

Alpena Community College Board of Trustees
125-C Besser Technical Center, 665 Johnson Street, Alpena, MI 49707
(989) 358-7215

Notice of Regular Meeting

Date of Notice: June 14, 2019

Meeting Date: Wednesday, June 19, 2019
Meeting Time: 5:30 p.m. president's evaluation workshop; 7:00 p.m. regular meeting
Location of Meeting: Room 400, Charles R. Donnelly Natural Resources Center,
665 Johnson Street, Alpena, Michigan, 49707

The ACC Board of Trustees will convene their regular monthly meeting at 5:30 p.m. on Wednesday, June 19, 2019. The Board will conduct the president's performance evaluation and is expected to call for a closed session. The regular portion of the meeting will begin at approximately 7:00 p.m.

The meeting will be held in the Roger C. Bauer Board Room, Room 400 of the Charles R. Donnelly Natural Resources Center, 665 Johnson Street.

Alpena Community College provides access for individuals with disabilities to both the Roger C. Bauer Board Room and the Charles R. Donnelly Natural Resources Center. Individuals with a disability who need a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the meeting, can contact Jay Walterreit, Secretary of the Board of Trustees, at (989) 358-7215 at least one week prior to the meeting or as soon as possible.

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

Jay Walterreit
Secretary of the Board of Trustees
(989) 358-7215

REGULAR MEETING AGENDA
ALPENA COMMUNITY COLLEGE BOARD OF TRUSTEES

Wednesday, June 19, 2019, 7:00 p.m.

Roger C. Bauer Board Room, Room 400, Charles R. Donnelly Natural Resources Center
665 Johnson Street, Alpena, MI 49707

- 1) Call to Order
- 2) Pledge of Allegiance
- 3) Approval of Agenda
- 4) Approval of the Proposed Minutes from the May 15, 2019, Regular Meeting
- 5) Introduction of Guests and Public Comment
- 6) Communication(s)
- 7) Board Member and Subcommittee Reports
- 8) Student Report
- 9) Faculty Report
- 10) President’s Report
- 11) Action Items
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- 12) Information Items
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- 13) Board Discussion
- 14) New Business
- 15) Suggested Future Agenda Items
- 16) Next Regular Meeting: Wednesday, August 21, 2019, 7:00 p.m.
- 17) Adjournment

2.741 Video Conferencing System Expansion Bids

In November 2016 the Alpena Community College Board of Trustees approved the purchase of a Cisco MX700 video conferencing system to replace the College's outdated ITV equipment. One of the uses for the new equipment was to expand dual enrollment offerings for high school students and combine low enrollment sections at regional sites. Additional video conference equipment would eventually be needed as more regional high schools became interested in using the technology.

The Cisco video conferencing equipment allows the instructor to communicate and view the students at the remote site. Other uses of the technology include delivering the new student orientation to remote sites, academic advising, courses connecting with a subject matter expert, community guest speakers, student team projects, recruitment and interviews, and professional development. Also, instructors will have the option to record their lectures and offer the videos through the learning management system, Blackboard as either a flipped classroom, hybrid or online delivery method.

The equipment purchased on 2016 is now being fully utilized and new schools are expressing interest in using the system to deliver Fall Semester 2019 dual enrollment classes. To meet this anticipated need, the College will have to purchase additional video conferencing equipment.

College officials solicited bids for eight delivery systems to be installed in schools and one dedicated delivery system for installation at the Alpena Campus. Two vendors responded with bids.

Bidder	Location	Total Cost
CDWG	Chicago, IL	\$88,362.55
Presidio Networked Solutions Group, LLC	Caledonia, MI	\$93,413.64

Cisco offers a no-interest, five-year loan package to organizations interested in purchasing its equipment. College officials propose to make use of the Cisco loan offer to purchase the equipment. The cost of the purchase will be paid for through Technology Fee revenue and/or by money from grants written to cover the cost of the video conferencing equipment.

Based on the above bids and financing options, College officials recommend the purchase of the aforementioned video conferencing equipment from CDWG of Chicago, Illinois, using the Cisco loan option.

Therefore, the following resolution is proposed:

The Alpena Community College Board of Trustees approves the purchase of eight in-school video conferencing units and one delivery unit for placement on the Alpena Campus from CDWG for a cost not to exceed \$88,362.55. Financing for the purchase will be secured through a Cisco five-year, no-interest loan. The cost of the purchase will be paid for through Technology Fee revenue and/or grant monies obtained for the purchase.

2.742 Proposed New Mission and Goals Statements (Second Reading)

During the December 19, 2018, ACC Board of Trustees meeting the trustees approved upon first reading proposed new Mission and Goals statements crafted by the Strategic Planning and Budgeting Committee. Later in that meeting Trustee Gentry suggested the trustees conduct a workshop to discuss the proposed new statements. That workshop was held on Wednesday, January 16, 2019.

The result of the workshop was the creation of the Mission and Goals Subcommittee, composed of trustees Lisa Hilberg, Sue Stender, and Florence Stibitz; Joe Gentry agreed to act as an alternate, if necessary. The subcommittee met with the Strategic Planning and Budgeting Committee on April 2, 2019. The results of that meeting were slightly revised versions of the proposed new Mission and Goals statements.

