

DATE OF NOTICE: June 11, 2007

REGULAR MEETING  
ALPENA COMMUNITY COLLEGE  
BOARD OF TRUSTEES  
666 JOHNSON STREET  
ALPENA, MICHIGAN 49707

The Alpena Community College Board of Trustees will convene its regular June meeting on Thursday, June 21, 2007, at 7:00 p.m., in the Roger C. Bauer Board Room, 400 Charles R. Donnelly Natural Resources Center, 666 Johnson Street, on the College campus. A closed meeting will immediately follow the regular meeting to discuss the president's performance evaluation.

Elizabeth L. Spragg  
Secretary of the Board of Trustees

REGULAR MEETING  
ALPENA COMMUNITY COLLEGE BOARD OF TRUSTEES  
June 21, 2007  
7:00 p.m., Regular Meeting  
Closed Meeting to Follow Adjournment of Regular Meeting  
Roger C. Bauer Board Room  
400 Charles R. Donnelly Natural Resources Center  
666 Johnson Street, Alpena, Michigan 49707-1495

Volume XXV

AGENDA

- 1) Call to Order
- 2) Pledge of Allegiance
- 3) Approval of Agenda
- 4) Approval of May 17, 2007, Regular Meeting Proceedings and May 17, 2007, Budget Workshop 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
  - 2.364 General Operating Fund, 2007-08
  - 2.365 Designated Fund, 2007-08
  - 2.366 Auxiliary Enterprises Fund, 2007-08
  - 2.367 Restricted Fund, 2007-08
  - 2.368 Capital Equipment/Building Maintenance Fund, 2007-08

- 2.369 Plant Fund, 2007-08
  - 2.370 Debt Service Fund, 2007-08
  - 2.371 Short-Term Borrowing Resolution
  - 2.372 Workman's Compensation Insurance Contract
  - 2.373 Administrative Salary Schedule
  - 2.374 Computer Purchase
  - 2.375 Call for Election: Trustee Positions
- 12) Information Items
- 3.569 Financial Report
  - 3.570 Personnel Report
  - 3.571 Gifts and Grants Report
- 13) New Business
- 14) Suggested Future Agenda Items
- 15) Next Regular Meeting: August 16, 2007
- 16) Adjournment

## 2.364 General Operating Fund, 2007-08

The General Operating Fund provides those resources necessary to carry out the day-to-day activities of the College. The 2007-08 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) Continue the assessment process of ensuring the delivery of quality instruction and student services programs.
- 3) Continue refinement of selected career programs to ensure 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 2007-08. Therefore,

The following resolution is proposed:

That the Board of Trustees approves the projected General Fund revenues in the amount of \$12,107,164 and expenditures in the amount of \$12,085,647 for FY08.

## 2.365 Designated Fund, 2007-08

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 students pay 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 2007-08 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.

### The following resolution is proposed:

That the Board of Trustees approves the projected Designated Fund revenues of \$1,119,331 and expenditures of \$1,117,561 for FY08.

## 2.366 **Auxiliary Enterprises Fund, 2007-08**

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 2007-08

### 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 2007-08 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. Therefore,

The following resolution is proposed:

That the Board of Trustees approves the initial projected Auxiliary Enterprises Fund revenues of \$1,127,790 and expenditures of \$1,127,990 for FY08.

## 2.367 **Restricted Fund, 2007-08**

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 FY08, 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,

The following resolution is proposed:

That the Board of Trustees approves the projected Restricted Fund revenues and expenditures in the amount of \$4,166,910 for FY08.

## 2.368 **Capital Equipment/Building Maintenance Fund, 2007-08**

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,

The following resolution is proposed:

That the Board of Trustees approves the projected Capital Equipment/Building Maintenance Fund revenues of \$381,000 and expenditures in the amount of \$381,000 for FY08.

**2.369 Plant Fund, 2007-08**

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,

The following resolution is proposed:

That the Board of Trustees approves the projected Plant Fund revenues and expenditures in the amount of \$2,000,000 for FY08.

### 2.370 Debt Service Fund, 2007-08

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 a savings of approximately \$50,000 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 \$297,000 for FY08 and beyond is available for review. Therefore,

The following resolution is proposed:

That the Board of Trustees approves the projected Debt Service Fund revenues of \$297,154 and expenditures of \$297,154 for FY08.

## 2.371 **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 \$2,000,000 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.

