

OFFICIAL PROCEEDINGS OF THE ALPENA COMMUNITY COLLEGE
BOARD OF TRUSTEES

April 20, 2006

The regular meeting of the Alpena Community College Board of Trustees was held on the above date in the Roger C. Bauer Board Room, Room 400 of the Charles R. Donnelly Natural Resources Center on the campus of Alpena Community College.

Chairman Briggs called the meeting to order at 7:55 p.m.

Present: Briggs, Gentry, Grenkowicz, Stibitz, Townsend and Wegmeyer

Absent: Ferguson

Pledge of Allegiance

Chairman Briggs led the Board in the Pledge of Allegiance.

Approval of Agenda

Moved by Member Townsend that the agenda be amended to include a New Business item *2.312 Utility Easements* and an information item *3.424 Lobbyist Report*.

Ayes: Briggs, Gentry, Grenkowicz, Stibitz, Townsend and Wegmeyer

Motion carried. All ayes.

Approval of Minutes of the March 16, 2006, Regular Board Meeting

The March 16, 2006, Regular Board proceedings were approved as presented.

Introduction of Guests and Public Comment

Deb Klemens, ACC; Joan Misiak, ACC; Sue Willyard, ACC; Sharon Cole, True North Radio; Roy Smith, ACC; Tim Kuehnlein, ACC; Matt Dunkel, ACC; Mac White, ACC; Grace Schmitz, ACC; Phil Bilyeu, ACC; Mary Jane Thomson, ACC; Mike E. Kelley, ACC; Karol Walchak, ACC; Bartholomew R. Drake, ACC; Scott Mikkelson, ACC; Andrew White, ACC; Jennifer DiDennato, WBKB-TV; Robert Kennedy, Kheder Davis & Associates; Tom Bennett, DeVere Construction; Sue Weathers, ACC; Melissa VanWagoner, ACC; Paul Dickinson, Integrated Architecture; Mike Markowski, WATZ; Kerrie Miller, ACC; and Jason Witz, Alpena News.

Strategic Planning and Budgeting Committee member Joan Misiak told the Board that the SPBC membership have done a great deal of work on the new budget, and as a result,

have considerable financial knowledge about the institution. This intimate knowledge of the how the budget is generated is usually not something the Board would understand without having been a member of the committee. She agreed to provide materials that may be useful to the Board in this regard.

President Joynton thanked Mrs. Misiak for her comments.

Communication(s)

President Joynton had no communications to share with the Board.

Board Member and Subcommittee Report(s)

Harrisville Institute - Tim Kuehnlein, member of the committee for the Divesting of the Harrisville Institute, informed the Board that he had been notified that a proposal letter from the attorney for the current Harrisville Board of Advisors is currently in route to ACC attorney Karen Bennett. Another meeting of this subcommittee will be scheduled to discuss the communication when it arrives. President Joynton indicated he had received a correspondence from appraiser Paul Sabourin on a recent appraisal of the property and will send it to all Trustees for review and information.

MCCA Meeting – Trustee Stibitz reported on a recently held meeting of the Michigan Community Collage Association at Jackson Community College. She indicated that four finalists for President of the Association had been interviewed and each College had a vote in the selection at that meeting. She reported that as a result of this vote, Senate Fiscal Agent Mike Hansen had been chosen to replace outgoing MCCA President Tom Bernthal.

President's Evaluation Committee – Trustee Stibitz reported that Trustee Gentry would email the President's evaluation form to Trustees next week, and she would distribute the President's self-evaluation to each Trustee within the same timeframe. Mrs. Stibitz indicated agreement upon a President's evaluation document would be completed by May 1, 2006, and the Trustee evaluation documents would be due by the next regular meeting of the Board.

Property Subcommittee – Trustee Townsend reviewed for the Board the New Business item 2.312 *Utility Easements* to be acted upon later in the agenda. College architect Paul Dickinson, of Integrated Architecture and Project Manager Tom Bennett of DeVere Construction spoke to the Board regarding Pathways construction and the recent joint work of the Property Subcommittee, Integrated Architecture and DeVere Construction to develop a revised budget for Board approval. The suggestion was made to work the project on the "cafeteria plan," after taking bids, the College could "shop" according to the budget and needs of the project. It was also suggested that a letter be written to the State requesting permission to spend bond monies the College already has to cover start-up costs related to Pathways in order to begin work on the project as soon as possible. It was agreed that the project could be in excess of \$4.1 million dollars, and Dick

Sutherland would determine the maximum amount the budget could reflect. Therefore, the following *2.313 Budget for Pathways* resolution was proposed:

Moved by Member Townsend that a letter be written as soon as possible addressed to Lisa Shoemaker, Capital Outlay, State of Michigan, identifying a maximum budget amount for the Pathways project as determined by Vice President Richard Sutherland.