The proposed new Mission and Goals statements are as follows:

The Mission of Alpena Community College is to create a culture of educational excellence and service to the community.

Alpena Community College's goals are to:

#1 – Campus/Culture

Offer a welcoming, safe and adaptable culture that inspires diversity.

#2 – Learning/Education

Motivate continuous exploration of diverse opportunities and knowledge acquisition through a flexible learning environment.

#3 – Community

Stimulate community collaboration, which fosters comprehensive economic, cultural, and community development.

#4 – Value

Exercise sustainable value that supports career pathways and fiscal responsibility.

At the April 17, 2019, ACC Board of Trustees meeting the trustees asked administrators to collect public feedback regarding proposed Mission and Goals changes. The Office of Public Information & Marketing wrote a short survey with input from appropriate staff. The survey was entered into SurveyMonkey and made live April 30 for testing. The first efforts to publicize the survey were made Wednesday, May 1. The survey was available until Monday morning, May 13. The survey results were shared with the trustees and SPBC.

At the May 15, 2019, ACC Board of Trustees meeting the trustees approved the revised Mission and Goals statements on first reading. The new statements are now being offered for approval on second reading.

Therefore, the following resolution is proposed:

The Alpena Community College Board of Trustees approves the changing of the College's Mission and Goals statements as specified in the Mission and Goals Subcommittee meeting of April 2, 2019.

2.743 Fiscal Year 2020 Tuition Rate

Alpena Community College receives revenue from three main sources: appropriations from the State of Michigan, a 2.5 mills assessment on properties in the Alpena Public Schools district, and tuition and fees. In recent years, revenue from state appropriations and property taxes have been limited due to downward economic influences in Michigan. In order to maintain a balanced budget, Alpena Community College looks first to managing expenses wherever feasible. Secondly, the College looks to bring in additional revenue to maintain high standards of service to students and community members.

The College is always mindful of the cost of education and its impact on students. There are a number of scholarship and grant opportunities available to students to help defray the cost of education, including a number of scholarships given annually by the ACC Foundation.

For Fiscal Year 2020, College officials are proposing to increase tuition approximately 3%; this modest increase is expected to offset a budgeted 3% decline in enrollment.

ACC continues to be highly affordable to students especially compared to four-year institutions, and continues to provide great value to all in Northeast Lower Michigan. ACC's costs are also competitive with similar community colleges who enjoy better property tax revenues.

Therefore, the following resolution is proposed:

The Alpena Community College Board of Trustees approves the following tuition rate for the 2020 fiscal year effective with Fall Semester 2019.

Tuition	From	To
In-District Tuition (per contact hour)	\$133.00	\$137.00
Out-of-District Tuition (per contact hour, applicable to students from the rest of Michigan, all other states, and foreign countries, with the exception of dual-enrolled and early college students, whose high schools are all charged In-District Tuition)	\$210.00	\$217.00

2.744 Fiscal Year 2020 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 year and to provide adjustments to the base of these respective salary schedules that are comparable to increases that other employees will receive.

In light of these conditions, modifications are proposed that will raise the respective administrative salary levels by 3.0% and give administrators a one-step increase (if available).

Level	Positions	Lower End	Upper End
A	Assistant Controller, Volunteer Center Director, Bookstore Manager, Director of Student Life	\$49,746	\$77,805
B	Registrar, Learning Technology Director, Admissions Director, Wellness Center Director	\$54,663	\$83,705
C	ACC Foundation Executive Director, Controller, Human Resources Director, Facilities Management Director, Financial Aid Director, Public Information & Marketing Director, Workforce Development Dean, MIS Directors, and Educational Talent Search Director, Institutional Research Director	\$63,982	\$93,412
D	Dean of Students, Nursing Director	\$76,063	\$106,421
E	Vice Presidents	\$102,749	\$134,814
F	President	\$138,364	\$172,038

Therefore, the following resolution is proposed:

The Board of Trustees approves the proposed Administrative Salary Schedule for Fiscal Year 2020 and authorizes the president to issue contracts to all affected parties in accordance with their performance at the College.

2.745 Fiscal Year 2020 Proposed Budget

FY20 Budget

General Operating Fund, 2019-2020

The General Operating Fund provides those resources necessary to carry out the day-to-day activities of the College. Several major economic factors impact FY 2020 budgeting. State aid is estimated to increase 1.5% over the FY 2019 level, property taxes are estimated to increase by 2.4%, and student enrollment may decrease by 3% due to high graduation rates in recent years and more available employment. Pay increases for all bargaining units will be at a step, if available, as contractually obligated. There will be a 1.94% increase in the State's retirement system contribution starting in October as compared to last year's budget. The College's health care cost increases are capped at only 2% due to continued legislative action. Therefore, the 2019-2020 year will still require continued close monitoring of the budget throughout the entire year. In addition, 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 2,300 enrollees (1,000 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 Oscoda 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) Address the needs of our K-12 partners and the home schooled students in the area of early college and dual enrollment.
- 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 2019-2020.

