Ms. Hartley will oppose each other if both run for re-election. The April 2026 election will be for one open seat each in Subdistricts 1 and 2 with no incumbent in Subdistrict 1.

The 2028 election will be for both seats in Subdistrict 3, which are currently held by Eric Park and Cookie Hays.

**BUDGET PLANNING:** Dr. Bauer and Vice President Cassat shared information regarding revenue projections for the FY24 budget which is currently under development. Local revenue projections are based on the 6.5% CPI increase. This is a reassessment year and 6.5% is the cap on increases for current property; new construction will be in addition to that amount.

State revenue projections are based on a 7% increase to the community college core funding plus new money allocated through the equity model. ECC will receive about \$70,000 through the equity model. Community colleges receive one line item in the state budget which is then distributed on a pro-rata basis. Dr. Bauer reviewed the history of the equity model which was reconfigured in 2012 and again in 2022. As new money is provided by the state, 10% is distributed equally to the community colleges and 90% is distributed through equity adjustments. The funding model uses average funding per FTE and divides 90% of the new funds to colleges that are in a range from 10% above to 10% below the average. Colleges outside of that range do not receive a portion of the 90%. ECC is outside the range so receives only its portion of the 10% increase. This model will be reviewed again over the summer.

The tuition and fees projection is based on zero enrollment growth and the 8% tuition increase. Dr. Park asked to be provided with data on the number of students who receive financial assistance by category (A+, Pell grants, employer reimbursement, etc.).

State, local, and tuition/fees are the three main revenue sources for the college and are projected to generate about a 5% increase.

Expense projections are still being formulated. Challenges include inflation, compensation, and deferred maintenance/capital projects. Utilities are projected to increase by \$160,000. Last year's compensation increase was 4% plus market adjustments for staff and 5% for faculty, which was below inflation.

Enrollment was up in the summer and fall but down in the spring. Enrollment for the fall semester begins on March 20. The number of high school students is decreasing; the number of ECC students graduating in December is increasing. There are also more students entering with dual credit who need only three semesters to graduate. A great deal of outreach has been done to students who stopped out to get them back into classes.

**DEBT SERVICE LEVY:** Chris Collier from Piper Sandler joined the meeting via Zoom. Dr. Bauer noted that the Board will need to make some decisions related to the tax levy and financing for the college very soon. The current bonds will retire in 2026, so Mr. Collier was invited to discuss the existing debt and how to move forward. He outlined two funding options.

**Option 1 – General Obligation Bonds:** Bonds have been used in the past, and debt service payments are made directly from the tax levy. If growth exceeds the amount needed, the debt service decreases; if there is not enough growth, the debt service increases. This is the safest form of debt, has the lowest interest cost, and the tax levy goes away once the bonds are paid off. The current ECC levy will roll off in 2026 unless new bonds are issued. Approval for additional debt needs a super majority and there is limited ability to refund/restructure. If a general election date is used for the bond issue, a 4/7 majority is needed. If other election dates are used, a 2/3 majority is needed for approval.

**Option 2 – Lease Purchase (Certificates of Participation or COPs):** COPs can be used to fund projects without voter approval at the time of issuance. Property is pledged as collateral and lease payments are paid to the investors as debt service payments. COPs are not considered debt by state law, and many municipalities use them. Any tax increase only requires a simple majority. However, a tax increase is not necessarily needed to issue COPs. Any increase in taxes is considered operational rather than debt service. COPs can be issued with up to 30 years of amortization but are subject to an annual appropriation in the budget. The property can be seized by investors if the money is not appropriated. COPs carry a higher interest rate.

The assessed valuation for the college increased by 5.15% over the last three years. Over five years there was 4.31% growth. Over the past 13 years growth has averaged about 2%. The 2015 bonds are non-callable; some others are callable but the ability to re-fund for savings is limited. The debt service due each year increases based on the assumed tax levy growth. The current debt service levy is 9.9 cents, and excess money collected goes into the fund balance to pay the bonds when due.

