

**JUNIOR COLLEGE DISTRICT OF EAST CENTRAL MISSOURI
BOARD OF TRUSTEES MEETING
Monday, December 4, 2023**

CALL TO ORDER: The regular meeting of the Board of Trustees was called to order at 5:30 p.m. by Board President Ann Hartley. Other Board members present for all or parts of the meeting were Joseph Stroetker, Eric Park, Cookie Hays, Prudence Johnson, and Audrey Freitag. Also present were President of the College Jon Bauer; Administrators – Vice President of Academic Affairs Robyn Walter, Vice President of External Relations Joel Doepker, Vice President of Finance and Administration DeAnna Cassat, and Vice President of Student Development Sarah Leassner; Faculty – ECC-NEA Vice President Tanner French, English Instructor Katie Holtmeyer; Other Staff – Human Resources Director Carrie Myers, Director of Communications & Marketing Gregg Jones, Rolla Campus Director Christina Ayres, Foundation Executive Director Bridgette Kelch, Executive Director of Institutional Effectiveness Michelle Smith, Campus Resource Officer Tommie Lowe, Professional Staff Association President Carson Mowery, Classified Staff Association President Denise Walker, and Executive Assistant to the President Bonnie Gardner.

RECOGNITION OF GUESTS: Gregg Jones recognized Hannah Snyder from Piper Sandler along with Matt Wallace from KPM and Chris Parker from the *Missourian* who were present via Zoom.

PUBLIC COMMENT: There was no public comment.

APPROVAL OF AGENDA: Each item on the consent agenda shall be deemed to have been duly approved with the same validity as if each action were separately moved, seconded, and adopted.

Motion: To **approve** the agenda for the December 4, 2023, meeting of the Board of Trustees.

Motion by Eric Park; Seconded by Joseph Stroetker; Carried Unanimously

***APPROVAL OF MINUTES:** The Board approved the minutes of the November 6, 2023, regular meeting of the Board of Trustees.

TREASURER’S REPORT AND FINANCIAL REPORT: Vice President DeAnna Cassat reviewed the financial statements as of October 31, 2023. She noted that state revenues are down slightly due to one-time additional funds that were received last year. The capital projects amount is mostly the pedestrian bridge project which is now complete and was funded through state maintenance and repairs funds from last fiscal year.

Motion: To **approve** the treasurer’s report, the financial report, and the payment of bills subject to the annual audit.

Motion by Eric Park; Seconded by Prudence Johnson; Carried Unanimously

AUDIT REPORT: Matt Wallace from KPM reviewed the audit report, noting that ECC and the ECC Foundation received an unmodified opinion; the financial statements are free from material misstatements. A federal compliance audit was also conducted, and there were no findings associated with the administration of the major federal programs.

Motion: To **accept** the audit report for the fiscal year ending June 30, 2023.

Motion by Eric Park; Seconded by Prudence Johnson; Carried Unanimously

TAX LEVY: Dr. Bauer noted that the Board is being asked to adopt a resolution seeking the transfer of the debt service levy to the operating levy with no overall tax increase. It is anticipated that this transfer would generate about \$2 million to fund the general operations of the College and deferred maintenance. The College's general obligation bonds will be retired in 2026. They were issued with voter approval and are being retired with the debt service levy which is 9.9 cents per \$100 of assessed valuation. The College faces several challenges, including approximately \$5 million in deferred maintenance (HVAC, parking lots and roads, space renovations, roofs) and operating costs that continue to rise faster than available revenue. In addition, it is increasingly difficult to hire and retain quality employees, and the College's expenses are lean. Without significant increases in local tax revenue or state aid, tuition is the only option to raise revenue.

The operating levy is \$0.3482 and the debt service levy is \$0.0990 for a total property tax levy of \$0.4472 per \$100 of assessed valuation. Dr. Bauer shared an example of how property tax is calculated for a home with a market value of \$200,000. The total tax on that home would be \$169.94; \$37.62 would be allocated to debt service and \$132.32 for operations. For every \$100,000 of market value, the ECC debt service levy costs the taxpayer \$19 per year.

