

ALPENA COMMUNITY COLLEGE
BOARD OF TRUSTEES

BUDGET WORKSHOP & REGULAR MEETING

Thursday, May 15, 2008

7:00 p.m.

665 Johnson Street

Alpena, MI 49707

NOTICE DATE: May 2, 2008

The Alpena Community College Board of Trustees will convene its regular May meeting on Thursday, May 15, 2008, with a budget workshop session at 6 p.m., in the Roger C. Bauer Board Room, 400 Charles R. Donnelly Natural Resources Center, 665 Johnson Street, on the College campus. Regular agenda items will be considered at 7 p.m.

Penny Boldrey
Acting Secretary of the Board of Trustees

REGULAR MEETING
ALPENA COMMUNITY COLLEGE BOARD OF TRUSTEES
May 15, 2008
7:00 p.m. Regular Meeting
Roger C. Bauer Board Room
400 Charles R. Donnelly Natural Resources Center
665 Johnson Street, Alpena, Michigan 49707-1495

Volume XXV

AGENDA

- 1) Call to Order
- 2) Pledge of Allegiance
- 3) Approval of Agenda
- 4) Approval of April 17, 2008 Regular Meeting Proceedings
- 5) Introduction of Guests and Public Comment
- 6) Communication(s)
- 7) Board Member and Subcommittee Report(s)
- 8) Faculty Report
- 9) Student Report
- 10) President's Report
- 11) Action Items
 - 2.414 Finalize Millage Levy
 - 2.415 First Reading: FY09 Budget
 - 2.416 FY09 Tuition Increase
 - 2.417 Resolution of Appreciation
- 12) Information Items
 - 3.599 Financial Report

3.560 Personnel Report

3.561 Gifts and Grants Report

- 13) New Business
- 14) Suggested Future Agenda Items
- 15) Next Regular Meeting: June 19, 2008
- 16) Adjournment

2.414 Finalize Millage Levy

The Board of Trustees is authorized to levy a millage rate of 2.5000 mills. However, as a result of prior legislative actions, certain limitations have been placed upon a local district's capacity to levy the full rate voted by the electorate. These limitations address the issue of assessed valuations and the resultant process for computing these valuations for taxing purposes. As a result, it still has not been determined by local government officials what the valuations for taxing purposes will be for FY09, and therefore, what the actual millage rate assessed by the College will be for the coming years.

These circumstances were discussed at a public hearing held on Thursday, May 8, 2008, at 5:00 p.m., in the Roger C. Bauer Board Room, Room 400 of the Charles R. Donnelly Natural Resources Center. Based upon this knowledge and these activities,

The following resolution is proposed:

That the Board of Trustees approves a maximum rate of XXXX for the period 2008-2009 subject to any appropriate reduction fraction provided to College officials from local equalization authorities. Such established levy is to be applied to all property located within the College's taxing district and appropriate officials so notified.

2.358 Second Reading: Revised Board Bylaws

At the regular April meeting the Board on first reading adopted the revised Board of Trustees Bylaws as follows:

- I. NAME – At the regular October 21, 1999, Board meeting, the Board changed the name of the College from “the Community College District of the Alpena Public Schools” to the “Alpena Community College.” The Bylaws have been updated to reflect that change.

- IV.3 DUTIES OF THE ASSISTANT SECRETARY – Upon the retirement of the assistant secretary on July 1, 2005, appropriate administrators determined that position was no longer necessary. Therefore, it is recommended this position be dropped from the list of Board offices.

- IV.4 DUTIES OF THE TREASURER – At its regular April 21, 2005, meeting, the Board appointed the Treasurer as the auditor of the President’s credit cards. The Bylaws have been updated to reflect that change.

Therefore,

The following resolution is proposed:

That the Board of Trustees approves on second reading the revised Bylaws of the Board of Trustees of Alpena Community College.

2.359 Personnel Actions: Faculty

Language in the faculty contract pertaining to the probationary status of new staff (Section VI-G-6a) requires action by the Board of Trustees to change or continue the probationary status of a faculty member beyond the first year of service to the College.