2019-2020 Proposed Revenue Budget – General Operating Fund

Description	Budget 2018-2019	Proposed Budget 2019-2020
Taxes	\$ 2,610,574	\$ 2,673,240
Tuition/Fees	5,912,970	6,033,082
State Aid	5,830,365	5,916,080
Other/Miscellaneous	161,235	158,895
Totals	<u>\$ 14,515,144</u>	<u>\$ 14,781,297</u>

2019-2020 Proposed Expenditure Budget – General Operating Fund

Description	Budget 2018-2019	Proposed Budget 2019-2020
Fine Arts	\$ 369,948	\$ 249,255
Communications	826,165	856,568
Social Sciences	638,363	669,172
Mathematics	619,265	641,949
Sciences	1,129,846	1,243,771
Physical Education	20,649	20,927
Health Education	7,993	5,408
Business	255,891	286,421
Data Processing / Computer Science	250,092	263,892
Secretarial & Office	225,441	100,386
Law Enforcement / Public Service	116,951	105,449
Media Production Technology	8,200	8,200
Design Technology	154,663	154,434
Mechanical Trades & Service Technology	384,912	381,785
Construction Trades Technology	292,315	294,815
Electrical & Electronic Trades	485,282	540,295
Apprenticeship Instruction	47,325	47,951

2019-2020 Proposed Expenditure Budget – General Operating Fund – Continued

Description	Budget 2018-2019	Proposed Budget 2019-2020
Marine	62,251	70,426
Electrical Bachelors	139,623	145,829
Nursing	747,927	799,165
Other Health Related	128,029	129,986
Traditional Classroom	6,661	12,168
Learning Labs	20,649	20,927
Career Guidance / College Skills	4,663	4,732
Library / Media Services	241,648	237,658
Off-Campus Admin. / Huron Shores	181,411	231,151
Instruction Administration	973,528	887,467
Student Services	160,295	168,610
Financial Aid	507,291	495,185
Admissions / Records	630,912	648,372
Data Processing	854,882	976,361
General Administration	361,903	374,539
Word Processing	55,210	50,733
Institutional Administration	1,284,496	1,304,053
Public Relations / Development	200,121	203,585
Resource Development / Grant Writing	139,847	154,934
Physical Plant	1,654,524	1,639,792
Transfers	325,972	354,946
Total	\$ 14,515,144	\$ 14,781,297

Unrestricted General Operating Fund Balance	Budget 2018-2019	Proposed Budget 2019-2020
Beginning Balance	\$ 1,276,404	\$ 1,276,404
Proposed Surplus	0	0
Ending Balance	\$ 1,276,404	\$ 1,276,404

Designated Fund, 2019-2020

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 six categories:

- Athletics/Student Activities
- Madeline Briggs University Center
- Technology
- Workforce Development
- Special Events/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 student activities, athletics, intramurals, and the Wellness Center.

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 \$6,250.

Technology

This fund is for the acquisition of new or updated technology. This fund is instrumental in acquisition and installation of the first two Video Conferencing Systems. A budget of \$136,000 has been established with approximately \$80,700 earmarked for MIS technician support.

Workforce Development

Workforce Development is charged with carrying out a varied array of contracted services for area business and industry. The World Center for Concrete Technology falls under its supervision.

Special Events/Staff Development

Each year the College supports with \$16,000 for a wide range of activities that enhance the capacity of our staff to be more productive and valuable employees. The College is able to support a number of special events to assist the College in better communicating its leadership role to the service area (e.g. Science Olympiad, counselor workshops, etc.) A budget of \$8,500 is projected for these activities.

Community Education

An aggressive approach to community education in a short course format began several years ago. In this next year, the College estimates \$13,000 in revenues with \$8,000 going to support the Volunteer Center that directs its activities.

2019-2020 Designated Fund – Athletics / Student Activities

<u>Proposed Revenue Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Fees	\$ 187,566	\$ 187,566
Gate Receipts / Miscellaneous	1,000	1,000
Fitness Wellness Center Fees	16,000	16,000
Transfers	78,746	114,720
Total Revenues	<u>\$ 283,312</u>	<u>\$ 319,286</u>
<u>Proposed Expense Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Administration	\$ 40,243	\$ 42,099
Men's Basketball	36,924	40,096
Women's Basketball	35,806	40,096
Women's Volleyball	15,961	18,432
Women's Softball	16,261	20,432
Cross Country	9,519	11,801
Subtotal (Athletics)	<u>154,714</u>	<u>172,956</u>
Fitness Wellness Center	125,297	136,330
Campus Activity Board	5,000	10,000
Subtotal (Student Activities)	<u>130,297</u>	<u>146,330</u>
Total Expenses	<u>\$ 285,011</u>	<u>\$ 319,286</u>

2019-2020 Designated Fund – Professional and Contract Services

<u>Proposed Revenue Budget</u>	Budget 2018-2019	Proposed Budget 2019-2020
Sales and Service	\$ 50,000	\$ 0
Transfers	0	0
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Total Revenues	<u>\$ 50,000</u>	<u>\$ 0</u>

