

ALPENA COMMUNITY COLLEGE BOARD OF TRUSTEES
REGULAR MEETING

Thursday, June 18, 2009
7:00 p.m. Regular Meeting
665 Johnson Street
Alpena, MI 49707

DATE OF NOTICE: June 8, 2009

The Alpena Community College Board of Trustees will convene its regular June meeting on June 18, 2009, at 7:00 p.m., in the Roger C. Bauer Board Room, 400 Charles R. Donnelly Natural Resources Center, 665 Johnson Street, on the College campus.

Elizabeth L. Spragg
Secretary of the Board of Trustees

REGULAR MEETING
ALPENA COMMUNITY COLLEGE BOARD OF TRUSTEES

June 18, 2009

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Roger C. Bauer Board Room

400 Charles R. Donnelly Natural Resources Center

665 Johnson Street, Alpena, MI 49707

989-358-7247

Volume XXVI

- 1) Call to Order
- 2) Pledge of Allegiance
- 3) Approval of Agenda
- 4) Approval of May 21, 2009, Workshop Proceedings and May 21, 2009 Official Proceedings
- 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
 - 2.460 Second Reading: FY10 Budget
 - 2.461 Short-Term Borrowing Resolution
 - 2.462 United Way Authorization
- 12) Information Items
 - 3.635 Financial Report
 - 3.636 Personnel Report
 - 3.634 Gifts and Grants Report
- 13) New Business

14) Suggested Future Agenda Items

15) Next Regular Meeting: August 20, 2009

16) Adjournment

2.460 **Second Reading: FY10 Budget**

The first reading of the FY10 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 reading for FY10.

2.460 Second Reading: FY10 Budget

General Operating Fund, 2009-2010

The General Operating Fund provides those resources necessary to carry out the day-to-day activities of the College. The 2009-2010 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 2,700 enrollees (1,390 F.T.E.).
- 2) Continue 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 marketing plan.
- 5) Further increase enrollments and 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 and the capacity to deliver educational services.
- 7) Address issues raised in the Action Plan as defined through the North Central Accreditation process.
- 8) Reassess the Campus Master Plan while considering the future use of the College's full 680 acres.
- 9) Continue implementing other aspects of the College's strategic plan.

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 2009-2010.

Designated Fund, 2009-2010

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. The total budget for these activities is \$21,326.

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 \$22,000.

Technology

This fund is for the acquisition of new or updated technology. This fund was instrumental in acquisition and installation of the Datatel (Colleague) student database system. A budget of \$193,000 has been established with approximately \$135,000 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 \$450,250. 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 \$35,500 is projected for these important activities.

Community Education

An aggressive approach to community education in a short course format began two years ago. In its second full year, the College estimates \$22,200 in revenues with \$15,300 going to support the Volunteer Center that directs its activities.

Auxiliary Enterprises Fund, 2009-2010

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 and Auto Body
Performing and Fine Arts
Housing
Transportation

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 \$70,000 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 and Auto Body

The College operates various special services keyed to individual instructional areas to improve the economic viability and quality of life throughout Northeast Michigan. There is \$58,000 in services to be delivered in FY09.

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 \$18,500 for 2009-2010.

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 \$2,005.

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 2009-2010 activities is estimated at \$7,000. A reserve of \$4,000 is projected for future replacement of vehicles.

Restricted Fund, 2009-2010

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 FY2010, it would be critical to the achievement of College objectives that these external “soft” monies be obtained during the coming year.

Capital Equipment/Building Maintenance Fund, 2009-2010

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.

Plant Fund, 2009-2010

The Plant Fund is the depository for various state/local grants that are directed toward the construction of capital projects. At present there are no new projects scheduled.

Debt Service Fund, 2009-2010

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 combining 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 10 years. A schedule of these annual payments totaling approximately \$302,000 for FY10 and beyond is available for review.

Therefore,

The following resolution is proposed:

That the Board of Trustees accepts the budget as a first reading for FY10.

2.461 **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 \$600,000 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.

2.462 **United Way Authorization**

Each year the Alpena Volunteer Center makes application for financial participation in United Way. College officials have reviewed the attached Agreement and authorized its execution by proper official action. The United Way, after examination of the representations contained in the application and supporting documents, has determined the Volunteer Center's eligibility for acceptance and accepts the Volunteer Center as a participating agency in the United Way, on the attached terms. As a part of this agreement, Alpena Volunteer Center accepts the amount of \$1,213.00 as donor designations for the budget period beginning April 1, 2009, and ending March 31, 2010. Therefore,

The following resolution is proposed:

That the Board approves the execution of the attached agreement with United Way and accepts the amount of \$1,213.00 as donor designations for the budget period beginning April 1, 2009, and ending March 31, 2010.

3.635 **Financial Report**

3.636 **Personnel Report**

Additions/Replacements

None

Resignations

None

Retirements

None

Others

Josephine Bitler
Lois Darga
Sven Pearsall
Gregg Schefferly
Daniel Tuuri

Probationary Faculty to Non-Probationary Status
Probationary Faculty to Non-Probationary Status
Probationary Faculty to Non-Probationary Status
Probationary Faculty to Non-Probationary Status
Probationary Faculty to Non-Probationary Status