Ms. Heather Pines (English) joined the faculty of Alpena Community College in the fall of 2006 and has completed her first full year of teaching at the College and is eligible for contract consideration under Section VI-G-6a. Following the appropriate review process it is recommended that she receive a continuing contract.

In summary, Ms. Pines is clearly an outstanding individual who is making significant contributions to the success of the institution. Therefore,

The following resolution is proposed:

That the Board of Trustees congratulates Ms. Heather Pines for a job well done in her work at the College and approves continued employment in a non-probationary status.

2.360 **First Reading: FY08 Budget**

General Operating Fund, 2007-2008

The General Operating Fund provides those resources necessary to carry out the day-to-day activities of the College. The 2006-2007 year will require close monitoring of the budget throughout the entire year. The College will focus on accomplishing the following objectives:

- 1) Provide an adequate schedule of course offerings to serve a projected annualized enrollment of approximately 2,600 enrollees (1,220 F.T.E.)
- 2) Continued the assessment process of assuring the delivery of quality instruction and student services programs.
- 3) Continue refinement of selected career programs to assure that the offerings are attuned to modern technology and graduates are job ready.
- 4) Provide more defined and focused attention to recruitment and admission and retention activities in all areas through the enrollment management initiative.
- 5) Further refine services to be delivered by the Huron Shores Campus that will meet the needs of Iosco County.
- 6) Further implement personnel realignments to continue to improve the effectiveness of the capacity to deliver education services.
- 7) Continue to work on the Action Plan as defined through the North Central Accreditation process.
- 8) Continue developing the College's strategic plan.
- 9) Continue updating the Campus Master Plan while considering the future use of the College's full 700 acres.

The various objectives specified have been identified with input from the Strategic Planning and Budgeting Committee and will be achieved through the proposed financial plan for the General Operating Fund for 2007-2008. Therefore,

The following resolution is proposed:

That the Board of Trustees accepts the proposed budget as a first reading and continue communication with the President until final adoption of the FY08 budget in the June regular meeting of the Board.

Designated Fund, 2007-2008

The Designated Fund encompasses a variety of funds that service the non-curricular activities of students, staff and faculty. Specifically, this fund supports activities in seven categories:

- Athletics/Student Activities
- Professional and Contract Services
- Madeline Briggs University Center
- Technology
- World Center for Concrete Technology
- Special Events/A.L.L./Staff Development
- Community Education

Athletics/Student Activities

All co-curricular activities of the institution are supported from this budget, which derives its revenue primarily from a student services fee that the student pays upon enrolling in classes at the College. The budget provides support for a broad range of student needs, including the student newspaper, student activities, athletics, intramurals, and the Wellness Center.

Professional and Contract Services (CS)

The PCS is charged with carrying out a varied array of contracted services for area business and industry. It is projected that for 2006-2007 service will be delivered to approximately 300 individuals and an estimated 10 firms throughout Northeast Michigan. The total budget for these activities is \$37,031.

Madeline Briggs University Center

In order to provide additional educational opportunities for our graduates who wish to stay close to home, partnerships were established with four-year institutions to offer classes on campus. This year's budget is \$44,000.

Technology

This fund is for the acquisition of new or updated technology. This fund will be instrumental in acquisition and installation of the Datatel (Colleague) student database system. A budget of \$172,000 has been established with approximately \$78,000 earmarked for rotation

World Center for Concrete Technology

A fund to provide support activities and operations necessary for the World Center for Concrete Technology continues this year with a budget of \$499,600. It should

be noted that this activity is supported through sales of services, user fees, and other non-taxable revenues.

Special Events/A.L.L./Staff Development

Each year the College supports a wide range of activities that enhance the capacity of our staff to be more productive and valuable employees. In addition, a number of special events are sponsored to assist the College in better communicating its leadership role to the service area (e.g. Science Olympiad, counselor workshops, A.L.L., etc.) A budget of \$36,050 is projected for these important activities.

