# Board of Trustees Meeting Agenda

## APPROVAL OF AGENDA

**Item II, Approval of Agenda**  
Presenter: Board Chair Jacobson  
Board Consideration: Action

**Item III, Public Comment**  
Presenter: Board Chair Jacobson  
Board Consideration: Information

## APPROVAL OF CONSENT ITEMS

**Item IV, Approval of Consent Items**  
Presenter: Board Chair Jacobson  
Board Consideration: Action

## UNFINISHED BUSINESS

**Item V-A: Presidential Search Update**  
Presenter: Trustee Petrongelli  
Board Consideration: Information

## NEW BUSINESS

**Item VI-A: Correspondence and Announcements**  
Presenter: President Hammond  
Board Consideration: Information

**Item VI-B: HVAC Life Expectancy Assessment**  
Presenter: VP Frick  
Board Consideration: Information/Action

**Item VI-C: Resolution for Estimated Revenue**  
Presenter: VP Frick  
Board Consideration: Information/Action

**Item VI-D: Tuition & Budget Information**  
Presenter: President Hammond  
Board Consideration: Information/Action

## BOARD COMMENTS

**Item VII-A: Calendar of Events**  
Presenter: Board Chair Jacobson  
Board Consideration: Information

**Item VII-B: Board Comments- Other Business**  
Presenter: Board Chair Jacobson  
Board Consideration: Information
Approval of Agenda

Item II, Approval of Agenda

Presenter: Board Chair Jacobson  Board Consideration: Action

Approval of Agenda.

Recommendation:
It is recommended the Board approve the agenda as presented.
Approval of Agenda

Item III, Public Comment

Presenter: Board Chair Jacobson

Board Consideration: Information

The Board will allow public comment at this time.

Recommendation:
None, informational.
New Business

Item V-A, Presidential Search Update

Presenter: Trustee Petrongelli  Board Consideration: Information

Trustee Petrongelli, Chair of the Presidential Search Committee will give an update following the final candidate interviews.

Recommendation:
None, informational.
New Business

Item VI-A: Correspondence and Announcements

Presenter: President Hammond  Board Consideration: Information

Announcements may be made at this time.

Recommendation:
None, informational.
New Business

Item VI-B: HVAC Life Expectancy Assessment

Presenter: VP Lillian Frick

Board Consideration: Information/Action

Vice President Lillian Frick will present a request to assist the college in budgeting and scheduling preventative maintenance and component replacement before equipment failure, thereby preventing disruption to operations.

The requested proposal is in the amount of $23,400 plus reimbursables estimated at $500.

Recommendation:

It is recommended that the Board approve the HVAC Life Expectancy Assessment request as presented.
March 9, 2020

Mid Michigan College
1375 South Clare Avenue
Harrison, MI 48625

Attention: Lillian Frick
VP for Finance & Facilities

Subject: Proposal for Professional Services
HVAC Life Expectancy Assessment

Dear Lillian:

Peter Basso Associates, Inc. (PBA) is pleased to offer the services of our staff to Mid Michigan College (Client) in evaluating the condition of the HVAC systems for the Harrison and Mt. Pleasant Campuses. Wayne Kerbelis of our office visited the site and discussed the Project with you. The following is our understanding of the Project and the services which are to be provided.

PROJECT DESCRIPTION

PBA will assist Mid Michigan College in the development of a mechanical equipment replacement schedule for both the Harrison and Mt. Pleasant Campuses. This will be similar the previous study conducted in 2011, updated to include all current mechanical equipment in the buildings.