Ayes: Briggs, Gentry, Grenkowicz, Stibitz, Townsend and Wegmeyer

Motion carried. All ayes.

Faculty Report

English/French instructor Dr. Karol Walchak and several of her French class students reported on plans to spend 14 days in France beginning July 15, 2006. Dr. Walchak reviewed plans for the trip and indicated there is a need to raise additional funds in excess of \$12,000+ already raised to cover the cost of the trip. She indicated the cost for each student is \$2,500, and she asked the Board for funding ideas. Dr. Walchak indicated a French dinner had been planned as a fundraiser for the trip and other fundraisers would be held if needed. Dr. Walchak indicated the group will write grants to various organizations for funding. Member Grenkowicz suggested contacting the Midwest Institute – International Partnerships for funding opportunities and would provide Dr. Walchak with contact information.

The Board gave their blessings to the group for the trip and wished them success in raising the needed funds.

Student Report

Student Senate Vice President Phil Bilyeu updated the Board on the activities of the Senate and reported upcoming activities including laser tag, a local band concert, and a public communication project. Mr. Bilyeu reported that Student Senate advisor Tim Kuehnlein would be leaving and another advisor would be appointed. Mr. Bilyeu also asked the Board to consider proposing, during upcoming faculty negotiations, that every section of instruction be subject to student evaluation and that the instructional dean be given a copy of those evaluations.

President's Report

The President's Report follows as it was presented.

1. Fiber Communications Event

On March 24, under the auspices of the Alpena Regional Fiber Communications Consortium, and sponsored by Merit Network, Inc., the College hosted the High Performance Networking event. Merit is a non-profit corporation based in Ann Arbor

with a statewide network that brings Internet service to ACC and many other institutions. The purpose of the High Performance Networking event was to demonstrate capabilities of the recently-acquired Internet2 service to Fiber Consortium partners. The three demonstrations were

- Use of interactive video for courtroom proceedings. The audience viewed a court official in Washtenaw County conduct a live mock video arraignment, civil commitment hearing, and adoption release.
- Techniques for handling laboratory mice. A CMU animal lab director gave instruction on handling techniques; Deb Hautau, Teresa Howes, and one of our own ACC mice were present to follow the instructions given by the CMU director.
- Remotely Operated Vehicle (ROV) from Monterey National Marine Sanctuary. This event was intended to be live, but technical problems in California caused the Sanctuary there to transmit a previously-taped underwater show instead.

The Granum Theater was well-populated for the event with representation from Alpena Public Schools, Thunder Bay Marine Sanctuary, Alpena Regional Medical Center, Alpena County Library, Alpena County Board of Commissioners, vendors whose services and equipment support the Merit network, and our own faculty and staff.

2. Trend to Watch

One of the most interesting things I learned about in Chicago at the Higher Learning Commission annual meeting is a movement to replace the six regional accreditation agencies (including the curiously-named North Central Association, whose territory includes Arizona) with a national accreditation body. I read about the movement in a paper released by Charles Miller, chairman of the Secretary of Education's Commission on the Future of Higher Education, and the topic is covered by an article in this week's issue of the *Chronicle of Higher Education*.

The paper points out that because the six agencies were started by, and are paid for and maintained by the institutions that they accredit, there is an "unmistakable conclusion that institutional purposes, rather than public purposes, predominate." The low number of public members on the agencies' boards supports this conclusion; among the NCA's 17 board members, only three are from the public. This coziness, in turn, leads to the following problems:

- America's reputation for quality higher education is slipping. The six agencies are focused on meeting minimal standards, which results in a system causing very few institutions to lose accreditation. Also, the usual ten-year period for re-affirmation of accreditation is too long for a rapidly-changing world.

- The six agencies have repeatedly resisted sharing information on how institutions do, or do not, meet accreditation standards. This creates a market for alternative approaches to rating institutions, like the one published by *US News and World Report*.
- Technology has rendered “quaint” and “obsolete” the jurisdictional boundaries set out by the six agencies and the inconsistent variations of accreditation standards that they promulgate. (If the world is flat, the US is even flatter.)
- There is an over-reliance on volunteers in the accreditation process.