Community Education

An aggressive approach to community education in a short course format began this past year. In its first full year, the College estimates \$17,300 in revenues with \$10,000 going to support the Volunteer Center that directs its activities.

Auxiliary Enterprises Fund, 2007-2008

The Auxiliary Enterprises Fund consists of those activities that directly generate revenue to accomplish their objectives. The following six areas constitute “enterprises” within the fund:

- College Bookstore
- Food Service
- Auto Service, Auto Body, and Telecommunications Services
- Performing and Fine Arts
- Transportation
- Housing

College Bookstore

The Bookstore continues to contribute a positive margin while providing a high level of service to the College community. The Bookstore projects a net operating surplus of \$51,003 to be transferred to other funds.

Food Service

The College has contracted with Fremont Catering of Alpena, Michigan, for operation of the cafeteria. A management fee of \$10,000 per year is budgeted out of the vending proceeds.

Auto Service, Auto Body, and Telecommunications Services

The College operates various special services keyed to individual instructional areas to improve the economic viability and quality of life throughout Northeast Michigan. \$65,889 in services are to be delivered in FY08.

Performing and Fine Arts

The additions of Park Arena and Granum Theatre have enhanced the ability of the College to provide cultural activities for both its student body and the community. These activities are designed to be self-funded and provide a budget of \$24,200 for 2007-2008.

Transportation

Transportation covers all College functions related to the use of College-owned vehicles and is paid for through interdepartmental transfers. The revenue budget for 2006-2007 activities is estimated at \$7,000. A reserve of \$4,000 is projected for future replacement of vehicles.

Housing

The College has available 16 units of affordable housing for 64 students provided through a private developer. The College has completed its final year of financial support for the summer housing program. It is anticipated that ground lease revenues for the coming year will total \$1,500.

Restricted Fund, 2007-2008

Various external grants from both private (e.g., foundations) and public (e.g., state and federal) sources support several activities of the College that are critical to providing quality educational experiences for our students. Fifteen primary areas are directly affected by these grants and individual budgets are provided for each. In certain cases, funding has been in place for several years (e.g., TRIO projects); in other areas, regulations are changing and competition is increasing (e.g., private and governmental contract training) such as the CBJT grant, and in selected areas, new territories are being successfully explored to provide external support for important College objectives (e.g., Christmas Wish). It should be noted that funding for various student aid programs (e.g., Pell, SEOG, etc.) is also classified in the Restricted Fund.

It should further be noted that given the “reduced” level of “hard” money for FY2008, it would be critical to the achievement of College objectives that these external “soft” monies be obtained during the coming year. Based on this discussion, therefore,

Capital Equipment/Building Maintenance Fund, 2007-2008

The Capital Equipment/Building Maintenance Fund provides the financial resources necessary to undertake those critical projects included in the planning process for the College to preserve and enhance its capital assets. The past five years have seen an extensive amount of work accomplished in this area with well over 100 individual projects completed. A major portion of institutional equipment will be purchased through the fund rather than the General Operating Fund of the College, and these purchases will be institution-wide. Additionally, the Board-authorized facility fee is received in this fund to support long-term capital needs of the institution. Therefore,

Plant Fund, 2007-2008

The Plant Fund is the depository for various state/local grants that are directed toward the construction of capital projects. The Pathways to the Future project will be supported by this fund. The budget is prepared based on an estimated completion of the project in September 2007. As the project proceeds through the capital outlay process at the state, the budget will be adjusted accordingly during the year. Therefore,

Debt Service Fund, 2006-2007

The College refinanced the two General Obligation Limited Tax Bond issues that Partially provided the matching contribution of the College for the construction of the Donald L. Newport Center and other major capital needs. These 20-year obligations were publicly bid during FY92 and FY93 and are to be paid back through the dedicated use of the Facilities Maintenance Fee the College administers. The refinancing produced an approximately \$50,000 savings over the balance of the life of the bonds. In addition, the College issued bonds totaling \$1,100,000 for future capital improvements, and total bonding amounts to \$2,260,000. By combing the refinancing and the new issuance the College saved an additional \$15,800. In 2004, the College financed the acquisition of the Datatel Colleague Student Administration Software with an \$800,000 bond for ten years. A schedule of these annual payments totaling approximately \$297,000 for FY08 and beyond is available for review. Therefore,