If the tax levy were to be increased, and assuming no growth in assessed valuation, one cent would generate \$201,486 in revenue. If the 9.9 cent levy was rolled into operations, it would generate \$1,994,711 of additional revenue starting in 2027 when the bonds are paid off. Placing this money in the operational fund would still allow for capital projects to be completed. Moving the debt service levy to the operating levy would be a no-tax-increase ballot issue that requires only a simple majority to pass. Issuing new general obligation bonds would require the money to be spent only on a project that was identified and approved on the ballot issue. *(Mr. Collier left the meeting at this point.)*

Dr. Bauer noted that the Board will need to decide in the next two years whether to pay off the bonds and let the 9.9 cent levy expire, identify a new project and issue new bonds structured to keep the 9.9

cent levy, or move the debt service levy to operations and determine if a portion is set aside for capital projects or COPs are used to fund projects. A fourth option would be to present a tax increase to the voters.

The current levy is \$0.099 for debt service and \$0.3551 for operations. In 1985, the levy was \$0.20 for debt service and \$0.50 for operations. Due to a state initiative that limited tax rates, the levy changed in 1986 to \$0.18 for debt service and \$0.32 for operating. In 1987, five cents was transferred from debt service to operations resulting in \$0.13 for debt service and \$0.37 for operations.

Should a ballot issue be considered, potential dates are April, August, or November 2024 and April 2025. April 2026 would be the last possible date because the tax levy would be issued in August 2025 and the bonds would be paid off in February 2026. Beyond that, the levy would roll back and any change in the operations levy would require a tax increase approved by voters.

In April 2002 the College proposed an eight-cent operational increase to voters; the issue lost by 54 votes with 49.8% support. The issue failed again on the August 2002 ballot and some programs were subsequently eliminated. Dr. Bauer noted that moving funds from debt service to operations provides the best option to address the needs of the College. Deferred maintenance and other operational pressures need to be addressed. This will also impact affordability for students. Moving money from debt service to operations would require a simple majority.

The next step would be to establish a citizen's committee to review the College's financials, consider needs, and make a recommendation about moving forward with a ballot issue. Following that recommendation, a campaign committee would need to be formed and funded outside the college budget. If the Board wants to move in this direction, community members to serve on the citizen's advisory committee need to be identified.

**ROLLA FACILITY:** Programs have been offered in Rolla since the mid-1990s. It continues to be a challenge to secure funding for expenses outside the taxing district. At one time, the state provided funding for out-of-district operations; over time these funds were rolled into the core state aid. When the College was provided with an opportunity to identify a project to be funded with state monies, a Rolla facility was the obvious choice. The state appropriated \$6.5 million this fiscal year with a commitment from the College to match that amount. Then the governor committed to funding the other 50% of the initiative without the College matching the amount, thus providing \$13 million in state funds. A federal earmark totaling \$3 million was also pursued and received for the building. These funds need to be expended by the end of 2026.

Potential building sites are being explored and additional funds need to be secured. In pursuing additional funding opportunities, a conceptual drawing of the building was needed. Paragon was hired to develop cost estimates and a rendering of what the building could look like. Dr. Bauer stressed that Paragon has not been hired to design the actual building and will need to submit a proposal when an RFQ is issued for the building design. They were hired to estimate the size of the building based on programs and services to be housed there along with developing cost estimates.

A rendering of the building was shared with the Board. Based on needs, it is estimated that 52,000-70,000 square feet would be necessary. For that size building, it is recommended that there be two floors. A site of 10-15 acres would be needed to accommodate the building and parking; this would also allow for expansion of the building later. Paragon's estimate for a 50,000-square-foot building is \$23.5 million plus the site cost and a 70,000-square-foot building is estimated at \$35 million. Paragon's estimate is \$380 per square foot for construction. Site costs could be as much as \$500,000. There have been preliminary discussions with Missouri S&T about the possibility of locating a building on their campus. That would benefit students with access to S&T facilities.

Additional resources are being explored to fund the building, including a community facilities program through the U.S.D.A. About \$5 million could likely be leveraged with a 30-year loan through the U.S.D.A. This could be structured with COPs or perhaps funded directly through the agency. Rolla residents could be asked to join the ECC taxing district to provide additional tax revenue. That would require a simple majority on a ballot issue. The College could place the annexation of the area on the ballot.

An RFQ process will be needed to select a design firm, and that process will need to begin this year. A construction site must also be secured. Fund development will be ongoing. Once a firm is selected and a site is secured, the actual design of the building can begin. Construction would then be put out to bid and must be completed by the end of 2026. The Rolla city planner has provided a list of sites that might be of interest.

**AGB ONBOARD:** Becca Meshberger from AGB OnBoard joined the meeting via Zoom to provide a demonstration of the AGB OnBoard portal. Becca left the meeting following her presentation, and the Board discussed the features of the product. No major concerns were expressed, and Dr. Bauer indicated the cost would be built into the FY24 budget with implementation after July 1.