SCOPE OF PBA SERVICES

Services to be provided by PBA will include the following for the Harrison and Mt. Pleasant Campuses:

1. Review of building mechanical systems construction as built documents including shop drawings.
2. Attendance at a kickoff meeting to discuss the process, and interview MMCC maintenance staff to identify operational and thermal comfort issues.
3. Perform building walkthroughs to confirm current equipment inventory and evaluate the condition of HVAC equipment.
4. Prepare mechanical equipment spreadsheet noting equipment manufacturer, model number, horsepower, rated capacity, location, and area served for each major piece of equipment.
5. Develop mechanical equipment replacement schedule with projected probable replacement cost.
6. Development of a final report summarizing the building equipment, replacement schedules, and opinion of probable costs.
7. Attendance at a final review meeting.
CLIENT RESPONSIBILITIES

It is understood that Client will provide the following information and/or assistance to PBA:

1. Assignment of a single Project Manager to serve as a liaison between Client and PBA.
2. Operational personnel to be present during PBA field investigations.
3. Architectural, structural, mechanical and electrical drawings of the existing building[s].

CONSULTANTS

If special needs arise for which it is mutually agreed that the services of special consultants are required, such special services will be invoiced as a reimbursable expense when approved by Client.

FEE

We propose to provide the services described herein for a lump-sum fee of $23,400.

REIMBURSABLE EXPENSES

In addition, the following reimbursable expenses will be billed at 1.0 times cost:

1. Transportation to and from the job site (and other transportation costs related to the project).
2. Expenses for meals and lodging related to the project.

We estimate a total of $500 for the reimbursable expenses indicated above.

CHANGES AND ADDITIONAL WORK

For additional work or changes in scope, we will provide the services of our staff on an hourly basis in accordance with our standard billing rate schedule, plus reimbursable expenses. Our standard billing rate schedule is subject to periodic revision.

SERVICES NOT INCLUDED

The following services are not included in our fee proposal:

1. Design for an expanded scope of work in excess of scope indicated under PROJECT DESCRIPTION and SCOPE OF SERVICES.
2. Trips for review and/or construction meetings in excess of the number indicated under SCOPE OF SERVICES.
3. Preparation of detailed as-built documents for existing buildings and/or systems.

INSURANCE

For the protection of our clients as well as our firm, we carry insurance protection including professional liability and Worker’s Compensation insurance. The extent and types of insurance can be provided upon request.
PROJECT SCHEDULE

We can begin work two weeks after receipt of your written authorization to proceed and we anticipate 8 weeks for completion of the project. Peter Basso Associates, Inc. has the experience and resources to successfully complete this Project and we would appreciate the opportunity to be of service.

If you have any questions regarding our proposal or wish to discuss any aspect of the Project, please contact us.

Sincerely,

PETER BASSO ASSOCIATES, INC.

Andrew F. Luzenski, PE, CEM, LEED AP  
Vice President  
March 9, 2020

Wayne E. Kerbelis  
Principal  
March 9, 2020

ACCEPTANCE:

The undersigned represents that he or she is authorized to sign this Proposal on behalf of Client. The undersigned warrants that he or she has read the terms of the Proposal and the attached TERMS AND CONDITIONS and agrees to be bound by the provisions of this Proposal and the attached TERMS AND CONDITIONS. The TERMS AND CONDITIONS are incorporated into and made a part of this Proposal. The above Proposal is valid if accepted within 30 days of receipt.

(Signature)

(Typed or Printed Name)

(Company Name)

(Title)

(Date)

(Client Project or P.O. #)
TERMS AND CONDITIONS

Peter Basso Associates, Inc. ("PBA") shall perform the services outlined in the attached Proposal for the stated fee arrangement. The terms "proposal" and "agreement" shall have the same meaning and effect. The following Terms and Conditions are incorporated into and made a part of the agreement between PBA and the Client.

1. Opinions of Probable Cost:
   In providing opinions of probable construction cost, the Client understands that PBA has no control over costs or the price of labor, equipment or materials, or over the contractor’s method of pricing, and that the opinions of probable construction costs provided herein are to be made on the basis of PBA’s qualifications and experience. PBA makes no warranty or guaranty, expressed or implied, as to the accuracy of such opinions as compared to bid or actual costs.

