



North Idaho College

Dormitory Housing Commission Annual Meeting Minutes

April 20, 2022 at 2:00 p.m.

Edminster Student Union Building, Driftwood Bay Room
and by Zoom

Call to Order and Verification of Quorum

Commissioner Armon called the meeting to order at 2:00 p.m. and verified that a quorum was present.

Attendance:

Commissioner Present in person: Commissioner Armon
Commissioner Present in person: Commissioner Thomas
Commissioner Present by Zoom: Commissioner Halterman
DHC Secretary Present in person: Sarah Garcia

Action Item: Review/Approval of Minutes:

The minutes from May 11, 2021 were reviewed.

Commissioner Thomas made a motion to approve the minutes of May 11, 2021 as presented; Commissioner Armon seconded the motion; Motion passed unanimously.

NEW BUSINESS:

Action Item: Tab 1: FY2023 Annual Budget Proposal, Dormitory Housing Commission Operations

Steve McGroarty

Auxiliary Services Accountant Steve McGroarty discussed FY2023 operational areas including:
Traditional Auxiliary Services

Contracted Services

- Cardinal Bookstore
- Dining Services
- Financial Services

- Residence Hall
- Student Union Operations
- Student Wellness & Recreation Center (SWRC)

Funding Sources include:

Sales and Rentals of Goods and Services

Student Service Fee

- NIC collects fee and deposits into Student Service Fee Fund
- Full and Prorated Portion of the Semester Rate
- Cross-Pledged to DHC operations
 - SWRC Debt-Service
 - Student Union Operations
 - Building Projects and Deferred Maintenance

Auxiliary Services Mission Statement – Auxiliary Services support student success and the academic mission of the college by providing quality products, services, and facilities to students, faculty, staff, and guests of North Idaho College.

Accountant McGroarty shared North Idaho College’s Organizational Chart in recognition of staff member contributions.

At the national level, 2-year institutions fall enrollment for 3 years beginning in 2019 shows a 13.2% drop in enrollment compared to the State of Idaho that did better experiencing a 2.2% drop. As of March 20, 2022, North Idaho College’s Fall through Spring Enrollment Data for 5 years beginning in Fall of 2017 looks at both head count and FTE. FTE is the driver of our student revenue. FTE is the full-time equivalency calculated at total credit hours divided by 15. North Idaho College’s Spring Enrollment Data is broken down by type and modality including academic transfers, CTE, dual enrolled and our non-degree. Most of our students are taking face-to-face classes, next is online and then hybrid.

The student service fee of \$180 comparing the 4-year period from 2019 to 2022 shows a 15.16% decline.

The FY2023 FTE enrollment forecast is to be down by 5% from this year’s actual. This year’s actual compared to this year’s budget was off by 0.58%. We planned for a 3% decline and our actual was 3.58%.

In connection to debt-service, we are retiring the Residence Hall Student Fee Revenue Bond Series 2012 in this fiscal year. The Student Wellness and Recreation Center’s (SWRC) Student Fee Revenue Bond Series 2016 will include Principal and Interest. Previously we were interest only.

Regarding salaries and wages, the budget does include a 5% increase for our full-time benefit-eligible employees following the college's recommendation costing approximately \$28,000.

Contracted and Financial Services from FY2020 through FY2023

- Cardinal Bookstore - Contract period is October 2016 through June 2022. The plan in FY2022 was to go out for a full RFP but with the uncertainty happening on campus, we felt it was best to go with a one-year extension through June 2023.
- Dining Services
 - Contract period January 2019 through June 2023.
 - We have been changing the contract model. Last year we were under a cost-plus model where we pay our partner a percentage above their cost which differs from a P&L model where they pay us a commission and we have some expense associated with the contract. We will see shifts in the fiscal years between income and expenses.
 - We are presenting a 9.14% average increase compared to Sodexo's recommendation of 9.47% increase to the Meal Plan Rates for next year. This estimate is based on future expenses, labor, food and the Consumer Price Index.
- Financial Services - We have bid out our beverage service contract which is currently owned by Pepsi and due to expire on August 31st. We plan to award that bid within the next week and begin negotiations with the awarded contract.

NIC Dining Services - Presentation included various types of available Meal Plan options and the budgeted amounts for FY2023 and the actual amounts for FY2019 through FY2022.