The alternative proposed in the paper is for Congress to create The National Accreditation Foundation, funded by public and private sources, and empowered to make the accreditation process more rigorous, transparent, and professional. The reaction from heads of the six regional agencies, including Steven Crow, executive director of the NCA, has been predictably swift and negative. Mr. Miller has clarified that the Spellings Commission has not endorsed this alternative, but it’s clearly under discussion.

I agree with the criticisms of the current six-agency system. Some of the issues can be addressed by ACC’s moving to a continuous quality improvement model with annual reporting (AQIP) after one more round of the ten-year traditional model (PEAQ) – but by no means all.

3. Activity in Lansing April 18

I was in Lansing on April 18 for two purposes.

- Paul Dickinson and I met with Lisa Shoemaker of the Department of Management and Budget to explore options for additional capital outlay dollars for the Pathways projects. The Property Subcommittee, College staff, and I learned on April 14 that after a commendable effort by Integrated Architecture and DeVere Construction, to adjust designs and budgets, there is a \$665,000-775,000 gap between our aspirations and the authorized resources to make them real. Paul and I approached Ms. Shoemaker with the idea of making the difference the subject of a Phase II request to the Joint Capital Outlay Subcommittee for a 50% match to bridge the gap. She told us that this was not an option.
- I was among a group of other presidents who testified before the House Appropriations Subcommittee on Community Colleges. The advice from MCCA President Tom Bernthal was focus on demands for ACC services and financial challenges in meeting the demands. My notes are attached at the end of this report.

4. Strategic Planning and Budgeting

The current status of the FY07 strategic planning and budgeting process, including my recommendations is shown as an attachment. A combination of new initiatives and restoration of cuts made to the current fiscal year amounts to a total of \$234,750 new revenue to be generated.

Also included is the most current three-year projection, showing a \$29,321 deficit. The most important assumptions of this projection include:

- Level enrollment
- Increase of tuition by \$2 for in-district students, \$3 for out-of-district, and \$4 for out of state. This represents a 2.7% increase.
- Inclusion of \$100,000 for NCA accreditation activities

My recommendations are preliminary at the time. College staff and I will be working over the next month to refine them and bring a budget to the Board for first reading in May.

5. Tuition Rate Information

I anticipate requesting the Board in May to increase tuition more than indicated in the assumption for the three-year projection mentioned above. To that end, I have ordered that tuition for students enrolling for the upcoming fall semester be increased by \$4 for in-district students, \$6 for out-of-district, and \$8 for out of state. This will add approximately \$100,000 of revenue under the assumption of level enrollment. The attached tuition increase projection shows that ACC would move from sixth to third place in tuition rankings if the Board were to approve such an increase.

Tuition paid by students will be adjusted in accordance with action taken by the Board.

6. Service Provider Reports

During the January retreat it was agreed that every other year the Board and College would follow a plan of evaluating services and costs from the architect, attorney, auditor, and lobbyist. I have requested and received reports on services from the four providers during calendar year 2005, and Vice President Sutherland has prepared financial data to supplement the descriptions of services. The attached summary provides an overview, with detailed information behind it.

My proposal is that the Board appoint a member to work with me to review the information and make recommendations regarding the future status of these appointments:

7. Datatel Implementation Report

- Fall 2006 Class Schedule is loaded on Datatel.

- Registration for Fall 2006 using Datatel started April 10.
- Students, faculty, and community members can search for Fall 2006 course sections via the Internet using ACC's Web Advisor. A user can search for sections by start date, end date, subject, course level, course number, section, meeting times and days, course title/keyword, location, academic level, and instructor last name. The search for sections feature allows users to view available seats for each section.
- ACC's new online Application for Admission was activated April 5th. As of April 19th, 26 new applicants have been received through the new online Application. The new Application for Admission is more tightly integrated with Datatel and will save the college approximately \$4000 per year.
- The Human Resources department participated in a live simulation with the Datatel Human Resources component on April 10-12.

