

ALPENA COMMUNITY COLLEGE
BOARD OF TRUSTEES
REGULAR MEETING
Thursday, October 18, 2007
7:00 p.m.
665 Johnson Street
Alpena, MI

NOTICE DATE: October 5, 2007

The Alpena Community College Board of Trustees will convene its regular October meeting on Thursday, October 18, 2007, 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
October 18, 2007
7:00 p.m.
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 September 20, 2007, 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
 - 2.394 Second Reading: Strategic Planning/Budgeting Policy
 - 2.395 Second Reading: Posting of Grades Policy
 - 2.396 College Audit
 - 2.397 Campus Master Plan
- 12) Information Items
 - 3.579 Financial Report

3.580 Personnel Report

3.581 Gifts and Grants Report

- 13) New Business
- 14) Suggested Future Agenda Items
- 15) Next Regular Meeting: November 15, 2007
- 16) Adjournment

2.394 Second Reading: Strategic Planning/Budgeting Policy

At the September 2007 meeting the Board of Trustees approved the deletion of the concept paper, and in its place a new policy on strategic planning and budgeting was approved on first reading. No corrections were made to the policy at first reading and the policy is now ready for second reading. Therefore,

The following resolution is proposed:

That the Board approves deletion of the concept paper and in its place approves on second reading a new policy on strategic planning and budgeting as attached.

2.395 Second Reading: Policy of Posting of Grades

At the regular September 2007 meeting the Board of Trustees approved the Posting of Grades policy on first reading. No corrections were made to the policy at first reading and the policy is now ready for second reading. Therefore,

The following resolution is proposed:

That the Board of Trustees approves on second reading the Posting of Grades policy as attached.

2.396 College Audit

Audits of the financial activities of Alpena Community College were guided by Michigan law and the generally accepted standards of accounting practices adopted by the Government Accounting Standards Board (G.A.S.B.)

First, Michigan law, under Section 1433 of Chapter 11 governing Michigan community colleges, states, “The Board of Trustees shall provide for a system of accounting meeting the approval of the State Board of Education. All accounts shall be audited once each year by a certified public accountant, and a summary of the audit shall be filed as required by the State Board of Education, and shall be available at all reasonable times for public inspection as a condition of receiving any state aid for the subsequent fiscal year.”

Second, the “system of accounting” authorized by the State Board must meet the “standards” established by G.A.S.B.

The result of the above conditions for conducting the audit is that the firm of Straley, Ilsley, and Lamp, P.C., certified public accountants, has completed the audit of all College financial resources for the year ending June 30, 2007. In addition, College staff has analyzed these documents in the context of historical financial circumstances of the institution. A consolidated document detailing both of these analyses recognizes the strong record for internal fiscal accountability that exists at the College, along with an ongoing responsiveness to those issues that would improve financial accounting practices.

As a result of these combined efforts to assure prudent management of all College resources, the audit report states:

“In our opinion, the basis financial statements referred to above present fairly, in all material respects, the financial position of Alpena Community College at June 30, 2007 and 2006, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.”

Therefore,

The following resolution is proposed:

That the Board of Trustees accepts the financial report and approves the fiscal year 2007 audit as submitted by Straley, Ilsley, & Lamp, P.C., and commends all parties for their dialogue and exactness in assuring the audit has been produced in full compliance with state law and the new principles of accounting as adopted by G.A.S.B. It is further noted that appropriate officials at the College are directed to communicate the results of this important process to all interested parties.

2.397 **Campus Master Plan**

On an annual basis the College is required by the State of Michigan to submit a five-year master plan for capital outlay in order to be eligible for a 50% match from the state for capital improvement on campus.

The Trustees and staff discussed campus master planning in an October 2007 retreat, and staff members are working to complete preparation of the plan documents in accordance with the format requested by the state.

The centerpiece of the plan is a funding request for construction of a Transportation Center of Excellence at the cost of \$6.5 million and renovation to space vacated in the Besser Technical Center Annex by the Auto Body program and in the Besser Technical Center by the Auto Service program at the cost of \$1 million to house expansion of the current Utility Technician and Electrical Apprentice programs and an anticipated Power Plant Operator program. This plan was approved by the Board a year ago and still reflects the best thinking of staff on capital improvements for the College campus. Therefore,

The following resolution is proposed:

That the Alpena Community College Board of Trustees authorizes staff to submit master planning documents as described above to the State of Michigan for consideration of capital outlay funding during the period 2009-2013.