2.361 **FY08 Tuition and Fees**

In order to move forward with initiatives important for the College's marketing and instructional programs, while recognizing possible variations in state appropriations, enrollments, and property tax revenues, the College believes that with the following recommendations, it will be able to balance the budget for FY07 and put the institution in a good position for the challenges in FY08. Therefore,

The following resolution is proposed:

That the Board of Trustees increase tuition at the College effective with the Fall 2007 Semester as per the following plan:

	FROM	TO
In-District	\$76.00	\$80.00
In-State	\$114.00	\$120.00
Out-of-State	\$152.00	\$160.00

2.362 **Resolution of Appreciation**

On the occasion of his return to faculty, it is altogether fitting that Roy Smith be recognized for his accomplishments as dean of instruction and for the manner in which he has carried out the responsibilities of instructional leadership at the Alpena Community College. Therefore,

The following resolution is proposed:

That the Board of Trustees adopts the attached Resolution of Appreciation for Roy Smith and extends its sincerest best wishes to him for much continued success in all his future activities as a member of the Alpena Community College faculty.

3.566 **Financial Report**

Monthly Report for April 2007

Comparison of Revenue and Expense (year-to-year comparison)

- Property tax revenue is now ahead by \$98,262. This is consistent with the 5% budgeted increase.
- Tuition and fees revenues are ahead by \$413,504, which is due to increases in tuition rate, a small increase in enrollments, and immediate recognition of tuition and fees from early enrollment for the 2007 summer and fall semesters. Cumulatively, the College is about \$120,000 ahead of expectations.
- State aid revenue is ahead by \$42,545 after seven payments for this fiscal year were made from October through April. This figure shows the effects of recouping funds in FY06 that were cut in FY05; otherwise it is in line with the roughly 2.8% increase enacted for FY07.
- Federal aid is down by \$72,073 partly because of an adjustment made in the H-1B auditing process due to over-collection of administrative fees. In addition, the difference is due to the fact that the H-1B program has been completed and billing for the Community Based Job Training Grant has not yet begun.
- Instructional costs are up \$175,323. This is as expected for this time of the year.
- Instructional support costs are up \$115,997 due to a combination of wage and benefits costs (as expected) and increased administrative and secretarial workload for the NCA accreditation project.
- Student services costs are up \$88,964 due anticipated increases in wages and fringe benefits and the immediate recording of tuition waivers.
- Institutional administration costs are up \$78,918 due to higher than anticipated insurance costs and increased pay and benefits costs in line with expectations.
- The decrease of \$45,110 in Physical Plant expense occurred because of the warm weather and the lower cost of natural gas.

Comparison of Budget/Actual Revenue and Expense

- The overall revenue picture, except as noted above, is very close to our position last year, as is the expense picture.
- The nearly 60% variance in Federal revenue is due to the H-1B adjustment mentioned above.
- On the expense side, salaries are down slightly due to resignations. Outside services were down because the College did not conduct an election in 2006.
- The increase in Library Books and Equipment is a function of timing of those purchases.

GENERAL FUND
 COMPARISON OF REVENUE & EXPENSE
 FOR THE TEN MONTHS ENDING APRIL 30, 2007 AND 2006

REVENUE	FISCAL YEAR 2007	FISCAL YEAR 2006	CHANGE
Property Taxes	2,391,677	2,293,415	98,262
Tuition/Fees	4,200,422	3,786,918	413,504
State Aid	3,121,237	3,078,692	42,545
Federal	33,127	105,200	(72,073)
Interest	22,157	17,767	4,390
Other	18,364	15,833	2,531
REVENUE	9,786,984	9,297,825	489,159
EXPENSES			
Instruction	4,909,245	4,733,922	175,323
Public Service	0	0	0
Instructional Support	830,140	714,143	115,997
Student Services	758,547	669,583	88,964
Institutional Administration	1,973,231	1,894,313	78,918
Physical Plant	1,164,936	1,210,046	(45,110)
Transfers	0	0	0
EXPENSES	9,636,099	9,222,007	414,092
NET REVENUE/EXPENSE	150,885	75,818	75,067
NET ASSETS 06/30/2006	770,346	710,976	59,370
NET ASSETS 04/30/2007	921,231	786,794	134,437

