

ALPENA COMMUNITY COLLEGE
BOARD OF TRUSTEES
REGULAR MEETING

Thursday, August 21, 2008
665 Johnson Street
Alpena, MI 49797

NOTICE DATE: August 8, 2008

The Alpena Community College Board of Trustees will convene its regular August meeting on Thursday, August 21, 2008, 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
August 21, 2008
7:00 p.m.
Roger C. Bauer Board Room
400 Charles R. Donnelly Natural Resources Center
665 Johnson Street, Alpena, MI 49707-1495

Volume XXVI

- 1) Call to Order
- 2) Pledge of Allegiance
- 3) Approval of Agenda
- 4) Approval of June 19, 2008, Regular Meeting Proceedings, and June 24, 2008, Board Retreat Notes
- 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
 - 2.425 East Campus Purchase Agreement
 - 2.426 Storage Building Addition
 - 2.427 Certification of Millage Election Results
- 12) Information Items
 - 3.605 Financial Report
 - 3.606 Personnel Report

3.607 Gifts and Grants Report

13) New Business

14) Suggested Future Agenda Items

15) Next Regular meeting: September 18, 2008

16) Adjournment

2.425 East Campus Purchase Agreement

Anticipating the removal of art instruction from East Campus to the new Fine Arts Building, Property Subcommittee members and ACC staff members have collaborated in efforts to dispose of the East Campus property, which is no longer needed for college purposes and which would impose unnecessary expense to retain. In addition to numerous contacts with prospective buyers by Trustees and college administrators, two Requests for Proposal advertisements have been published in The Alpena News.

Primary considerations for both Trustees and college staff have been a) finding a use for the facility that coheres well with the college mission and b) finding a trustworthy, reputable new owner to uphold the college's fiduciary duty and reputation as a property owner.

Fulfilling both considerations, Word of Life Baptist Church has proposed terms for acquisition of the property that are acceptable to ACC, among which are:

- Purchase price of \$5,000.
- Buyer responsibility for survey, title insurance, assumption of property "as is," buyer's attorney fees, and recording fees.
- Seller responsibility for granting one land division, cleaning/filling an underground fuel oil storage tank, environmental testing, seller's attorney fees, transfer taxes, land division application fee, and environmental work.

The attached purchase agreement has been prepared by College Attorney Karen Bennett and signed by Word of Life Baptist Church Deacon Chairman Daniel Kirschner and Vice Chairman Craig Ryan. The storage tank has been filled and cleaned at college expense. Samples from around the tank reveal that the soil is in good condition and requires no environmental remediation. Easements granting access to ACC and the Boosters Club have been agreed upon.

Therefore,

The following resolution is proposed:

That the Alpena Community College Board of Trustees authorizes the College president to sign the purchase agreement and execute the closing on their behalf to transfer the East Campus property to Word of Life Baptist Church according to terms specified in the agreement.

2.426 **Bids: Storage Building Addition**

Alpena Community College has solicited bids for the construction of a 16'x120' addition to our storage facility. The addition is accommodating the storage needs of ACC's automotive programs. This storage will safeguard the equipment from the elements and provide a more efficient space for the staff and students to utilize. The College proposes that the addition be financed through the Maintenance and Replacement Fund

The bids are as follows:

Bidder	Location	Amount
Matt Tessmer	Alpena, MI	\$38,000.00
Mark Skiba	Alpena, MI	\$43,533.00
Ruthko Construction	Hillman, MI	\$33,900.00
David Zolnierek	Presque Isle, MI	\$51,332.00
Tessmer Contracting and Excavating	Alpena, MI	\$36,240.00
Hunter Construction	Alpena, MI	\$46,861.00

Appropriate staff within the College have reviewed the bids and recommend the bid submitted by Ruthko Construction.

The following resolution is proposed:

That the Board of Trustees authorizes appropriate College officials to contract with Ruthko Construction to construct an addition to our storage facility at a cost not to exceed \$33,900.00, using funds from the Maintenance and Replacement Fund.

2.427 Certification of Millage Election Results

At the primary election on August 5, 2008, the College had a millage renewal of .9743 mill and a .0642 restoration of the Headlee reduction proposal on the ballot. The official results are as follows:

Yes = 3,068

No = 2,399

Therefore,

The following resolution is proposed:

That the Board of Trustees officially accepts the above results certifying the renewal of .9743 mill and an increase of .0642 mill to restore the Headlee reduction.