<u>Proposed Expense Budget</u>	Budget 2018-2019	Proposed Budget 2019-2020
Salaries - Instruction	\$ 0	\$ 0
Salaries - Admin. / Admin. Tech.	0	0
Fringe Benefits	0	0
All Other Expense	0	0
	<hr/>	<hr/>
Total Expenses	<u>\$ 0</u>	<u>\$ 0</u>

Madeline Briggs University Center

<u>Proposed Revenue Budget</u>	Budget 2018-2019	Proposed Budget 2019-2020
Sales and Service	\$ 6,000	\$ 6,000
Reimbursements	250	250
	<hr/>	<hr/>
Total Revenues	<u>\$ 6,250</u>	<u>\$ 6,250</u>

<u>Proposed Expense Budget</u>	Budget 2018-2019	Proposed Budget 2019-2020
Other	\$ 6,250	\$ 6,250
Transfer	0	0
	<hr/>	<hr/>
Total Expenses	<u>\$ 6,250</u>	<u>\$ 6,250</u>

2019-2020 Designated Fund – Technology

<u>Proposed Revenue Budget</u>	Budget 2018-2019	Proposed Budget 2019-2020
Technology Fee	\$ 142,000	\$ 136,000
<u>Proposed Expense Budget</u>	Budget 2018-2019	Proposed Budget 2019-2020
Transfer	80,692	80,692
Equipment and Services	61,308	55,308
Total Expense	\$ 142,000	\$ 136,000

2019-2020 Designated Fund – Workforce Development

<u>Proposed Revenue Budget</u>	Budget 2018-2019	Proposed Budget 2019-2020
Sales & Services	\$ 93,112	\$ 118,112
Facility Rental	0	20,000
Total Revenue	\$ 93,112	\$ 138,112
<u>Proposed Expense Budget</u>	Budget 2018-2019	Proposed Budget 2019-2020
Wages	\$ 6,000	\$ 74,575
Fringe Benefits	1,620	26,066
Contract Services	15,000	25,000
Supplies	15,500	5,500
Total Expenses	\$ 38,120	\$ 131,141

2019-2020 Designated Fund – Special events / Staff Development

	Budget 2018-2019	Proposed Budget 2019-2020
<u>Proposed Revenue Budget</u>		
Special Events - Gen. Fund Transfer	\$ 7,000	\$ 8,500
Staff Development - Gen. Fund Transfer	6,000	16,000
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Total Revenues	\$ 13,000	\$ 24,500
	<hr/>	<hr/>
	Budget 2018-2019	Proposed Budget 2019-2020
<u>Proposed Expense Budget</u>		
Special Events - Supplies / Awards	\$ 7,000	\$ 8,500
Staff Development - Workshops / Grants	6,000	16,000
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Total Expenses	\$ 13,000	\$ 24,500
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2019-2020 Designated Fund – Community Education

	Budget 2018-2019	Proposed Budget 2019-2020
<u>Proposed Revenue Budget</u>		
Participation Fees	\$ 18,000	\$ 13,000
	<hr/>	<hr/>
	Budget 2018-2019	Proposed Budget 2019-2020
<u>Proposed Expense Budget</u>		
Wage and Fringe Benefits	\$ 2,925	\$ 0
Program Costs	6,930	5,000
Transfer to Volunteer Center	8,145	8,000
	<hr/>	<hr/>
Total Expenses	\$ 18,000	\$ 13,000
	<hr/>	<hr/>

<u>TOTAL DESIGNATED FUND</u>	Budget 2018-2019	Proposed Budget 2019-2020
Revenue	\$ 605,674	\$ 637,148
Expense	\$ 502,381	\$ 630,177

Auxiliary Enterprises Fund, 2019-2020

The Auxiliary Enterprises Fund consists of those activities that directly generates revenue to accomplish their objectives. The following six areas constitute “enterprises” within the fund:

- College Bookstore
- Food Service
- Auto Service
- 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 \$23,991, \$11,000 of which is transferred to the General Fund to offset its utility costs.

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 and General Funds.

Auto Service

The College operates various special services keyed to individual instructional areas to improve the economic viability and quality of life throughout Northeast Michigan. There are \$45,000 in services to be delivered in FY19.

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 2019-2020 activities is estimated at \$7,000.

Housing

The College has available 16 units of affordable housing for 64 students, managed for the first time by the College this year. It is anticipated that rental income will exceed \$219,900 with expenses to be approximately \$199,400.

2019-2020 Auxiliary Enterprises Fund – Bookstore

<u>Proposed Revenue Budget</u>	Budget 2018-2019	Proposed Budget 2019-2020
Book Sales	\$ 341,750	\$ 348,000
Book Sales - Fin. Aid and Interdepartmental	437,498	383,000
Sales Tax Remittance	(37,410)	(33,669)
	<hr/>	<hr/>
Total Revenues	\$ 741,838	\$ 697,331
	<hr/> <hr/>	<hr/> <hr/>

<u>Proposed Expense Budget</u>	Budget 2018-2019	Proposed Budget 2019-2020
Purchases for Resale	\$ 497,818	\$ 441,000
Salaries	128,045	133,353
Fringe Benefits	60,368	60,882
Equipment	500	0
All Other	35,228	37,105
Transfers	11,000	11,000
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Total Expenses	\$ 732,959	\$ 683,340
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2019-2020 Auxiliary Enterprises Fund – Food Service