Transferring the debt service funds means no change in the overall tax rate and would generate over \$2 million annually for the College. Those funds could be used for operating expenses as well as capital improvements and deferred maintenance. Should the College need to fund a large capital project, Certificates of Participation (COPs) could be issued instead of bonds. Revenue not needed to fund the COPs could fund operating costs. This transfer requires a simple majority approval by voters. The Board was reminded that the Citizens Advisory Committee recommended the College seek voter approval of a tax levy transfer in 2024. The administration concurred with the committee's recommendation.

The revenue would be utilized in-district only and not for the construction of the Rolla facility. It would also allow the College to limit future increases in tuition and fees which currently provide 34.5% of revenue.

Dr. Bauer reviewed existing debt and how it would be paid if the debt service levy was moved to operating. In February 2026 the bonds would be retired. If COPs were issued for \$5 million over ten years, by 2027 there would be \$775,000 available annually to pay off that debt with the remainder of the funds available for operating costs.

The ballot language was reviewed. Dr. Bauer noted that most of the language is prescribed by law, but the College was able to add language clarifying that the 9.9 cent increase will be offset by a reduction in the debt service levy. If the Board approves the recommendation, a campaign committee will be formed for the "Vote Yes" activities. College resources can be used to present information; the ECC Foundation will provide funds to advocate for the issue.

In response to questions from Board members, Dr. Bauer provided the following additional information:

- Staff will track expenditures internally and revenue generated by the levy transfer will only be used for in-district expenses.
- This does not assume the College will never construct another building on the Union campus or need another bond issue. If new bonds are needed, the voters would be asked to approve a levy

increase. If the Board takes no action on the tax levy now, the debt service funds will expire and any new bond issue in the future would require voters to approve a tax increase.

- The operating levy amount is limited only by what the voters will approve. There is a limit on the amount of debt a district can issue (a percentage of the overall assessed valuation) but ECC is well below that limit.

Motion: That the following proposition be put to the voters on April 2, 2024: **The Board of Trustees of The Junior College District of East Central Missouri (aka East Central College) shall be authorized to increase the operating property tax levy ceiling to \$0.4472 per one hundred dollars of assessed valuation, the increase of \$0.0990 from the current operating property tax levy of \$0.3482 is to be offset by an expected \$0.0990 decrease in the debt service property tax levy, for the purpose of funding operations, facility maintenance, staffing, capital improvements, and safety/security measures within the College District.**

Approval of this question is expected to result in zero increase of the College District's current total property tax levy, which is estimated to remain unchanged at \$0.4472 per one hundred dollars of assessed valuation.

Motion by Prudence Johnson; Seconded by Audrey Freitag; Carried Unanimously

ROLLA UPDATE: Dr. Bauer provided a history of ECC Rolla noting that educational offerings began there in 1996 with classes to support the LPN to RN Bridge program at Rolla Technical Center. In 1998 the formal LPN to RN Bridge program began. A nursing facility was opened in 2006 and a second leased facility opened in 2014. The hope is to offer comprehensive services in one building in 2027. Residents in the taxing district pay a property tax levy to support the district. In the 1990s the community college presidents divided the state so every part would be served by one of the 12 colleges. Most of the community colleges have an assigned service area outside their taxing districts and students from those areas pay out-of-district tuition.

ECC currently leases two facilities in Rolla. Program offerings include the AA degree with six different pathways, the AAT degree, career-ready programs, and the ECC Phelps Law Enforcement Training Center. AAS degrees in Computer Information Systems and Health Information Management along with an online AA degree in the liberal studies pathway and the AEL program are also offered. ECC has a partnership with Missouri S&T with an option to transfer from ECC to S&T as well as the Campus Connections program that allows students to enroll in both colleges simultaneously. Enrollment has grown from 351 students taking 3,003 credit hours in Fall 2021 to 391 students taking 3,581 credit hours in Fall 2023. Summer Learning Academy is also offered in Rolla with 191 students enrolled this past summer. Dr. Bauer also reviewed the in-district and out-of-district tuition and fee rates.

The current strategic plan includes Rolla as a strategic priority – “Expand our presence and offerings in Rolla to enhance the College’s impact throughout our region.” The challenge is the College cannot issue general obligation bonds for facilities in Rolla. To date, state funds totaling \$13 million plus a

\$3 million federal earmark have been received for a building. The \$13 million in state funds must be allocated by the end of 2026; the federal earmark does not have a timeline. The proposed 52,000-square-foot facility is estimated to cost \$25 million, and additional grants and other external funding sources are being pursued. The project size will expand or shrink based on the funds available.