Alpena Community College
Olin Joynton, President
Testimony for House Appropriations Subcommittee on Community Colleges
April 18, 2006

General Background

- Significant decline in state appropriations from \$5,415,977 in FY02 to \$4,853,400 in FY06 (currently 42% of general fund revenue)
- Modest increase in local tax revenue from \$1,951,123 in FY02 to \$2,208,896 in FY06 (currently 20% of general fund revenue)
- Significant increase in tuition revenue from \$3,194,041 in FY02 to \$4,611,601 in FY06 (currently 34% of general fund revenue)
- Less than 6% general fund reserve (second lowest in state)
- Layoffs of educational support personnel, cuts in library acquisitions and staff development, administrative salary freeze for \$892,000 of savings enacted to balance \$11,166,029 general fund budget for current year
- Stability of proportion of general fund expenditures going to wages (55%) but rapid increase in proportion going to fringe benefits (from 18% in FY99 to projected 26% in FY07)
- Significant one-year increase of 37% in utilities costs during FY06 (from \$391,082 to \$536,075)

Summary: Significant reduction of state aid causes a) shift of costs to students and local property owners and b) diminishment of programs and services essential to achieving educational mission. In spite of challenges, ACC recently posted the second-highest community college graduation rate in the state (39% graduated within 150% of prescribed time for degree/certificate). This demonstrates the college's resolve to do more with less by operating in an ever-leaner manner.

New FY07 Initiatives to Restore Vital Services and Move College Forward

Demand for Services Identified in FY07 Budgeting Process	Financial Challenges to Meet Demand	Ways of Meeting Demand
Advertising and admissions office restructure to recruit more students	\$50,000	All of these new initiatives will have to be funded through a combination of anticipated 1.8% increase in state aid and tuition increases. Regarding tuition, ACC is currently 6 th in the state at \$72/contact hour (in-district). The college anticipates in increase of at least 5.5% to
New full-time faculty member in high-growth Oscoda satellite center	\$75,000	
Develop new physical therapy assistant program in collaboration with two other community colleges	\$26,000	
Restore laid-off computer	\$45,000	

technician		\$76/contact hour, representing a median of percentage increases among community colleges. That move, however, would place ACC 3 rd in the state in a region where family income, educational attainment, and employment rates regularly fall well below levels for other regions of the state.
Increase Oscoda center administrator from half-time to three-quarter	\$14,000	
Other – support for regional economic development, annual employer survey, student engagement survey, restoration of funds for library acquisitions	\$30,000	
Total	\$240,000	

ACC Service Provider Summary for Calendar Year 2005

Services	Cost
<p>Architect</p> <ul style="list-style-type: none"> • Formulated & articulated vision for five-year master plan • Gave leadership to regional economic development relevant to college • Coordinated master plan with work on PUD, economic development, Michigan Department of Management and Budget, and Joint Capital Outlay Subcommittee • Assisted with planning and communication regarding future of TB Recreational Center • Worked with City and County to foster vision for moving the Alpena Fairgrounds to Woodward Avenue, which will benefit ACC • Promoted concept of bringing permanent site of four-year university to ACC property • Developed Pathways projects with College Board, staff, and DeVere 	<p>(claim of majority of historical work done <i>pro bono</i>)</p> <p>\$83,844</p>
<p>Attorney @\$195/hr, tenths of an hour, core client preferences</p> <ul style="list-style-type: none"> • Personnel (resignations, disciplinary actions) • Property (Alpena Village, Huron Humane Society, Alpena Snowmobile Association, Harrisville Institute, Besser reverters) • Grievances (from Faculty Council – SSS Counselor, claim of fraud, full-time social science instructor position) • Litigation (from Faculty Council – breach of contract) • General (open meetings, freedom of information, interpretation of policy or procedure) • Outside counsel @\$230/hr (for Faculty Council grievances and litigation) 	<p>Subtotals</p> <p>\$2,336</p> <p>\$8,653</p> <p>\$11,047</p> <p>\$1,375</p> <p>\$3,282</p> <p>\$5,265</p> <p>(claim of <i>pro bono</i> work valued at \$6,384 done in 2005)</p>

		\$31,958
Auditor		
<ul style="list-style-type: none"> • Audit of ACC financial statements • Management letter • Compliance audit federal financial assistance • Audit of ACC Foundation financial statements • Audit of Michigan Economic Development Corporation training grants • Consulting and management assistance 		\$27,340
Lobbyist		
<ul style="list-style-type: none"> • Liaison with legislature and state offices/agencies, advice for president and Board chair on positions to take and how to communicate them • Monitoring of legislative committee and floor activities, timely reports with interpretation and analysis to president • Aggressive approach to securing of capital outlay funding for Pathways, advice on capital outlay for five-year master plan • Contribution plan for president • Office services for president while in Lansing 		\$20,800

Action Items

2.309 MCACA Grant Application

Moved by Member Stibitz that the Board of Trustees approve the filing of an application for funding a portion of the ACC FY07 Spotlight Series in an amount of approximately \$6,800 with the Michigan Council for the Arts and Cultural Affairs and authorize appropriate College officials to execute all appropriate materials in such filing.