<u>Proposed Revenue Budget</u>	Budget 2018-2019	Proposed Budget 2019-2020
Sales & Service	\$ 3,000	\$ 3,000
Transfer	7,000	7,000
	<hr/>	<hr/>
Total Revenues	\$ 10,000	\$ 10,000
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<u>Proposed Expense Budget</u>	Budget 2018-2019	Proposed Budget 2019-2020
Contract Service	\$ 10,000	\$ 10,000
	<hr/>	<hr/>
Total Expenses	\$ 10,000	\$ 10,000
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2019-2020 Auxiliary Enterprises Fund – Auto Service

<u>Proposed Revenue Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Sales and Service	\$ 45,000	\$ 45,000
Total Revenue	<u>\$ 45,000</u>	<u>\$ 45,000</u>
<u>Proposed Expense Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Cost of Goods / Services Sold	\$ 45,000	\$ 45,000
Total Expenses	<u>\$ 45,000</u>	<u>\$ 45,000</u>

2019-2020 Auxiliary Enterprises Fund – Transportation

<u>Proposed Revenue Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Total Revenues	\$ 7,000	\$ 7,000
<u>Proposed Expense Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Maintenance	\$ 7,000	\$ 7,000
Total Expenses	<u>\$ 7,000</u>	<u>\$ 7,000</u>

2019-2020 Auxiliary Enterprises Fund – Housing

<u>Proposed Revenue Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Apartment Rental	\$ 212,400	\$ 213,900
Apartment Cleaning Fee	4,000	6,000
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Total Revenues	\$ 216,400	\$ 219,900
	<hr/> <hr/>	<hr/> <hr/>

<u>Proposed Expense Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Wages	\$ 50,301	\$ 53,961
Fringe Benefits	18,647	18,878
Services	7,500	7,500
Utilities	19,300	19,600
Maintenance and Other	50,100	50,100
Depreciation, Interest, Overhead	49,314	49,314
	<hr/>	<hr/>
Total Expenses	\$ 195,162	\$ 199,353
	<hr/> <hr/>	<hr/> <hr/>

<u>TOTAL AUXILIARY ENTERPRISES FUND</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Revenue	\$ 1,020,238	\$ 979,231
	<hr/> <hr/>	<hr/> <hr/>
Expense	\$ 990,121	\$ 944,693
	<hr/> <hr/>	<hr/> <hr/>

Restricted Fund, 2019-2020

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. Eight primary areas are directly affected by these grants and individual budgets are provided for each. Funding has been in place for many years for Educational Talent Search, the only remaining TRIO grants at the College, in other areas, regulations are changing and competition is increasing (e.g., private and governmental contract training), 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 FY2020 it would be helpful to the achievement of College objectives that these external “soft” monies be obtained during the coming year.

2019-2020 Restricted Fund – TRIO Grant (Talent Search)

<u>Proposed Revenue Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Grant Funds	\$ 579,067	\$ 632,000
Indirect Cost Recovery	(42,780)	(44,780)
Total Revenues	<u>\$ 536,287</u>	<u>\$ 587,220</u>

<u>Proposed Expense Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Wages / Salaries	\$ 297,444	\$ 319,796
Fringe Benefits	161,372	172,297
Supplies and Other	77,471	95,127
Total Expenses	<u>\$ 536,287</u>	<u>\$ 587,220</u>

2019-2020 Restricted Fund – TAACCCT-DOL Grant-2014

<u>Proposed Revenue Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Grant	\$ 100,534	\$ 0
Indirect Cost Recovery	(7,620)	0
 Total Revenue	 \$ 92,914	 \$ 0

<u>Proposed Expense Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Salary	\$ 47,793	\$ 0
Fringe Benefits	28,262	0
Other	16,859	0
 Total Expenses	 \$ 92,914	 \$ 0

2019-2020 Restricted Fund – SET Grant

<u>Proposed Revenue Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
State Support	\$ 45,000	\$ 45,000

<u>Proposed Expense Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Wages / Salaries	\$ 30,900	\$ 31,605
Fringe Benefits	9,051	9,702
Other	5,049	3,693
 Total Expenses	 \$ 45,000	 \$ 45,000

2019-2020 Restricted Fund – Perkins Vocational / Applied Technical Education

<u>Proposed Revenue Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Special Populations Grant Funds	\$ 35,218	\$ 37,419
Instructional Equipment Grant Funds	65,000	65,000
College Local Leadership Grant Funds	9,200	9,200
	<hr/>	<hr/>
Total Revenues	\$ 109,418	\$ 111,619
	<hr/>	<hr/>
<u>Proposed Expense Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Special Populations Wages	\$ 26,130	\$ 27,437
Special Populations Fringe Benefits	9,088	9,982
	<hr/>	<hr/>
Subtotal	35,218	37,419
	<hr/>	<hr/>
Instructional Equipment	\$ 65,000	\$ 65,000
	<hr/>	<hr/>
College Local Leadership	\$ 9,200	\$ 9,200
	<hr/>	<hr/>
Total Expenses	\$ 109,418	\$ 111,619
	<hr/>	<hr/>