3.579 Quarterly Financial Report

September 2007

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

- Property taxes are down by \$17,155. This appears to be a matter of both timing and slow collections due to local economic stress.
- The \$469,307 increase in tuition/fee revenue is due to enrollment increases and tuition increases from spring, summer, and fall registration periods.
- The \$534 in state aid reflects a small payment to the college under a program to compensate for loss of revenue from Renaissance Zones.
- The federal revenue increase of \$20,749 is traceable to the Community Based Job Training Grant and the end of last fiscal year's process of making adjustments for overpayments to the College for the H-1B grant.
- The \$32,666 decrease in instructional expense is due to unfilled faculty positions (as planned).
- The increase of \$46,242 in instructional support expense comes from contractual obligations, severance arrangements for a retiring administrator, and the timing of payment for contract services for databases in the library.
- Student service and institutional administration are as expected due to contractual obligations.
- The physical plant increase of \$41,417 reflects the end of a period a year ago of significantly lower energy costs when the College was using surplus natural gas from the contract that was in place then. Also, a lot of overtime was paid and supplies were used during the period of preparation for the Pathways dedication ceremonies.

Comparison of Budget/Actual Revenue and Expense

- Tuition revenue is ahead of budget by 7% due to fall enrollment increases.
- Federal revenue is ahead 22% primarily due to the Community Based Job Training Grant and the end of the H-1B adjustment period described above.
- The salaries and fringe benefits are about where they were last year.
- Outside services expenses are 6% ahead primarily because of early payment of library contract services as described above.
- Advertising expenses are ahead 17% mainly due to more advertising around the start of the fall registration period.
- Supplies expenses are up 9% because of both timing of regular orders and preparation for the Pathways opening ceremonies.
- Telephone expenses vary widely due to timing of expenditures.

- In the Other category, the 8% increase in expenses comes mostly from bank fees due to more students paying with credit cards.
- Other items are within normal variations from year to year.

Quarterly Report for July-September 2007

- The General Fund is covered by the monthly report above.
- The Designated Fund (athletics, WCCT) is \$168,958 ahead of budget because most of the tuition and fee revenue has been frontloaded at the beginning of the semester. The expenses for operations covered by the fund will be paid out through the semester.
- The Auxiliary Fund (bookstore, vending) is \$162,351 ahead of budget for similar reasons.
- The Current Unrestricted column is just an addition of the General, Designated, and Auxiliary columns.
- The Restricted Fund is negative by \$227,810, due to delays in receiving grant funds such as Pell and CBJTG.
- The expenditure of \$158,348 in the Endowment and Scholarship Fund represents funds paid to students, but funding has not been received from the State for Michigan Merit scholarships.
- The Unexpended Plant Fund deficit of \$843,918 is due to funds not yet received from the State Building Authority for reimbursement for the Pathways to the Future project.
- The Maintenance and Replacement Fund revenue of \$152,508 comes from the \$6 per contact hour Facilities Maintenance Fee.

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

<u>REVENUE</u>	<u>FISCAL YEAR 2008</u>	<u>FISCAL YEAR 2007</u>	<u>CHANGE</u>
Property Taxes	572,231	589,386	(17,155)
Tuition/Fees	2,563,183	2,093,876	469,307
State Aid	534	0	534
Federal	23,912	3,163	20,749
Interest	7,072	2,532	4,540
Other	4,643	6,851	(2,208)
REVENUE	<u>3,171,575</u>	<u>2,695,808</u>	<u>475,767</u>
<u>EXPENSES</u>			
Instruction	1,240,482	1,273,148	(32,666)
Public Service	0	0	0
Instructional Support	301,203	254,961	46,242
Student Services	264,797	242,365	22,432
Institutional Administration	754,711	709,221	45,490
Physical Plant	304,547	263,130	41,417
Transfers	0	0	0
EXPENSES	<u>2,865,740</u>	<u>2,742,825</u>	<u>122,915</u>
NET REVENUE/EXPENSE	305,835	(47,017)	352,852
NET ASSETS 06/30/2006	<u>770,346</u>	<u>710,976</u>	<u>59,370</u>
NET ASSETS 09/30/2007	<u>1,076,181</u>	<u>663,959</u>	<u>412,222</u>

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3.580 Personnel Report

Additions/Replacements

Melissa Guy	Part-time Communications Technician, ESP II (Effective 9-4-07)
Lisa Snyder	Full-time Programmer/Analyst, ESP II (Effective 9-24-07)
Greg Wood	Part-time Tool Crib Attendant – Auto Body, ESP II (Effective 9-6-07)

Resignations

Gail Doss	Temporary Programmer (Effective 9-17-07)
Shannon Woloszyk	Health Fitness Technician, ESP II (Effective 9-21-07)

Retirements

None

Others

None

NEW BUSINESS

2.398 Bid: Fiber Fusion Splicer Kit

Fiber optic cable is smaller than a human hair, and in order to splice the fiber or put connectors on the end, a splicer kit is the only method available for most types of fiber. This device and its associated tools will cut the fiber end smooth, align the two center sections of glass, and weld them together to make one seamless fiber. This automated procedure can be viewed through the LCD screen as well as projected on the screen in our classroom.