A Rolla Advisory Council has recently been formed with membership consisting of leaders in the Rolla region. Staff are interacting with this council to hear their needs and interests to help better understand the community and how ECC can best serve the region.

Potential sites are being reviewed and when an appropriate site is identified it will be presented to the Board for approval. After that, the Board will be asked to approve a design team and construction costs.

The Board had the following comments and questions:

- Is the timeline achievable? Dr. Bauer indicated there are three or four sites under active consideration with development costs being assessed. He feels the timeline is workable.
- There is a positive feeling for ECC in the Rolla community. Current lease payments can be used toward a new facility.
- What is the feedback from community leaders? Dr. Bauer noted that the reception has been very positive with a lot of interest. It is understood that ECC fills a different role from S&T.
- ECC is taking financial responsibility to serve the area without tax support. Rolla should be asked to become part of the taxing district.
- Action is needed quickly; if the deadline for spending the funds is missed, the money is not coming back.
- This is an opportunity to get money outside of the operating budget to partially fund a facility and that defines the current opportunity. While the residents of Rolla should step up, waiting for them would mean losing the current funding.
- Is the project dependent on finding resources to fund the entire cost estimate? Dr. Bauer stated that the project can be scaled to the funds available. There are advantages to having everything in one building. 50,000 square feet provides the space needed now with the ability to grow.
- What is the square footage being leased currently? Rolla North is 7,900 square feet. The Rolla Technical Center lease includes just over 14,000 square feet without common areas like halls and the atrium.
- Current equipment and furniture can be moved into the new building.

***PERSONNEL:** The Board **approved** the appointments of Kathy Luther as Financial Aid Advisor A+ Management effective January 1, 2024, with no change in salary, and Stacy Bogier as Director of Financial Aid effective January 3, 2024, with an annual salary of \$83,000.

BOARD PRESIDENT'S REPORT: Board President Ann Hartley indicated she had no report.

REPORTS:

A. FACULTY ASSOCIATION REPORT: Faculty Association President Reg Brigham was unable to attend so there was no report.

B. ECC-NEA: NEA Vice President Tanner French reported that faculty are wrapping up the academic year. The bargaining team will meet for training on December 15 with negotiations to begin in January.

C. PROFESSIONAL STAFF ASSOCIATION REPORT: PSA President Carson Mowery reported Alice Whalen participated in an Adult Learning Network meeting on November 16. The AEL program has served 171 students this year, and several AEL students completed the high school equivalency boot camp last week. Student Government Association is hosting a book drive through December 6 and will be donating books to community organizations. The SGA will also purchase \$250 worth of books for foster children through Neighborhood Reads. The Union and Rolla SGAs hosted events for students to write holiday cards for residents in area nursing homes and assisted living facilities.

D. CLASSIFIED STAFF ASSOCIATION REPORT: CSA President Denise Walker reported the 2023 Denim Days raised \$1,470 for local charities. Nominations for 2024 charities are currently being accepted. The CSA Outreach Committee has adopted a family through Loving Hearts and organized a gift collection. They are on track to meet all the needs of that family for Christmas.

PRESIDENT'S REPORT: Spring 2024 enrollment is currently up 4.1% in headcount and 3.4% in credit hours with almost 1,400 students enrolled for approximately 16,000 credit hours. Continuing students are up 3.9% in headcount and 3.5% in credit hours. Winter 2024 session enrollment totals 86 students taking 282 credit hours which reflects an increase of 11.7% in headcount and 11.5% in credit hours over last winter. These are online courses that can be taken over the holiday break.

Dr. Bauer recognized the recent Missouri Community College Association award winners and nominees and noted that the College Choir concert on December 1 was wonderful. The band concert is on December 5, the Jazz Bistro is on December 7, and the pinning ceremonies are next week.

The Board was reminded that the College is closed from December 22 through January 1.

ADJOURNMENT:

Motion: To **adjourn** the December 4, 2023, public meeting of the Board of Trustees at 7:26 p.m.

Motion by Cookie Hays; Seconded by Audrey Freitag; Carried Unanimously

President, Board of Trustees

Secretary, Board of Trustees