2019-2020 Restricted Fund – College Work Study

<u>Proposed Revenue Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Grants	\$ 55,000	\$ 55,000

<u>Proposed Expense Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Student Wages	\$ 55,000	\$ 55,000

2019-2020 Restricted Fund – Pell Grant

<u>Proposed Revenue Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Federal Grant	\$ 2,750,000	\$ 2,250,000

<u>Proposed Expense Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Awards	\$ 2,750,000	\$ 2,250,000

2019-2020 Restricted Fund – Supplemental Opportunity Grant

<u>Proposed Revenue Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Federal Grant	\$ 50,000	\$ 63,000

<u>Proposed Expense Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Awards	\$ 50,000	\$ 63,000

2019-2020 Restricted Fund – Christmas Wish

<u>Proposed Revenue Budget</u>	Budget 2018-2019	Proposed Budget 2019-2020
Donations	\$ 17,000	\$ 18,000

<u>Proposed Expense Budget</u>	Budget 2018-2019	Proposed Budget 2019-2020
Supplies and Purchases	9,000	8,000
Transfers	8,000	10,000
Travel	\$ 17,000	\$ 18,000

2019-2020 Restricted Fund – Volunteer Center

<u>Proposed Revenue Budget</u>	Budget 2018-2019	Proposed Budget 2019-2020
Local Support	\$ 14,000	\$ 17,700
Besser Grant	29,000	14,500
Transfers	12,145	18,000
Total Revenues	\$ 55,145	\$ 50,200

<u>Proposed Expense Budget</u>	Budget 2018-2019	Proposed Budget 2019-2020
Wages / Salaries	\$ 35,643	\$ 34,564
Fringe Benefits	10,099	9,833
Other	6,900	3,200
Total Expenses	\$ 52,642	\$ 47,597

<u>TOTAL RESTRICTED FUND</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Revenue	<u>\$ 3,710,764</u>	<u>\$ 3,135,039</u>
Expense	<u>\$ 3,708,261</u>	<u>\$ 3,132,436</u>

Capital Equipment/Building Maintenance Fund, 2019-2020

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.

2019-2020 Capital Equipment / Building Maintenance Fund

<u>Proposed Revenue Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Facilities Fee	\$ 195,000	\$ 195,000
Transfer from General Fund	313,919	313,919
Transfer	0	0
Mandatory Transfer	0	0
Total Revenues	<u>\$ 508,919</u>	<u>\$ 508,919</u>
<u>Proposed Expense Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Equipment	\$ 23,842	\$ 23,842
Contract Services - Renovations	31,134	31,609
Contract Services - Maint. Projects	150,000	220,000
Debt Service Transfer	237,230	233,468
Total Expenses	<u>\$ 442,206</u>	<u>\$ 508,919</u>

Plant Fund, 2019-2020

The Plant Fund is the depository for various state/local grants that are directed toward the construction of capital projects. The planning for the renovation, expansion, and repurposing of Van Lare Hall is under way. The renovation includes HVAC systems, electrical, plumbing, windows, and the exterior. The expansion provides additional training space. The repurposing is directed toward the College's nursing program. Construction should begin summer 2019.

2019-2020 Plant Fund

<u>Proposed Revenue Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
State Capital Outlay - EPTC	\$ 0	\$ 1,000,000
Transfer from Prior Year Revenues	0	1,000,000
Donations	600,000	4,500,000
	<hr/>	<hr/>
Total Revenues	\$ 600,000	\$ 6,500,000
	<hr/>	<hr/>
<u>Proposed Expense Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Professional Fees	\$ 300,000	\$ 200,000
Site Improvements	300,000	300,000
Construction in Progress	0	5,500,000
Equipment	0	500,000
	<hr/>	<hr/>
Total Expenses	\$ 600,000	\$ 6,500,000
	<hr/>	<hr/>

Debt Service Fund, 2019-2020

The College refinanced a General Obligation Limited Tax Bond in 2013. There is \$860,000 remaining on the bond. The Bond is for ten years. The funding to retire the debt comes from donations received from the EPTC fundraising. The remaining funds will be used to cash flow the Van Lare renovation and then funded by donations to that project. A schedule of these annual payments of principal and interest totaling approximately \$233,468 for FY20 with future payments available for review. The College acquired an Installment Purchase Agreement in May 2017 to purchase the College Park Apartments for \$680,000 to be paid over 20 years. Annual payments of \$34,000 principal, paid annually, plus interest at 3.12%, paid semi-annually.

2019-2020 Debt Service Fund

<u>Proposed Revenue Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Transfer Facility Fee	\$ 237,230	\$ 33,468
Transfer Housing Fund	54,155	53,094
Total Revenues	<u>\$ 291,385</u>	<u>\$ 286,562</u>
<u>Proposed Expense Budget</u>	<u>Budget 2018-2019</u>	<u>Proposed Budget 2019-2020</u>
Interest	\$ 42,385	\$ 37,562
Principal	249,000	249,000
Total Expenses	<u>\$ 291,385</u>	<u>\$ 286,562</u>

Therefore, the following resolution is proposed:

That the Alpena Community College Board of Trustees accepts the budget as presented for FY 2020.