2. Dispute Resolution:
   Any claims or disputes made during design, construction or post-construction between the Client and PBA shall be submitted to non-binding mediation. The mediation shall be governed by the then current Construction Industry Mediation Rules of the American Arbitration Association ("AAA"). Mediation shall be a condition precedent to the initiation of any other dispute resolution process, including court actions.

3. Invoices:
   Invoices for PBA’s services shall be submitted on a monthly basis. Invoices shall be payable upon receipt of the invoice. If the invoice is not paid within 30 days, PBA may, without waiving any claim or right against the Client, suspend or terminate the performance of the services.

4. Late Payments:
   Accounts unpaid 30 days after the invoice date will be subject to a monthly service charge of 1.5% per month, compounded annually, on the unpaid balance. In the event any portion or all of an account remains unpaid 90 days after billing, the Client shall pay all costs of collection, including reasonable attorney’s fees.

5. Indemnification:
   The Client shall, to the fullest extent permitted by law, indemnify and hold harmless PBA, its officers, directors, employees, agents and subconsultants from and against all damage, liability and cost, including reasonable attorney’s fees and expenses, arising out of or in any way connected with the Project or the services performed under this agreement, excepting only those damages, liabilities or costs attributable to the sole negligence of PBA.

6. Certifications, Guarantees and Warranties:
   PBA shall not be required to execute any document that would result in their certifying, guaranteeing or warranting the existence of conditions whose existence PBA cannot ascertain.

7. Limitation of Liability:
   In recognition of the relative risks, rewards and benefits of the Project to both the Client and PBA, the risks have been allocated such that PBA’s (including its officers, directors, employees, agents and subconsultants) total liability to the Client for any and all injuries, claims, losses, expenses, damages or claim expenses arising out of this agreement from any cause or causes, shall not exceed $25,000, or PBA’s fee on the Project, whichever is greater.

8. Consequential Damages:
   Notwithstanding any other provision of this Agreement, and to the fullest extent permitted by law, neither the Client nor PBA, their respective officers, directors, employees, contractors or subconsultants shall be liable to the other or shall make any claim for any incidental, indirect or consequential damages arising out of or connected in any way to the Project or to this Agreement. This mutual waiver of consequential damages shall include, but is not limited to, loss of use, loss of profit, loss of business, loss of income, loss of reputation and any other consequential damages that either party may have incurred from any cause of action including negligence, strict liability, breach of contract and breach of strict or implied warranty. Both the Client and PBA shall require similar waivers of consequential damages protecting all the entities or persons named herein in all contracts and subcontracts with others involved in this project.

9. Termination of Services:
   This agreement may be terminated by the Client or PBA should the other fail to perform its obligations hereunder. In the event of termination, the Client shall pay PBA for all services rendered to the date of termination, all reimbursable expenses, and reimbursable termination expenses.

10. Ownership of Documents:
    All documents produced by PBA under this agreement (and the copyright interests thereto) shall remain the property of PBA and may not be used by the Client for any other endeavor without the written consent of PBA.

11. Verification of Existing Conditions:
    Inasmuch as the remodeling and/or rehabilitation of the existing structure requires that certain assumptions be made by PBA regarding existing conditions, and because some of these assumptions may not be verifiable without the Client’s expending substantial sums of money or destroying otherwise adequate or serviceable portions of the structure, and in consideration of the substantial risks to PBA in rendering professional services in connection with this Project, the Client agrees to make no claim and hereby waives, to the fullest extent permitted by law, any claim or cause of action of any nature against PBA, its officers, directors, employees, agents or subconsultants, which may arise out of or in connection with this Project or the performance by any of the parties above-named of the services under this Agreement.
12. Design without Contract Administration Services:
It is understood and agreed that if PBA’s services under this agreement do not include construction observation of the work during construction or any other contract administration services, that such services will be provided or arranged by the Client. The Client assumes all responsibility for interpretation of the Contract Documents and for construction observation and waives any claims against PBA that may be in any way connected thereto. The Client agrees to defend, indemnify and hold PBA harmless from any loss, claim or cost arising or resulting from the performance of such services by other persons or entities and from any and all claims arising from modifications, clarifications, interpretations, adjustments or changes made to the Contract Documents to reflect changed field or other conditions.