With this device, ACC will develop a certification program for our students that can be included in our existing Specialty wiring class. This fiber certification will help our graduates immensely in gaining employment in this cutting edge field. Successful students will be immediately employable throughout the country as fiber optic cable technicians for companies in fields such as cable TV, telecommunications, utility companies, security, electrical, and many others. This purchase is being subsidized through the Perkins program. Only one vendor submitted a bid. It was verified that the bid was reasonable based on an internet search. Kendall Electric of Alpena, Michigan, submitted a bid of \$19,855.88. Therefore,

The following resolution is proposed:

That the Board of Trustees authorizes appropriate College officials to contract with Kendall Electric of Alpena Michigan to provide a fiber fusion splicer kit at a price not to exceed \$19,855.88 as part of the Perkins equipment purchasing program.

NEW BUSINESS

2.399 First Reading: New Policy on Spending Threshold for Board Approval

Among the principal functions of the Alpena Community College Board of Trustees listed in Policy 1001 is that of “monitoring the College's financial condition to assure a sound financial base.” In order to discharge this function well, the Board approves an annual budget for College operations and receives both monthly financial reports on the general fund and quarterly financial reports on all funds. In addition, the College commissions a comprehensive annual independent audit of all financial matters which the Board reviews and approves via specific action.

Another aspect of the Board’s financial oversight has been adherence to a procedure of approving certain kinds of expenditures of \$10,000 or more, again via specific action item. This threshold was established many years ago, and since then College budgets and inflation have advanced to the point of making an adjustment of the threshold advisable. College staff members have drafted the following policy statement in order to effect the adjustment:

The Alpena Community College Board of Trustees shall approve by specific action all major expenditures of \$15,000 or more. Included within the scope of the policy are expenditures typically viewed as one-time and biddable, such as equipment, software, and periodically renewed service contracts. Excluded are regular payments to maintain long-term service relationships such as legal fees and utility payments.

Therefore,

The following resolution is proposed:

That the Alpena Community College Board of Trustees approves on first reading a new policy on spending threshold for Board approval as worded above.

3.581 Gifts and Grants Report

This report reflects the following activity for pledges and gifts received between September 6, 2007, and October 2, 2007.

ABS Homes, Inc.
ACC ESP I and II
Carlene Aliferis
Alpena Agency, Inc.
Alpena Alcona Area Credit Union
Alpena Beverage Company, Inc.
Alpena Country Club
Alpena Electric Motor Service
Alpena Ice-Diggers
Alpena Jr./Senior High Recreational
Basketball
Alpena Print Master
Todd Artley
Ball Tire & Gas, Inc.
Roger and Mary Jane Bauer
Mark Beins
Jim & Penny Boldrey
Boldrey, Senchuk, Rouleau &
Williams, CPA's
Bob and Helen Bonczyk
Carl Bourdelais
Wendy Brooks
Carl and Barb Chrzan
Thomas DesRocher
David Dixon
Sandy Eastway
Jacquelyn Granum
Thomas Grueter
William Harris Estate
Hoitenga & Behl, DDS
Huron Distributors, Inc.
Randy and Tracy Jerome
Jimmy John's
Olin & Patricia Joynton
Kettering University
Lafarge North America - Presque Isle
Quarry
Owen and Marion Lamb

Thomas and Mary Lappan
James Mazrum
Frank and Judy McCourt
Mike McMasters
Mid Michigan Body Parts, Inc.
Ronald Misiak
Michael A. Misiak
Timothy Muszynski
National City Bank
Michael & Elaine Orr
Panel Processing, Inc.
James Park
Pepsi-Cola Company
Pizza Hut
Charley Rosebush
Mary Schulke
Pete Skiba
Michael Skrypec
Roy Smith
Philip Straley
William Talaski
The Headache & Pain Center
Kim and Sharon Thompson
Gary R. Tuohy
Dr. William Walker
Denis J. Walterreit
Weinkauf Plumbing & Heating
Werth Electric, Inc.
Debra Winter

Total Donors: 64

Total Gifts & Grants: \$30,060.21