2.746 Certification of MCCA Board of Directors Representatives

Article VII, Sec. 1 and 2 of the Michigan Community College Association (MCCA) Bylaws states:

“There shall be a Board of Directors composed of the chief administrative officer of each member college and one member of the governing board. The governing board of each member college shall also designate an alternate who shall serve in the absence of its governing board member Director of the Association.

Prior to July 15 each year, each member college shall certify to the Secretary of the Association its members of the Board of Directors.”

Each July the MCCA asks each participating community college to complete a Certification Form for the designation of representatives; that certification includes an official board action appointing the representatives.

Therefore, the following resolution is proposed:

Dr. Don MacMaster is appointed to the 2019-20 MCCA Board of Directors as President Director representing Alpena Community College as of July 1, 2019.

_____ is appointed to the 2019-20 MCCA Board of Directors as Trustee Director representing Alpena Community College as of July 1, 2019.

_____ is appointed to the 2019-20 MCCA Board of Directors as Alternate Trustee Director representing Alpena Community College as of July 1, 2019.

3.964 Financial Report

Monthly General Fund Revenue and Expense through May 2019 (Year to Year Actual Comparison)

- Property tax receipts of \$2,621,787 are \$42,503 more than those for May 2018. This is slightly ahead of projected.
- Tuition/Fees of \$5,956,526 are \$100,867 greater primarily due to the college having better than expected enrollment throughout the fall and spring semesters and increased Direct Credit revenue generated through various local school districts.
- Sales, Service, and Rent is up by \$2,869 mainly due to an increase in quarterly rent charged to the Alternative Educational Academy of Iosco County.
- State Aid for the current year is \$4,409,988 due to normal State Aid payments of \$4,150,987, Renaissance zone payment of \$2,306, MPSERS cost offsets of \$86,540, and personal property tax appropriation of \$170,155.
- Federal revenue is down by \$(28,793) primarily due to the indirect cost that is no longer captured by the Department of Labor-TAACCT grant that expired in October 2018.
- Interest is up by \$9,875 due to Chemical Bank increasing the college's interest rate starting with the December 2018 bank statements.
- Most operational payroll expenses are up due to new contract agreements initiated for this year.
- Instruction is up due to an increase in off-campus UTT advanced certificate courses.
- OIT (MIS) is up due to a significant increase in software maintenance costs, additional programmer costs, and timing of expensing information processing costs.
- Instruction Support is up due to the addition of half of the expense of the Director of Institutional Research.
- Student Services is up related to the payment of a Severance Incentive Payout for a faculty position within the Educational Talent Search program.
- Institutional Administration is down mainly due to decreased foundation and other administrative costs in spite of a substantial increase in legal expenses and the requirement to purchase accessibility auditing services related to a civil rights complaint and federal regulations.
- Physical Plant is up primarily due to an agreement with the Alpena City Police and increased utility and snow removal costs due to extreme winter conditions.
- Net income through the tenth month of the fiscal year represents a gain of \$323,244, typical for this time of the year.

Monthly General Fund Revenue and Expense through May 2019 (Budget to Actual Comparison)

- Outside Services are up due to an agreement with the City of Alpena police, additional legal expenses, and an increase in off-campus UTT advanced certificate courses offered.
- Insurance is higher due to an early payment in June 2017 for fiscal year 2018.
- Library Books & Equipment is higher due to timing of purchases.

General Fund Month to Month Comparison through May 2019

- Salaries and fringe benefits are tracking higher due to three payrolls processed in August and March, longevity in September and March, and overload paid in October and April.
- All other month-to-month comparisons are tracking as expected for this time of the year.

Alpena Community College
General Fund
Year to Year Actual Comparison
For the Eleven Months Ending May 31, 2019

Category	YTD Actual FY 2019	YTD Actual FY 2018	YTD Actual Variance
Revenue			
Property Tax	2,621,787	2,579,284	42,503
Tuition/Fees	5,956,526	5,855,659	100,867
Sales, Service, and Rent	20,364	17,495	2,869
State Aid	4,409,988	4,273,325	136,663
Local	0	0	0
State	0	0	0
Federal	56,090	84,883	(28,793)
Donations	0	0	0
Interest	11,182	1,307	9,875
Other	6,678	18,182	(11,504)
Revenue	13,082,615	12,830,135	252,480
Expense			
Instruction	6,490,941	6,421,608	69,333
OIT	831,343	760,413	70,930
Public Service	0	0	0
Instruction Support	1,154,438	1,120,770	33,668
Student Services	1,166,915	1,153,648	13,267
Institutional Administration	1,737,555	1,747,212	(9,657)
Physical Plant	1,378,179	1,355,177	23,002
Expense	12,759,371	12,558,828	200,543
Income	323,244	271,307	51,937
Net Assets - Beginning of Year	1,148,771	909,664	239,107
Net Assets - End of Year	1,472,015	1,180,971	291,044

Alpena Community College
Comparative Income Statement
General Fund
For the Eleven Months Ending May 31, 2019

