

**Beaufort County Community College Board of Trustees**  
**Public Officials Breakfast**  
**April 14, 2014**  
**Minutes**

The Beaufort County Community College Board of Trustees met with the Beaufort County Board of Commissioners Monday, April 14, in the Multi-Purpose Room of Building 10 on the Beaufort County Community College campus.

Beaufort County Community College Board of Trustees members present were Russell Smith, chairman; Cornell McGill, vice chairman, and members Rev. Robert B. Cayton, Julian Goff, Frank "Bo" Lewis, Betty Randolph, James "Cotton" Rawls, Laura Station, Mitchell St. Clair, Sr., Jack Wallace and Ashley Woolard. Absent was Cynthia Davis. Beaufort County Community College staff members present were President Barbara Tansey, Vice President of Student Services Rick Anderson, Vice President of Continuing Education Chet Jarman, Foundation Director Judy Jennette, Vice President of Research and Institutional Effectiveness Jay Sullivan, Director of Campus Operations Wesley Adams, Director of Accounting Charles Gullette and Public Relations Coordinator Betty Gray.

Beaufort County Commissioners present were Al Klemm, vice chairman, and members Robert Belcher, Ed Booth, Stan Deatherage and Hood Richardson. Absent were Chairman Jerry Langley and member Gary Brinn. Beaufort County staff members present were County Manager Randall Woodruff, Assistant County Manager and Finance Officer Jim Chrisman, Clerk to the Board Sharon C. Singleton, County Attorney William P. Mayo and Attorney David Francisco.

**CALL TO ORDER AND INVOCATION**

Chairman Smith welcomed the group to the meeting and called the BCCC Board of Trustees to order at 8:45 a.m. Vice Chairman Klemm led the Pledge of Allegiance and called the County Board of Commissioners meeting to order at 8:46 a.m. Mrs. Randolph gave the invocation and called on the group to remember Russell Smith and Assistant to the President Jennie Singleton and their families in their prayers.

**BLET DRIVING PAD UPDATE**

President Tansey presented the commissioners an update of the driver training portion of BCCC's Basic Law Enforcement Training Program and said the loss of Warren Field Airport for training has created problems for the program. She noted that since the City of Washington had terminated the use of the local airport, BCCC's BLET Program has used a site in Edenton for driver training instruction. She told the commissioners that the college was considering construction of a regional emergency training center that could be used for law enforcement, truck driving, emergency vehicle and motorcycle training. She noted that more information about that project would be presented during a presentation of the BCCC proposed budget for Fiscal year 2014-2015. She said that the

college needed to find a permanent solution to the problem or it risked losing the program.

### FINANCIAL AID STUDENT LOANS/DEFAULT RATE

Mr. Anderson gave a presentation on direct loans at BCCC and the student default rate on those loans. He said the BCCC Board of Trustees had discussed the issue at the board's spring retreat earlier this year. After much debate, the board opted to monitor the student default rate on loans and re-examine the issue in February, 2015. He noted that the issue of student default on loans is a "serious issue" nationwide and that the BCCC Board of Trustees wants to do the best thing for the college and the area it serves.

BCCC participated in the direct loan program until 2008 when the federal government did not require credit checks for students receiving loans, leading to an influx of loan requests. In February, 2008, the Board of Trustees voted to exit the program due to an overwhelming workload in the Financial Aid Office. The N.C. General Assembly enacted a law that mandated all community colleges to participate in the direct loan program beginning July 1, 2011 but subsequently enacted legislation allowing institutions to opt-out of the program. BCCC re-entered the direct loan program in the summer of 2011.

In the 2012-2013 Academic Year, BCCC's three-year student loan default rate was 0.9 percent. BCCC's draft 2013-2014 three-year default rate is 6.1 percent. Other community colleges in North Carolina have seen similar jumps in their three-year cohort default rate.

The federal government specifies sanctions for an institution with high default rates that range from loss of eligibility to participate in the direct loan program to loss of eligibility to participate in both the direct loan program and the federal Pell Grant Program. This last provision would have dire consequences for BCCC, Mr. Anderson told the commissioners.

Mr. Anderson noted that the current student loan program is "a lose-lose scenario for BCCC." He said that continuing in the program could have financial consequences for the college and the loss of access to Pell Grants for its students but opting out of the program could mean the loss of access to education for people in BCCC's service area.

Mr. Woodruff asked how the college fared when it halted participation in the student loan program in 2008. Mr. Anderson responded that some schools have had a "drastic loss" of students when they left the program while others experienced no loss of students. Mr. Klemm asked for information about other schools in the area. Mr. Anderson noted that Pitt Community College is remaining in the program.

### PRESENTATION OF PROPOSED BUDGET FISCAL YEAR 2014-2015

President Tansey began the presentation of the proposed county appropriation for BCCC for Fiscal Year 2014-2015 by telling the commissioners that thanks to faculty, staff and students, the college looks more like a business and industrial environment than previous years.

She turned the presentation over to Mr. Nelson and Mr. Gullette. Mr. Nelson drew the commissioners' attention to the budget agenda that included the following: Summary with Prior Year Requests; Current Expense Budget Request; Capital Expense Request; Future Requirements; BLET Driving Pad; Conclusions, and Questions.