- Weekly + Flex (Weekly 5 + \$900 = \$1,400) is traditionally known as a board plan, an all you care to eat plan, where our residents swipe through Monday through Friday in the evening and 2 different services on Saturday and Sunday including a brunch and a dinner. The \$900 is a retail component, and we call it flex, on the student's Cardinal Card. They can use that for breakfast and lunch in the Market, Caffeinated Cardinal and the convenience store located in the Residence Hall.
- Weekly + Flex (Weekly 7 + \$750 = \$1,625) is a plan where the student can choose 7 meals.
- Weekly/Block + Flex (Weekly 9 + \$550 = \$1,850) is a plan that covers all of their weekend and evening meals.
- All Flex plan for \$1,475.

Residence Hall: Rate Comparison - Presentation included rates for Single and Double occupancy per Semester, Single and Double occupancy per week and Single and Double occupancy rates per month for 2022-2023 compared to rates for the previous four school years. One revenue stream planning to be implemented this summer is summer housing estimated to bring in about \$10,000 in additional revenue.

Commissioner Armon mentioned we have dropped the pricing pretty substantially since 2018-2019. Is there a thought about trying to get back to that? At that point in time, that was necessary and I feel like costs have not gone down that much.

Accountant McGroarty shared that when we started the lowering process, our food rates were going up quite a bit. We were really looking at the total cost of occupancy to kind of level that out. We felt like we were about at a saturation point.

Residence Hall Pricing Comparison shows the 2022-2023 academic year between NIC and LCSC for single and double occupancy. Comparison for U of I pricing uses 2021-2022 numbers due to updated numbers having not been released at this time. Local rental rates in the Coeur d' Alene area range widely and are submitted as an additional comparison.

Secretary Garcia mentioned that the CDA Rentals are monthly rentals but asked if the numbers for the Residence Hall are for a three-month period or 18 weeks for the semester?

Accountant McGroarty shared that the Single rate of \$3,265 and the Double rate of \$2,100 are for a semester, a 17 to 18-week period.

Commissioner Armon shared he would like to see this organization pursue housing for students over and above residential housing, married housing, family housing. It is very difficult for a lot of people that want to come to NIC to find housing in CDA. We have property on the campus that we can use. Commissioner Armon would like to be able to offer some type of a housing program that we could put on campus that would be available for those people who do not want to live in a one-bedroom or two-bedroom Residence Hall. Thoughts?

Accountant McGroarty shared that we drew architectural plans about 10 years ago for another 100-bed wing but feels there is a need for the non-traditional housing style. We definitely need to have those conversations with the college and talk about appetite, funding and location.

Secretary Garcia shared that some conversations have been had at the administrative level and some casual conversations with some NIC board members about the interest of potentially pursuing some additional student housing of some sort. We will start readdressing capital plans in the fall and then perhaps we could have a joint workshop or some conversations between the NIC board and the commission to talk through what that might look like and what people would feel comfortable with.

Cost of Occupancy: Semester Cost Comparison slide shows the totals for single and double rooms with Meal Options 1 through 4 for 2022-2023 back to 2018-2019. Single occupancy, including a mandatory meal plan, ranges from \$4,665 to \$5,115 with an average increase of \$165. Double occupancy with meals range from \$3,500 to \$3,950 for 2022-2023. If we look at

the \$5,115 cost per semester for a residence and meal plan, we are now over \$10,000 bringing us to a little bit of a saturation point.

The Residence Hall: Occupancy slide shares we are forecasting 185 beds in fall and 175 in spring with a 180 average per semester putting us just over 91%. The Available Semester row is not completely accurate. We do have 191 beds in total inventory. We did not have all of that available in the previous years due to COVID. In 2021-2022 we set aside 5 beds. We had a quarantine room and we even overflowed that and sent some residents to local hotels and paid that bill. As of 4/20/2022 we have received 103 deposits which compares very favorably to 69 as of 6/2/2016.

Student Union Operations are funded by the student service fee at \$93. The difference in expenses between last year and this year include labor and a full staffing model under that operation.

Traditional Auxiliary Enterprise Services

- Contract Services in FY2023 are forecasted to break-even for the bookstore and dining services
- Residence Hall net income at \$388,000
- Student Union Operations break-even

Student Wellness & Recreation Center (SWRC)

- Student Fee Income is budgeted at a 5% decline in alignment with enrollment.
- ASNIC conducted a campus survey and found that folks were interested in longer operating hours and being open on Saturday. There are costs associated with extending operating hours and that will continue forward into 2023.
- Student Fee Revenue Bonds (Series 2016) includes Principal and Interest (previously Interest only 17-22) for a total of \$497,000.
- Income Strategy ideas to help offset costs.