3.605 Financial Report

Preliminary Twelve-Month Report Ending June 2008

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

- Property tax revenues continue to show variance of \$90,697 to the good compared to last year. This amount is consistent with the FY08 budget.
- The \$693,016 gain in tuition/fee revenue is due to the tuition rate increase, increased fall, spring, and summer enrollment; faster enrollment processes; and the convenience of online tuition payments used by a growing number of students.
- The \$274,016 increase in state aid reflects the restoration of the skipped payment in August and the 2.7% increase in ACC's FY08 allocation. July and August state aid payments totaling around \$900,000 have not yet been recorded.
- The federal revenue increase of \$48,965 is traceable to the Community Based Job Training Grant and downward adjustments in last year's H-1B grant.
- Anticipated contractual obligations and additional overload pay for faculty to handle our enrollment increases accounts for the \$345,080 increase in instructional expense.
- Increased cost for utilities accounts for most of the \$130,853 physical plant variance, along with contracted personnel cost increases. This figure is still within the FY08 budget.

General Fund Revenue and Expense (Budget to Actual Comparison)

- Tuition and fee revenue is ahead of budget by \$586,453 due to enrollment increases.
- State aid revenue is behind budget by \$297,384 because July and August payments have not yet been received. As noted above, those payments are expected to total around \$900,000, which will put state aid revenue ahead by about \$600,000.
- Interest income is ahead of budget by \$14,990 because of the larger than normal \$2 million note we took to cover cash flow this year, much of which remained on deposit because the state did restore the skipped payment from FY07.
- Other revenue is behind budget by \$54,837 primarily due to unrecorded adjusting entries.
- Salary expenses are \$402,240 ahead of budget primarily because of contractual obligations and increased instructional expenses attributable to increased enrollment.
- Fringe benefits expenses are \$27,084 behind budget because of contractual provisions lowering health insurance costs.

- Increased enrollments account for spending on advertising, \$13,577 ahead of budget, and on supplies, \$17,870 ahead of budget.
- Travel and mileage expenses are \$6,127 ahead of budget to handle additional sections added because of enrollment increases.
- Other items are within normal variations from year to year.
- Overall, we are \$207,323 ahead of budget in revenue (without accounting for the additional \$900,000 in state aid not yet received) and only \$26,620 for expense (which does not yet reflect year-end transfers to be made).

General Fund Month to Month Comparison

- The Month to Month comparisons are tracking as expected.

Monthly Report for July 2008

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

- The \$352,310 gain in tuition/fee revenue is due to the tuition rate increase and increased summer and fall enrollment; faster enrollment processes; and the convenience of online tuition payments used by a growing number of students.
- The state aid row shows zeroes because FY09 payments begin in October.

General Fund Revenue and Expense (Budget to Actual Comparison)

- Tuition and fee revenue is ahead by 2.5% due to enrollment increases.
- Telephone expenses are way up by 37% because of timing in the payment of a bill.
- Other items are within normal variations from year to year.
- Overall, we are 1.6% ahead in revenue and .32% ahead in expense.

General Fund Month to Month Comparison

- The Month to Month comparisons are tracking as expected.

3.606 Personnel Report

Additions/Replacements

None

Resignations

Polly Masterson

ESP II, Media Technician, effective 7-31-08

Retirements

None

Others

Cary Keller

Faculty granted non-probationary status, effective 8-18-08

Mary Linton

Scott Ratz

Kurtis Hale

Faculty continued for additional year on probationary status, effective 8-18-08

3.607 **Gifts and Grants Report**

New Business

2.428 Resolution of Appreciation: Richard Grochowski

The attached resolution is proposed:

New Business

2.429 Approval of Grant Request

Because the ACC Spotlight Series is dependent upon donations and grants for support, the Alpena Volunteer Center has submitted an application to the Cheboygan Area Arts Council, a re-granting organization of the Michigan Council for the Arts (MCACA). The grant application requests the sum of \$4,000 in support of the Spotlight Series 2008-2009 season. MCACA requests Board approval of the filing of this grant application. Therefore,

The following resolution is proposed:

That the Board of Trustees authorizes appropriate College officials to make application to the Cheboygan Area Arts Council for funding assistance in the amount of \$4,000 to support expenses of the 2008-2009 season performances of the Spotlight Series.