## 2.372 Workman's Compensation Insurance Contract

Periodically the College goes out for bids on insurance issues. This year we looked at Workman's Compensation Insurance. The College has used Lappan Agency, Inc. for a good number of years, and we have been very satisfied with their performance and level of service. The bids were very competitive and the best three are within \$271. The bids are as follows:

BIDDER	LOCATION	Limits of Liability			Quote
		Bodily Injury	Injury by Disease	Injury by Disease	
Alpena Agency, Inc.	Alpena, Mi.	\$500,000	\$500,000	\$500,000	\$20,896
Top O' Michigan Insurance	Alpena, Mi.	\$500,000	\$500,000	\$500,000	\$21,023
Lappan Agency, Inc.	Alpena, Mi.	\$500,000	\$500,000	\$500,000	\$21,167
Alpine North Insurance	Alpena, Mi.	\$500,000	\$500,000	\$500,000	\$22,971
SET SEG	Lansing, Mi	\$500,000	\$500,000	\$500,000	\$28,052
Skiba Insurance Services, Inc.	Alpena, Mi.	\$500,000	\$500,000	\$500,000	\$31,053
Zolnierek Insurance Agency, Inc	Alpena, Mi.	\$500,000	\$500,000	\$500,000	\$32,949
InsuranCenter of Alpena	Alpena, Mi.	\$500,000	\$500,000	\$500,000	\$40,749

Therefore,

The following resolution is proposed:

That the Board of Trustees authorizes the appropriate College officials to contract with Alpena Agency, Inc., to provide Workman's Compensation insurance to the College based on the low bid of \$20,896 as quoted above.

## 2.373 **Administrative Salary Schedule**

An examination of the current Administrative Salary Schedule indicates that modifications are appropriate in order to maintain the competitive position of the institution for the upcoming fiscal period and to provide adjustments to the base of these respective salary schedules that are comparable to increases that other employees are receiving for this period.

Alpena Community College continues to enjoy savings in administrative salaries as a result of the FY06 administrative wage freeze for both salary and steps. In addition, accrued savings continue from the elimination in FY06 of all vehicle allowances to administrators, except for the president. In light of these conditions, modifications are proposed that will raise the respective administrative salary schedules by 2.5 percent as follows:

### Administrative

Level A - \$41,800 - \$64,400  
Level B - \$45,900 - \$68,500  
Level C - \$53,700 - \$76,200  
Level D - \$64,000 - \$86,500  
Level E - \$86,400 - \$108,800  
Level F - \$116,300 - \$140,200

### The following resolution is proposed:

That the Board of Trustees approves the above Administrative Salary Schedule for 2007-08 and authorizes the College president to issue contracts to all affected parties in accordance with their performance at the College.

## 2.374 Computer Purchase

This year it has been determined that there are four labs that need to be replaced. Bids were solicited for the acquisition of 52 desktop computers and 36 notebooks in the month of June 2007. The new computer labs in the Besser Technical Center will be equipped with new computers replacing those currently in VLH114, VLH122, and BTC123. In addition, this proposed purchase will replace computers on a mobile cart used in the NRC science labs. The 88 computers that are to be replaced will be used to update the computers on the campus. Current market pricing shows that the minimum computer configuration will be Core 2 Duo Processors and 17" monitors. A price cap was set from the Technology Committee for funding with a combined total of \$130,000. The following bids were received:

Manufacturer	Location	Cost
Dell	Round Rock, Texas	\$90,910
Gateway	North Sioux City, South Dakota	\$90,432
Hewlett Packard (CDWG)	Vernon Hills, Illinois	\$125,280

Therefore,

The following resolution is proposed:

That the Board of Trustees authorizes appropriate College officials to purchase 52 computers and 36 notebooks from Gateway for a total cost not to exceed \$90,432.

### 2.375 **Call for Election: Trustee Positions**

On Tuesday, November 6, 2007, there will be an election to fill two Trustee positions. These positions are for six-year terms beginning January 1, 2008.

Under new state legislation signed into law by Governor Granholm on January 8, 2004, and taking effect on January 1, 2005, the Alpena County Clerk is responsible for conducting school elections. Candidates shall be nominated by petitions signed by not less than 50 nor more than 200 qualified and registered electors residing within the geographical area of the legally defined district of the College. All petitions must be filed with the Alpena County Clerk not later than August 14, 2007.

Any qualified elector residing within the district is eligible to be chosen as a board member. The current incumbents of the two respective positions are Florence Stibitz and Thomas R. Townsend. Therefore,

The following resolution is proposed:

That the Board of Trustees directs the Secretary of the Board of Trustees to take all appropriate action to notify the Alpena County Clerk of said election on November 6, 2007.