Student Service Fee Fund

- Student Fee Income shows a 5% decline between FY2022 forecast and FY2022 budget.
- Expenses cover Student Union Operations and Building Projects.
- In FY2022 we purchased 600 new chairs. We saved about \$36,000 in budgeted amount to what the actual cost was.

Debt-Service Summary – SWRC Student Fee Revenue Bond Series 2016 Principal Outstanding is \$7.88 million dollars.

Fund Balance History – We are maintaining a fund balance of over \$4 million dollars. The 5-year change between FY2023 to FY2019 is just over \$66,000.

Fund Balance Recommendation – According to the Government Finance Officers Association (GFOA), the best practice for a fund balance is no less than two months of regular operating expenditures which for us is \$168,000.

Budget/Forecast for FY2023 to FY2025 – Our net income overall including student fee and debt service is positive and contributing to our fund balance.

Future projects - If they are not noted, they are not included in the FY2024 or FY2025 forecast. These are projects we would like to engage in but are not at this point safety or health issues.

- Student Union Building - 2nd floor window replacement, kitchen flooring, stair repair, lighting replacement, interior paint, rekey, air conditioning unit replacement
- Residence Hall – Furnace replacement, furniture replacement, carpet replacement, interior painting
- Dining Services – Under Market Renovation, Sodexo approached us with a 5-year extension proposal that included a renovation of the Market but we weren't ready to make a 5-year commitment due to some of the uncertainty on campus.
- Student Wellness and Recreation Center – Equipment Replacement beginning FY2024

Commissioner Armon asked Secretary Garcia when the next time the bonds are up for review by S&P?

Secretary Garcia shared we do an annual Moody's review typically in the Fall.

Commissioner Armon asked if she has any thoughts on that?

Secretary Garcia shared at our last Moody's rating update, they reaffirmed our bond rating. The institution is rated A1 and the outstanding bonds are A2 but they changed our outlook from stable to negative because of the board governance issues that we are experiencing as an institution. They have made some recommendations of what we could do to change that back to stable. Part of the recommendations are not completely in our control when it comes to board governance but we're working hard on that. Some of the other pieces they have concerns about are around enrollment and our ability to maintain our coverage ratio of 1.25%. When we refinanced the Residence Hall, we made a huge commitment from a debt service standpoint of almost \$900,000 a year. Even though we are adding back in the principal from the Recreation Center, we still have more available revenue than we did before to help that coverage ratio. If for some reason we weren't able to impact enrollment to increase the fees available, I'm required by the bond's documents to have the NIC board increase that student fee in order to make that coverage ratio. Enrollment is our trigger right now. Enrollment is the thing we can control. It would make a big difference in funds available to the DHC for debt service and maintenance of the buildings. We have some intense working sessions happening

on campus with some of the new leadership to try to come up with some good strategies on how we can pull that lever on enrollment and try to get those numbers back up.

Commissioner Armon asked to confirm that we are not doing any major expense items for maintenance or replacement this year?

Accountant McGroarty shared we've done a few things. The Residence Hall furnace was one. We redid interior cameras as well. For the Residence Hall, we are awaiting bids for interior lighting replacement. This is currently a challenging environment to attract vendors. We hope to have that in place before June 30th. There were no major expenditures for this building.

Secretary Garcia shared that the State of Idaho Division of Public Works was extremely generous with higher education this year and gave our institution specifically \$7 million dollars in deferred maintenance funding for the upcoming fiscal year. We are working through what that is going to pay for based on an outstanding list of deferred maintenance items. I have not determined yet if that includes or does not include the DHC buildings. It depends on whether they are still under a bond or not. There is a possibility that some of these projects like air conditioning units might be able to be paid for out of that deferred maintenance. That would save money for the DHC.

Accountant McGroarty shared that in the Residence Hall, we have replaced carpet and paint over a number of years. We were on a 9-year cycle. We have the opportunity to take a pause for a couple years before we bring that back up again.

Commissioner Armon moved to approve the Fiscal Year 2023 Budget for DHC; Commissioner Thomas seconded the motion; Motion passed unanimously.

GOOD OF THE ORDER/PUBLIC COMMENT:

There were no comments.

Action Item: ADJOURNMENT

Commissioner Armon moved to adjourn the meeting; Commissioner Thomas seconded motion; Motion passed. Meeting was adjourned at 2:52 p.m.