**BOARD ASSESSMENT:** The Board reviewed the self-assessment form and conducted its annual assessment. The group assessment was recorded and is attached to the minutes.

**SUCCESSION PLANNING:** Dr. Park stated that there is a need to identify employees who are mission-critical and identify a systemic way that critical functions of the institution continue if there is a vacancy of a key position.

Dr. Bauer noted the Board appoints one position, the college president, but approves contracts for others. He reviewed steps to be taken should the presidency be vacated unexpectedly. The Board would name an acting president empowered to make decisions until something more permanent is in place. The Board can also name an interim president between appointments. Either of these could be internal or external candidates, and the Board would meet as soon as possible to make this decision.

When conducting a search for a permanent replacement, the Board must decide if the search will be internal or external and whether to use a search firm. With a planned vacancy or retirement, the Board knows in advance and can determine the need for an interim appointment while planning/conducting a search process. The Board could also appoint a president designate to work with the outgoing president and provide overlap in the position. The Board has the absolute decision-making authority for the president's appointment. They can also direct that a similar or identical process be put in place for levels below the president.

It was suggested that a policy regarding succession planning or filling an unexpected vacancy could be developed during the review process for chapter one of Board Policy and Procedures.

**ADJOURNMENT:**

**Motion:** To **adjourn** the March 4, 2023, Board of Trustees retreat at 1:51 p.m.  
*Motion by Eric Park, Seconded by Cookie Hays; Carried Unanimously*

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President, Board of Trustees

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Secretary, Board of Trustees



# EAST CENTRAL COLLEGE

## Board of Trustees Self-Assessment

### BOARD ORGANIZATION / LEADERSHIP

*A strong, effective board helps create a strong, effective institution by focusing on its own unique responsibilities.*

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
1. In general, board meetings are conducted in an orderly, efficient manner that allows for sufficient discussion.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Board members uphold the final majority decision of the board.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Meeting agenda items contain sufficient background information and recommendations for the board.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The board adheres to its roles and responsibilities.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The board operates ethically without conflict of interest.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. The board works to achieve the College's goals and objectives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### POLICY

*The most important board responsibility is to make good policy that provides guidance for College staff.*

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
1. The board critically reviews its policies as they are developed.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The board recognizes the difference between its policy role and the roles of the CEO and staff.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The board is appropriately involved in defining the vision, mission, and goals.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The board sets priorities in conjunction with the CEO.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The board is familiar with the general strategic and master plans of the institution.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## COMMUNITY RELATIONS / ADVOCATING FOR THE COLLEGE

*The board governs on behalf of the public and advocates on behalf of the College.*

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
1. The board actively seeks to understand community and regional needs and expectations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The board supports the development of educational partnerships with community agencies, businesses, and local government, where appropriate.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The board recognizes and celebrates positive accomplishments of the College.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The board actively supports the mission and values of the College.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The board works to build a positive image of the College.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## BOARD / CEO RELATIONS

*The CEO is the primary agent of the board, carries out board policies, and provides educational leadership.*

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
1. The board and the CEO have a positive, cooperative relationship.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The board annually develops goals and objectives that are used in the evaluation of the CEO.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## STANDARDS FOR COLLEGE OPERATIONS AND PERFORMANCE

*The board holds the College accountable and establishes a climate in which learning is valued.*

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
1. The board is knowledgeable about the educational programs and services of the College.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The board understands the budget and financial statements.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The board demonstrates a concern for the success of all students.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The board is involved in the accreditation process.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- 5. The board monitors performance related to its policies on fiscal management and for facilities development, maintenance, and appearance.
- 6. The board understands the financial audit and its recommendations.

Comments: As a board we all contribute as much as possible.  
We do whatever we are asked.

We are ECC positive.

We are comfortable with knowing our VPs do their jobs well. CEO ↓

CEO - We know where line is between operations & board responsibilities.

VP academics - appreciates that we appreciate our faculty & staff & welcome them & their presentations.

**Signatures:**

Board President: Ann H. Narey

Board Vice President: John Shout

Board Secretary: Dee Wags

Board Treasurer: Erin Hall

Board Member: Andrey A. Hristov

Board Member: \_\_\_\_\_

*present:*

Rehyn Walter, VP Academic Affairs

Present for Board  
P.A.S.

Date of Evaluation: 03/24/23