He told the commissioners that BCCC is requesting \$3,180,434 in county appropriations for the 2014-2015 Fiscal Year, a 27.8 percent increase, or \$691,031 more than the previous year's budget. The majority of that increase is associated with a requested \$652,500 increase in BCCC's capital budget for the next fiscal year.

The current expense or operating, budget request for Fiscal Year 2014-2015 includes \$1,184,125 for salaries and benefits, \$183,734 for contracted services and insurance, \$561,300 for utilities, \$104,000 for supplies, \$175,000 for repairs to facilities and \$62,775 for miscellaneous expenses. The 3.21 percent increase in salaries and benefits includes a projected one percent overall salary increase from the previous year. The increase salary costs also include a new part-time position for a safety coordinator and a new special separation allowance of \$14,306 for a retired law enforcement member. The 3.64 percent increase in supplies is due primarily to higher costs and the 34.62 percent increase in repairs represents the higher costs associated with keeping the college's facilities in working order. These increases are offset by reductions in costs for contracted services and insurance and lower utilities costs resulting in an increase in the current expense budget request of 1.73 percent, Mr. Nelson said.

Mr. Nelson turned the commissioners' attention to BCCC's capital expense, or construction, budget request. He noted that the budget requests divide proposed capital projects into two categories – minor maintenance items totaling \$145,000 and major capital improvement projects totaling \$670,000 – for a total of \$909,500, an increase of \$652,500 or 253.89 percent over the 2013-2014 Fiscal Year request.

He said the capital budget request includes \$49,500 for four new vehicles – two for the BLET Program, one for the Maintenance Department and one for the BCCC vehicle pool.

The minor capital expense budget request includes \$10,000 to modify the heating system in Building 3; \$30,000 for HVAC controls in Buildings 4, 5, 8, 9, 10B and 11; \$30,000 for miscellaneous HVAC replacements; \$10,000 for upgrades to the lighting in Building 4; \$40,000 for paving repairs; \$10,000 for classroom upgrades and \$15,000 to remove the old house on BCCC property.

Mr. Nelson also presented a report on the original construction years of campus buildings with the oldest building dating to 1971 and the newest building completed in 2012.

The major capital expense budget includes \$90,000 to replace the northern end of the soffit in Building 5; \$120,000 for the silicone coating for Buildings 9 and 5; \$250,000 for an upgrade of the HVAC system in Building 1; \$25,000 for electronic exterior door locks; \$35,000 for an exterior emergency notification system, and \$150,000 to pave the overflow parking lot beside Building 12. Mr. Nelson presented photographs describing each of these projects.

Mr. Nelson turned the commissioners' attention to a chart of future campus infrastructure needs. These include street crossing for handicapped students; replacing older HVAC systems; street and parking lot paving; voice over internet protocol; replacing the roof of Building 2; replacing the roofs of Buildings 5 and 9 and a 20-year roof replacement plan. He noted that the costs of replacing the college's roofs between 2014 and 2024 total \$2,178,963 and from 2024 to 2033, \$2,258,127. He asked the commissioners to set assign a fund of \$100,000 to \$200,000 each year to cover the costs of replacing these roofs in order to lessen the tax burden on the county's residents.

Mr. Nelson also presented information regarding the BCCC driving pad proposal. He noted that due to FAA regulations, BCCC lost the ability to use the Warren Field Airport in Washington for BLET driver training. Short-range plans have required the college to seek a suitable range that will pass the state training and standards criteria. BCCC's long-range plans include the construction of an Emergency Training Complex with a driving pad as the first priority, he said. The total cost estimate of the project is \$5,829,068, of this \$2,484,367 includes a driving pad and wetlands system and \$224,534 includes site infrastructure and water and sewer, a portion of which would need to be completed at the same time as the driving pad.

Mr. Richardson asked whether it was federal regulations denying the use of the airport or the City of Washington. He also asked for a summary of BCCC's entire budget including the source of its funds. Mr. Smith responded that the college was told that the installation of the new solar panels at the airport precluded the use of the space by the college and told the commissioners that the college is "open to anything you can do" to help alleviate the situation. Dr. Tansey said the emergency training complex, when built, would be a regional facility that would be used by other community colleges and those colleges would reimburse BCCC for its use.

Mr. Belcher said there was some discussion at a recent county commissioner meeting in Raleigh about the responsibilities of counties to pay for construction costs as colleges that serve students from more than one county. He noted BCCC's four-county service area and compared that to Orange County being required to pay the construction costs at the University of North Carolina at Chapel Hill because the college is located in that county. "We need some relief because we're paying the freight," he said.

Following the budget discussion, Chairman Smith thanked the commissioners for their attendance at the meeting. "Things are good at BCCC," he said. "But just like me, our campus and facilities are showing their age. I can put on a new suit and improve outside appearance, but the inside needs a little more expertise. That's how it is with some of our buildings." He also noted that the term of Cynthia Davis, who was appointed by the commissioners, is going to expire this year and encouraged the commissioners to re-appoint Mrs. Davis to the board. "Cynthia has served as board chair as well as chairman of many of our committees. She has the knowledge and experience we need and I hope you will reappoint her."

There being no additional business before the two boards, the meeting was adjourned.

Russell H. Smith

Russell Smith  
Chairman

Barbara Tansey

Barbara Tansey, Ph.D.  
President