Ayes: Briggs, Gentry, Grenkowicz, Stibitz, Townsend and Wegmeyer

Motion carried. All ayes.

2.310 Tentative Operating Millage Levy and Public Hearing FY04

Moved by Member Townsend that the Board of Trustees conduct a public hearing on May 4, 2006, at 5:00 p.m., in Room 400 of the Charles R. Donnelly Natural Resources Center for the purpose of receiving comments and discussing the use of College tax revenue for programs and services supported by its legally mandated 2.5 mill levy. Further, that the Secretary of the Board of Trustees is hereby authorized and directed to publish notice of such public hearing in a newspaper of general circulation within the College district.

Ayes: Briggs, Gentry, Grenkowicz, Stibitz, Townsend and Wegmeyer

Motion carried. All ayes.

2.311 Appointment of MCCA Representative, FY07

Moved by Member Townsend that the Board of Trustees appoint Florence Stibitz as delegate and Dr. Judith Grenkowicz as alternate to the Board of Directors of MCCA.

Ayes: Briggs, Gentry, Grenkowicz, Stibitz, Townsend and Wegmeyer

Motion Carried. All ayes.

3.421 Quarterly Financial Report

Vice President Richard Sutherland distributed a consolidated statement of financial position for the quarter ending March 31, 2006, and reviewed the numbers with the Board. Mr. Sutherland reviewed property tax revenue, tuition and fees, state aid, and he commented regarding the additional funds required to pay two instructors who are substituting for two ill full-time instructors. Mr. Sutherland also reviewed the continuing negative effect of contractual obligations on available College dollars.

3.422 Personnel Report

The personnel report showed two additions, one resignation and no retirements or other.

3.423 Gifts and Grants Report

The gifts and grants report showed total donors of 27 and total gifts and pledges of \$12,665.00.

3.424 Lobbyist Report

President Joynton told the Board the agenda neglected to reflect a report from the College lobbying firm, and he indicated College lobbyist Robert Kennedy was present to report on current lobbying efforts on behalf of the College.

Me. Kennedy from the firm of Kheder Davis & Associates reviewed legislative information associated with community colleges, as well as an MCCA originally supported and rescinded issue. Mr. Kennedy indicated the Governor had made a recommendation for capital outlay projects; however ACC was excluded due to receiving one last year. He also reported the Governor had signed a revised high school curriculum standard. Mr. Kennedy spoke about dual enrollment dollars and indicated community colleges may consider dual enrollment students in their headcount figures. Mr. Kennedy

indicated that U.S. Senator Debbie Stabenow would be running for reelection this fall and the College should soon be receiving notices of the Senator's fundraising activities.

Mr. Kennedy indicated he was available to come to Alpena or by telephone at the Board's request.

New Business

2.312 Utility Easements

Moved by Member Wegmeyer that the Alpena Community College Board of Trustees authorizes the President to communicate with City of Alpena Engineer Rich Sullenger that the College selects to resolve the easement issue by providing the City with two separate 20-foot easements following the actual paths of the utility mains described in his letter of March 30, 2006.

Ayes: Briggs, Gentry, Grenkowicz, Stibitz, Townsend and Wegmeyer

Motion carried. All ayes.

Suggested Future Agenda Items

Member Gentry asked that the Board decide upon attendance at the MCCA Summer Institute very soon as his calendar was filling up quickly. President Joynton agreed to contact President Phelan for an update on summer retreat agenda items and inform the Board of his findings. The Board will make a decision regarding attendance at their next regular meeting in May.

Next Meetings:

May 4, 2006, Tax Hearing, 5:00 p.m.

May 4, 2006, Budget Workshop at 5:15 p.m.

May 18, 2006, Marketing Plan Workshop 6:00 p.m.

May 18, 2006 Regular Meeting, 7:00 p.m.

Adjournment

The meeting was adjourned at 9:55 p.m.

Respectfully submitted,

Elizabeth L. Spragg
Secretary of the Board of Trustees