### 3.570 Personnel Report

#### **Additions/Replacements**

Mark Haller-Wade

Media Technician  
(Effective 5-21-07)

#### **Resignation**

Omer Durfee

Sociology/Education Instructor  
(Effective 5-7-07)

George Mac McGuire

Economics/Political Science  
Instructor  
(Effective 5-7-07)

Kerrie Miller

Communications Technician,  
Office of Public Information  
& Marketing  
(Effective 6-8-07)

#### **Retirements**

Terry Hall

Humanities/Philosophy Instructor  
(Effective 6-1-07)

Ken Hubbard

Computer Science/Network  
Administration Instructor  
(Effective 6-1-07)

#### **Other**

None

### 3.569 Financial Report

Monthly Report for May 2007

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

- Property tax revenue is now ahead by \$96,294. This will be about \$20,000 short of our projected increase.
- Tuition and fees revenues are ahead by \$350,301, 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 \$110,000 ahead of expectations.
- State aid revenue is ahead by \$54,114 after eight payments for this fiscal year were made from October through May. 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. However, through both a Governor's Executive Order and negative supplemental legislation enacted to balance the current budget, as much as \$613,000 will be taken from our appropriations this year and will be reflected in the year-end numbers showing a loss of up to \$500,000.
- Federal aid is down by \$74,164 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 \$182,550. This is as expected for this time of the year.
- Instructional support costs are up \$124,558 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 \$81,009 due anticipated increases in wages and fringe benefits and the immediate recording of tuition waivers.
- Institutional administration costs are up \$93,549 due to higher than anticipated insurance costs and increased pay and benefits costs in line with expectations.
- The decrease of \$57,265 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 70% 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 ELEVEN MONTHS ENDING MAY 31, 2007 AND 2006

REVENUE	FISCAL YEAR 2007	FISCAL YEAR 2006	CHANGE
Property Taxes	2,391,762	2,295,468	96,294
Tuition/Fees	4,216,595	3,866,294	350,301
State Aid	3,567,128	3,513,014	54,114
Federal	38,280	112,444	(74,164)
Interest	25,062	18,306	6,756
Other	20,639	19,018	1,621
REVENUE	<u>10,259,466</u>	<u>9,824,544</u>	<u>434,922</u>
EXPENSES			
Instruction	5,304,579	5,122,029	182,550
Public Service	0	0	0
Instructional Support	908,069	783,511	124,558
Student Services	825,979	744,970	81,009
Institutional Administration	2,154,867	2,061,318	93,549
Physical Plant	1,285,917	1,343,182	(57,265)
Transfers	0	0	0
EXPENSES	<u>10,479,411</u>	<u>10,055,010</u>	<u>424,401</u>
NET REVENUE/EXPENSE	(219,945)	(230,466)	10,521
NET ASSETS 06/30/2006	<u>770,346</u>	<u>710,976</u>	<u>59,370</u>
NET ASSETS 05/31/2007	<u>550,401</u>	<u>480,510</u>	<u>69,891</u>

### 3.571 **Gifts and Grants Report**

This report reflects the following activity for pledges and gifts received between May 4, 2007 and June 5, 2007.

ACC Staff  
Alpena Holiday Inn  
Jim and Kristin Berles  
Jim & Penny Boldrey  
Tom and Karen Brindley  
Carl Buchner  
Dorothy L. Carr  
David Miller Photography  
Curt and Shari Davis  
Douville Johnston Corps. et.al.  
Elk Ridge Golf Club  
Friends Together  
Olin & Patricia Joynton  
Michael E. & Brenda Kelley  
Max Lindsay  
Carolyn A. Losinski  
Lost Lake Woods Club  
Mark A. Milostan  
Moran Iron Works, Inc.  
Julie Robarge  
Dan Rothe  
Drs. Abraham & Ana Salacata  
Mary K. Schulke  
Paul E. Scott  
Raymond J. Seguin  
Jane E. Speer  
O. Ann Stark  
Linda L. Suneson  
Larry and Mary Jane Thomson  
Thumb Electric Cooperative  
John and Lois Trudeau  
Tim & Lisa VanDusen  
Jean Waeiss  
Denis J. Walterreit  
Harry and Sandra Werth  
F. Thomas Winter  
Gregory and Jan C. Winter  
Maxine Wren  
Margaret C. Young  
TOTAL DONORS: 39  
TOTAL GIFTS & PLEDGES: \$12,855.00