13. Control of Work and Jobsite Safety.
Neither the professional activities of PBA, nor the presence of PBA or its employees and sub-consultants at a construction/project site, shall relieve the Contractor of its obligations, duties and responsibilities, including, but not limited to, construction means, methods, sequence, techniques or procedures necessary for performing, superintending and coordinating the Work in accordance with the Contract Documents, and any health or safety precautions required by any regulatory agencies. PBA and its personnel have no authority to exercise any control over any construction contractor or its employees in connection with their work or any health or safety programs or procedures. The Client agrees that the Contractor shall be solely responsible for the work and jobsite safety.

As used in this agreement, the term hazardous materials shall mean any substances, including but not limited to asbestos, toxic or hazardous waste, PCBs, combustible gases and materials, petroleum or radioactive materials (as each of these is defined in applicable federal statutes), or any other substances under any conditions and in such quantities as would pose a substantial danger to persons or property exposed to such substances at or near the Project site.

15. Hazardous Materials – Suspension of Services:
Both parties acknowledge that PBA’s scope of services does not include any services related to the presence of any hazardous or toxic materials. In the event PBA or any other party encounters any hazardous or toxic materials, or should it become known to PBA that such materials may be present or about the jobsite or any adjacent areas that may affect the performance of PBA’s services, PBA may, at its option and without liability for consequential or any other damages, suspend performance of its services under this agreement until the Client retains appropriate consultants or contractors to identify and abate or remove the hazardous or toxic materials and warrants that the jobsite is in full compliance with all applicable laws and regulations.

16. Hazardous Materials Indemnity:
The Client agrees, notwithstanding any other provision of this agreement, to the fullest extent permitted by law, to defend, indemnify and hold harmless PBA, its officers, directors, employees, agents and the sub-consultants from any against any and all claims, suits, demands, liabilities, losses, damages or costs, including reasonable attorneys’ fees and expenses arising out of or in any way connected with the detection, presence, handling, removal, abatement, or disposal of any asbestos or hazardous or toxic substances, products or materials that exist on, about or adjacent to the Project site, whether liability arises under breach of contract or warranty, tort, including negligence, strict liability or statutory liability or any other cause of action, except for the sole negligence of PBA.

17. Assignment:
Neither Client nor PBA shall assign, sublet or transfer any rights under or interest in this agreement (including, but without limitation, monies that may become due or monies that are due) without the written consent of the other, except to the extent that the effect of this limitation may be restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this agreement. Nothing contained in this paragraph shall prevent PBA from employing such independent consultants, associates and subcontractors, as it may deem appropriate to assist in the performance of services.

18. Entire Agreement:
This agreement represents the entire and integrated agreement between PBA and the Client and supersedes all prior negotiations, representations or agreements, whether written or oral. All PBA notes, disclaimers, details, specifications and instructions on PBA’s drawings in connection with the Project which is the subject of this agreement shall be incorporated as part of this agreement. Only a written instrument signed by both PBA and the Client may amend this agreement.

19. Binding Effect:
Client and PBA each binds himself and his partners, successors, executors, administrators, assigns and legal representatives to the other party to this agreement and to the partners, successors, executors, administrators, assigns and legal representatives of such other party, in respect to all covenants, agreements and obligations of this agreement.

20. Governing Law:
This agreement shall be governed by the laws applicable to the State of Michigan.
New Business

Item VI-C: Resolution for Estimated Revenue

Presenter: VP Lillian Frick          Board Consideration: Information/Action

Vice President Lillian Frick will present the Board with a Resolution for Estimated Revenue for fiscal year 2020-2021.

