

REGULAR MEETING  
ALPENA COMMUNITY COLLEGE BOARD OF TRUSTEES

June 17, 2010

5:30 p.m. Board Dinner

6:00 p.m. Regular Meeting

7:00 p.m. or immediately following the regular meeting, a Closed Session will be conducted for the purpose of the President's Performance Evaluation

665 Johnson Street  
Alpena, MI 49707

- 1) Call to Order
- 2) Pledge of Allegiance
- 3) Approval of Agenda
- 4) Approval of May 20, 2010, Budget Workshop and May 20, 2010, Regular Meeting
- 5) Introduction of Guests and Public Comment
- 6) Communication(s)
- 7) Board Member and Subcommittee Reports
- 8) Faculty Report
- 9) Student Report
- 10) President's Report
- 11) Action Items
  - 2.485 Second Reading: FY11-12 Budget
  - 2.486 Resolution of Support for SB 1342 and HB 6232
  - 2.487 Short-Term Borrowing Resolution
  - 2.488 Computer Bids
- 12) Information Items
  - 3.668 Financial Report
  - 3.669 Personnel Report
  - 3.670 Gifts and Grants Report
- 13) New Business

14) Suggested Future Agenda Items

15) Next Regular Meeting: August 19, 2010

16) Adjournment

2.485 **Second Reading: FY11 Budget**

The first reading of the FY11 budget was approved by the Board at the regular May meeting. The second reading is presented for action without the budget attachments as the budget remains the same as presented in May. A copy of the budget materials will be available to the Trustees at the time of the second reading. Therefore,

The following resolution is proposed:

That the Board of Trustees accepts the budget as a second and final reading for FY11.

## 2.487 **Short-Term Borrowing Resolution**

As one fiscal year concludes and a new one begins, the College is often faced with a cash flow issue due to a slow period in revenue generation. It has become commonplace for the institution to establish processes for obtaining a short-term loan to accommodate this potential need. This requires bidding and a resolution to authorize such action.

Bids are being solicited for all financial institutions of record with the College to provide a \$400,000 short-term operating loan, and the results of this process and a resolution for action by the Board will be presented at the regular June meeting of the Board.

2.486 **Resolution of Support for SB 1342 and HB 6232 (Trustee Elections)**

Since the separation from Alpena Public Schools in 1979, members of the Board Trustees of Alpena Community College have been elected to six-year terms in November of odd-numbered years. The Community College Act of 1966 (as amended) requires six-year terms.

In Michigan the largest entities on the ballot bear the majority of election costs. With the current Trustee election cycle, this burden has frequently fallen to ACC, with actual costs borne by the College during the past decade being as follows:

| <u>Year</u> | <u>Cost</u>        |
|-------------|--------------------|
| 2001        | \$20,717.90        |
| 2003        | \$25,788.08        |
| 2005        | \$ 7,748.83        |
| 2007        | \$ 9,642.42        |
| 2009        | <u>\$11,133.36</u> |
| Total       | \$75,030.59        |

ACC Board officers have indicated a high priority for moving Trustee elections to November of even-numbered years to avoid these costs in the future and re-direct funds saved to the core business of instruction. With elections for the U.S. Congress and the Michigan Legislature occurring then, the costs would typically shrink to less than \$1,000 per Trustee election. College staff, legal counsel, and Michigan Community College Association staff have researched non-legislative options for effecting this change, but to no avail.

Fortunately, both of our own legislators, Senator Tony Stamas and Representative Andy Neumann, have recently introduced bills that would remedy the problem. If enacted, SB 1342 and HB 6232 would allow Trustees elected to public education boards to move November elections from odd-numbered to even-numbered years. The bills tie to provisions in other portions of the election code for terms of incumbents to be continued during any transition process. Work continues by ACC staff and Michigan Community College Association staff to secure favorable reporting of the bills from committees, where they now reside, and passage by the respective chambers of the Legislature. Therefore,

The following resolution is proposed:

That the Alpena Community College Board of Trustees endorses SB 1342 and HB 6232, commends Senator Stamas and Representative Neumann for introducing them, and encourages ACC staff and other interested parties to apply appropriate efforts to secure their passage by the Legislature and ratification by the Governor.



2.488 **Bids: Computers**

This year it has been determined that there are three labs that will be replaced. Bids were solicited for the acquisition of 55 desktop computers and 30 notebooks in the month of May 2010. The computer labs to be replaced with the 55 desktop computers are BTC115 and BTC117. The 55 computers that are to be replaced will be used to update the staff computers on the campus. The 30 notebooks will replace the notebooks in BTC113 which will be moved to various locations. Current market pricing shows that the minimum computer configuration will be Quad Core, 3.0GHz processors, 8GB memory, and 19” monitors.