ALPENA COMMUNITY COLLEGE
GENERAL FUND
COMPARISON OF BUDGETED/ACTUAL REVENUE & EXPENSE
FOR THE TEN MONTHS ENDING APRIL 30, 2007

REVENUE	BUDGET	YEAR TO DATE	BUDGET VARIANCE	2007 COMPLETE	2006 COMPLETE
Property Taxes	2,435,134	2,391,677	43,457	98.22%	101.64%
Tuition/Fees	4,109,876	4,200,422	(90,546)	102.20%	103.25%
State Aid	4,863,100	3,121,237	1,741,863	64.18%	64.45%
Federal	87,151	33,127	54,024	38.01%	105.57%
Interest	30,000	22,157	7,843	73.86%	59.22%
Other	203,149	18,364	184,785	9.04%	7.31%
REVENUE	11,728,410	9,786,984	1,941,426	83.45%	84.16%
EXPENSES					
Salaries	6,459,145	5,610,805	848,340	86.87%	87.49%
Fringe Benefits	3,006,786	2,530,486	476,300	84.16%	83.65%
Outside Services	455,587	325,635	129,952	71.48%	85.79%
Advertising	183,630	162,704	20,926	88.60%	68.60%
Supplies	314,305	228,125	86,180	72.58%	64.93%
Rental	10,900	4,183	6,717	38.38%	27.35%
Utilities	488,481	332,339	156,142	68.04%	96.57%
Telephone	55,000	45,417	9,583	82.58%	83.27%
Postage	53,500	42,132	11,368	78.75%	74.01%
Insurance	157,500	143,270	14,230	90.97%	92.12%
Travel & Mileage	111,882	75,308	36,574	67.31%	91.92%
Tuition Waivers & Dues	82,000	32,583	49,417	39.74%	32.94%
Transfers	216,054	0	216,054	0.00%	0.00%
Library Books & Equipment	80,500	66,183	14,317	82.21%	74.04%
Other	48,190	36,929	11,261	76.63%	73.06%
EXPENSES	11,723,460	9,636,099	2,087,361	82.20%	83.84%
NET REVENUE/EXPENSE	4,950	150,885			
NET ASSETS 06/30/2006		770,346			
NET ASSETS 04/30/2007	4,950	921,231			
PERCENTAGE OF YEAR		83.33%			

3.567 **Personnel Report**

Additions/Replacements

Dr. Mark Curtis

Vice President of Instruction
(Effective June 1, 2007)

Resignation

None

Retirements

None

Other

Roy Smith

From Dean of Instruction to
Instructor of Utility
Technician Training
(Effective May 7, 2007)

3.568 Gifts and Grants Report

This report reflects the following activity for pledges and gifts received between April 13, 2007 and May 3, 2007.

Alro Steel
AMA-Educational Service District
Besser Foundation
Jim & Penny Boldrey
John and Shawna Bushey
Steve Campbell
Mr. & Mrs. Gerald Fawcett
Agnes Ferguson
Shelly Garlitz
Mr. Leonard Garlitz
Russell and Debra Garlitz
Suzanne and William Geiersbach
Thomas and Lisa Hilberg
Olin & Patricia Joynton
Wayne and Jill Kowalski
Max Lindsay
Jerry and Barb Meek
David Miller Photography
National City Bank
Mary Schulke
Shouldice Designer Stone
Dr. Gerald Skiba
Denis J. Walterreit
F. Thomas Winter

TOTAL DONORS: 24

TOTAL GIFTS & PLEDGES: \$23,812.48