Recommendation:
It is recommended that the Board approve the Resolution for Estimate Revenue as presented.
Resolution for Estimated Sources of Revenue for 2020-21

BACKGROUND

Act 331 of the Public Acts of 1966, as amended, Section 141 states:

“The Board of Trustees shall prepare annually on a day to be determined by the Board of such district but not after the third Monday of April each year, an estimate of the amount of taxes or appropriations deemed necessary for the ensuing fiscal year for the purpose of expenditures authorized by law as within the powers of the Board.”

In compliance with this section, it is necessary that the Board of Trustees take formal action to estimate “the amount of taxes or appropriations necessary” for the ensuing fiscal year.

PROJECTIONS

The College has estimated fiscal years 2020 and 2021 revenue as summarized below.

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year 2020</th>
<th>Fiscal Year 2021</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Projected</td>
<td>Estimated</td>
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<tr>
<td>Tuition &amp; Fees</td>
<td>$15,989,785</td>
<td>$15,677,618</td>
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<td>Non-Credit Tuition &amp; Fees</td>
<td>$846,949</td>
<td>$837,405</td>
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<td>Grants</td>
<td>$1,165,414</td>
<td>$1,043,500</td>
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<td>Other Operating Revenue</td>
<td>$1,491,377</td>
<td>$1,359,239</td>
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<td>Appropriations</td>
<td>$6,653,388</td>
<td>$6,120,938</td>
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<td>Property Taxes</td>
<td>$2,508,446</td>
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<td>Interest Income</td>
<td>$200,000</td>
<td>$100,000</td>
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<td><strong>Total</strong></td>
<td><strong>$28,855,359</strong></td>
<td><strong>$27,721,019</strong></td>
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ASSUMPTIONS

The 2021 Fiscal Year estimate is based on the following:

- Enrollment is preliminarily estimated to decrease by 4% for fiscal year 2019. At this time the Board of Trustees has not approved any tuition or fee adjustments; all such adjustments are at the sole discretion of the Board of Trustees and will be considered as part of the annual budget process. The above projections are based on an average tuition rate increase of less than 2%.
- Non-credit tuition and fee revenue is expected to remain constant with current 2020 levels.
- An anticipated decrease in state appropriations of up to 10%.
- Property tax revenues are expected to remain constant with 2020.
- Grant revenue is expected to remain fairly constant.
- Other operating revenue is expected to decline with enrollment declines and loss of market share for auxiliary services.
• Investment income is projected to decline with market volatility.

Therefore, it is expected that the Board indicate its intention of levying the fully voted 1.5 of the current voter millage, subject to such modification as might be imposed by the provision of Section 31 of the Constitution of the State of Michigan (Headlee Amendment).

In summary, it is not required or intended that the Board of Trustees adopt at this time a budget or approve the final sources of revenue for 2020-21 fiscal year. The presented action item is required to meet a statutory obligation.

____________________________________  _______________________

Richard S. Allen Jr., Secretary                Date
New Business

Item VI-D: Tuition & Budget Information

Presenter: President Hammond  Board Consideration: Information/Action

President Hammond will be presenting the Board with information about tuition for the 2020-2021 fiscal year.

Recommendation:
The Board will need to make a decision on the tuition rate for the 2020-2021 fiscal year.
## Mid Michigan College
### General Fund Budget
#### Fiscal Years Ending 6/30/20 & 6/30/21

### Projected Billable Hours

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<th>Proposed 2021</th>
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### Projected Tuition Rate Increase

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<th>Proposed 2021</th>
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<td>$220</td>
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<tr>
<td>Intl</td>
<td>$378</td>
<td>$381</td>
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</table>