The PC bids were solicited for HP, Dell, and Acer. The notebook bids were solicited for Dell, HP, Acer, and Toshiba. The bid results are as follows:

| <b>Manufacturer</b>   | <b>Location</b> | <b>Cost of Notebooks</b> | <b>Cost of Desktops</b> |
|-----------------------|-----------------|--------------------------|-------------------------|
| Dell                  | Round Rock, TX  | \$ 24,760.50             | \$ 67,517.45            |
| Toshiba - CDW         | Vernon Hill, IL | \$ 17,226.29             |                         |
| Hewlett Packard - CDW | Vernon Hill, IL | \$ 39,000.00             | \$ 79,255.00            |
| Acer - CDW            | Vernon Hill, IL | \$ 20,500.00             | \$ 67,660.00            |

Acer did not meet the minimum RFP specifications.

The MIS Department recommends the notebook bid of Toshiba - CDW for \$17,266.29 and the desktop bid from Dell for \$67,517.45. Therefore:

The following resolution is proposed:

That the Board of Trustees authorizes the appropriate College officials to purchase 55 desktop computers from Dell for \$67,517.45 and 30 Toshiba notebooks from CDW for \$17,226.29 for a total cost of \$84,743.74.

### 3.668 **Financial Report (through May 2010)**

#### Monthly General Fund Revenue and Expense (Year to Year Actual Comparison)

- As a result of \$1,067 of receipts in April, property tax revenues are ahead by \$147,008 compared with the same point last year.
- The \$332,202 increase in tuition and fee revenue comes from enrollment increases over budget combining the effect of last summer (after June 30), fall, and spring semesters – and the March 22 onset of registration for the current summer semester, which brought in \$18,830 of new revenue in May.
- The \$35,658 decrease in federal revenue ties to winding down of the Community Based Job Training Grant for the concrete technology programs.
- The instructional expense increase of \$324,473 results from general contractual obligations; from the conversion of a nursing administrative position to an instructor position; and from specific increased amounts of adjunct salary, overload pay, and mileage reimbursement to handle this year's larger enrollments.
- Contractual obligations, overtime pay for computer lab set-ups, equipment purchases, and wages for a temporary technician during leave granted to regular technicians all account for the \$30,486 increase in MIS expense. The regular technicians are back to work, so the temporary technician expense is not ongoing.
- The instructional support expense decline of \$85,325 comes from elimination of the nursing directorship as an administrative position, from conversion to contract status of another administrative position, from lower health insurance costs, and from adherence to conservative spending practices for items like travel and postage.
- The \$65,820 decline in physical plant expense results from lower energy costs, adherence to conservative spending practices, and a whole lot less snow to remove this winter.
- Net income shows a variance of \$149,804 to the good.

#### Monthly General Fund Revenue and Expense (Budget to Actual Comparison)

- Property tax collections are 2% ahead of schedule.
- Increased enrollment accounts for the 3% advance in tuition/fee revenue.
- The 38% decline in federal revenue, as noted above, is related to closing out the CBJT grant.
- Utility expense appears 12% ahead of last year's position, but only because this year's budget dropped by 16% (\$90,000). This reduction was made possible by investments in energy-efficient equipment (boilers, lighting) and by advantageous purchasing of natural gas. As noted in the physical plant expense commentary above, even with the utility budget drop, we are still way below budget in actual expenditures.
- Other than the large percentage variation for the very minor amount rental expense, the variations of 24% less for telephone expense and 35% less for travel/mileage expense stand out. The former is attributable to a new contract with Verizon saving us \$12,000 per year, and the latter to decreased costs from a change in reimbursement policy for adjunct faculty travel.
- The large variation in the other category comes mostly from timing of bank fees being invoiced later this year than last.

#### General Fund Month to Month Comparison

- The Month to Month comparisons are tracking as expected, with revenues exceeding expenses by \$149,798.



3.669 **Personnel Report**

**Additions/Replacements**

None

**Resignations**

None

**Retirements**

None

**Other**

None

3.670 **Gifts and Grants Report**

ALPENA COMMUNITY COLLEGE BOARD OF TRUSTEES  
REGULAR MEETING

Thursday, June 17, 2010

5:30 p.m. Trustee Dinner

6:00 p.m. Regular Meeting

7:00 p.m. or immediately following the Regular Meeting, a Closed Meeting will be conducted for the purpose of conducting a performance review of the President

DATE OF NOTICE: June 11, 2010

*Alpena Community College provides handicap access to both the Roger C. Bauer Board Room and the Charles R. Donnelly Natural Resources Center on the College campus.*

*All official proceedings and agendas are kept in the Office of the Board of Trustees, 125-C Besser Technical Center, on the College campus, and can be viewed upon request between the hours of 8:30 a.m. and 4:00 p.m. Monday through Friday.*

The Alpena Community College Board of Trustees will convene its regular June meeting on Thursday, June 17, 2010, at 6:00 p.m., in the Roger C. Bauer Board Room, 400 Charles R. Donnelly Natural Resources Center, 665 Johnson Street, on the College campus. The Board will have dinner at 5:30 p.m. immediately preceding the regular meeting in the Roger C. Bauer Board Room.

Elizabeth L. Spragg  
Secretary of the Board of Trustees