### Operating Revenue

#### Tuition & Fees
- Projected: $15,316,613
- Proposed: $15,677,618

#### Other T&F + non credit
- Projected: $837,405
- Proposed: $837,405

#### Auxiliary Services
- Projected: $1,189,239
- Proposed: $1,189,239

#### Total operating revenue
- Projected: $17,513,257
- Proposed: $17,874,262

### Non-Operating Revenue

#### State Appropriations
- Projected: $4,792,050
- Proposed: $4,792,050

#### Property Taxes
- Projected: $2,462,446
- Proposed: $2,462,446

#### Investment Income
- Projected: $100,000
- Proposed: $100,000

#### Total non-operating revenue
- Projected: $7,400,496
- Proposed: $7,400,496

### Total Revenue Before UAAL
- Projected: $24,913,753
- Proposed: $25,274,758

#### State Aid-UAAL
- Projected: $1,328,888
- Proposed: $1,328,888

#### Total Revenue
- Projected: $26,242,641
- Proposed: $26,603,646

### Operating Expenses

#### Instruction
- Projected: $9,666,607
- Proposed: $9,406,607

#### Information Tech
- Projected: $1,626,094
- Proposed: $1,626,094

#### Public Service
- Projected: $713,914
- Proposed: $713,914

#### Instructional Support
- Projected: $2,102,870
- Proposed: $2,102,870

#### Student Services
- Projected: $2,848,408
- Proposed: $2,848,408

#### Auxiliary
- Projected: $1,101,040
- Proposed: $1,101,040

#### Physical Plant
- Projected: $2,519,637
- Proposed: $2,519,637

#### MPSERS-UAAL
- Projected: $1,328,888
- Proposed: $1,328,888

#### Total Operating Expenses
- Projected: $24,724,450
- Proposed: $24,464,450

### Contingencies

#### Institutional
- Projected: $400,000
- Proposed: $250,000

#### Salary & Fringe Increases-Admin
- Projected: $184,500
- Proposed: $184,500

#### M&R
- Projected: $35,000
- Proposed: $35,000

#### Total Contingencies
- Projected: $619,500
- Proposed: $469,500

#### Total Expenses
- Projected: $26,672,838
- Proposed: $26,262,838

#### Revenues over Expenses-Before Transfers
- Projected: $1,071,913
- Proposed: $340,808

#### Net Revenues over Expenses
- Projected: $(1,639,725)
- Proposed: $(2,269,562)

### Transfers To/(From) Other Funds

#### Building & Site - Bond Debt Service
- Projected: $770,603
- Proposed: $770,603

#### Building & Site - Planned Savings
- Projected: $750,000
- Proposed: $750,000

#### Restricted Grant Match
- Projected: $200,000
- Proposed: $200,000

#### Total transfers to other funds
- Projected: $1,720,603
- Proposed: $1,720,603

#### Net Revenues over Expenses
- Projected: $(2,150,800)
- Proposed: $(629,795)

### Additional GR budget requirements:

#### New initiatives-Projects
- Projected: $714,100
- Proposed: $714,100

#### New Staffing requests
- Projected: $925,310
- Proposed: $925,310

#### Total Additional Costs
- Projected: $1,639,410
- Proposed: $1,639,410

#### Net Revenues over Expenses
- Projected: $(3,790,210)
- Proposed: $(2,269,205)

### Every $1 tuition rate increase yields

- Projected: $72,201

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C:\Users\alince\Downloads\2020-21 Budget projections-Tuition Rate Analysis-BOT (4-16-2020)  2020-21 Proj Budget Summary
## Board Comments

### Item VII-A: Calendar of Events

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 5</td>
<td>Board of Trustees Meeting, Harrison Campus</td>
</tr>
<tr>
<td>June 2</td>
<td>Board of Trustees Meeting, Harrison Campus</td>
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</tbody>
</table>

**Recommendation:**
None, informational.
Board Comments

Item VII-B: Board Comments- Other Business

Presenter: Board Chair Jacobson

Board Consideration: Information

1. Any comments may be offered by Trustees at this time.

Recommendation:
None, informational.