Category	FY 2019 Budget	FY 2019 YTD Actual	FY 2019 Variance	FY 2019 Complete	FY 2018 Complete
Revenue					
Property Tax	2,610,574	2,621,787	11,213	100.43%	100.42%
Tuition/Fees	5,912,971	5,956,526	43,555	100.74%	100.70%
Sales, Services, and Rent	19,000	20,364	1,364	107.18%	58.32%
State Aid	5,830,365	4,409,988	(1,420,377)	75.64%	75.50%
Federal	63,120	56,090	(7,030)	88.86%	82.12%
Donations	69,415	0	(69,415)	0.00%	0.00%
Interest	2,500	11,182	8,682	447.28%	52.28%
Other	7,200	6,678	(522)	92.75%	1515.17%
Revenue	14,515,145	13,082,615	(1,432,530)	90.13%	90.12%
Expense					
Salaries	7,808,809	7,415,455	393,354	94.96%	94.88%
Fringe Benefits	3,873,507	3,399,616	473,891	87.77%	89.16%
Outside Services	765,572	685,556	80,016	89.55%	84.48%
Advertising	197,500	159,552	37,948	80.79%	86.82%
Supplies	263,870	165,693	98,177	62.79%	67.96%
Rental	5,500	0	5,500	0.00%	0.00%
Utilities	499,662	347,398	152,264	69.53%	77.02%
Telephone	60,000	40,476	19,524	67.46%	64.58%
Postage	40,000	27,439	12,561	68.60%	81.34%
Insurance	139,000	141,151	(2,151)	101.55%	76.13%
Travel & Mileage	94,162	77,050	17,112	81.83%	83.38%
Tuition Waivers	242,000	194,578	47,422	80.40%	94.12%
Library Books & Equipment	80,590	60,781	19,809	75.42%	57.82%
Other	113,000	44,627	68,373	39.49%	37.59%
Transfers	331,973	0	331,973	0.00%	0.00%
Expense	14,515,145	12,759,372	1,755,773	87.90%	88.22%

Category	FY 2019 Budget	FY 2019 YTD Actual
Income	0	323,243
Net Assets - Beginning of Year	1,148,771	1,148,771
Net Assets - End of Year	1,148,771	1,472,014

Alpena Community College

General Fund Month to Month Tracking

For the Eleven Months Ending May 31, 2019

Category	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	YTD	Budget
Revenue														
Property Tax	84,471	424,567	19,870	6,154	2,035	238,264	670,121	529,140	518,539	128,566	60	0	2,621,787	2,610,574
Tuition/Fees	2,863,461	231,803	(43,389)	723,484	1,246,012	480,613	316,629	23,523	54,771	55,384	4,235	0	5,956,526	5,912,971
Sales, Services, and Rent	2,775	125	1,445	4,580	170	1,246	3,983	168	675	4,229	970	0	20,366	19,000
State Aid	0	0	2,306	600,737	557,318	526,026	526,026	530,225	526,026	526,026	615,298	0	4,409,988	5,830,365
Federal	5,526	2,201	12,708	6,301	3,324	3,024	2,949	6,482	5,696	4,175	3,702	0	56,088	63,120
Donations	0	0	0	0	0	0	0	0	0	0	0	0	0	69,415
Interest	0	124	0	312	135	125	1,272	1,619	2,169	2,834	2,591	0	11,181	2,500
Other	20	610	110	1,180	541	461	205	1,155	390	755	1,251	0	6,678	7,200
Revenue	2,956,253	659,430	(6,950)	1,342,748	1,809,535	1,249,759	1,521,185	1,092,312	1,108,266	721,969	628,107	0	13,082,614	14,515,145
Expense														
Salaries	570,593	791,185	616,638	704,308	615,083	624,979	545,547	568,196	1,110,457	633,773	634,696	0	7,415,455	7,808,809
Fringe Benefits	270,746	343,812	303,369	304,710	289,807	291,536	264,102	289,084	446,130	299,982	296,338	0	3,399,616	3,873,507
Outside Services	188,085	40,928	40,933	64,849	40,437	79,156	57,877	41,310	46,280	41,540	44,162	0	685,557	765,572
Advertising	13,793	19,123	30,586	6,244	3,960	15,781	26,032	17,619	4,281	6,895	15,237	0	159,551	197,500
Supplies	5,814	10,904	22,594	19,753	13,464	13,624	16,636	8,296	14,594	21,962	18,052	0	165,693	263,870
Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	5,500
Utilities	199	500	27,460	23,853	31,236	44,880	41,923	48,179	47,587	44,964	36,617	0	347,398	499,662
Telephone	1,683	97	4,225	4,266	4,514	4,057	4,636	4,062	4,269	3,947	4,719	0	40,475	60,000
Postage	5,000	114	1,431	5,086	450	1,431	5,000	124	8,006	500	298	0	27,440	40,000
Insurance	64,624	0	29,360	8,892	26,132	14,691	(2,548)	0	0	0	0	0	141,151	139,000
Travel & Mileage	4,397	6,187	11,910	5,588	4,902	16,251	2,215	4,188	4,145	4,677	12,590	0	77,050	94,162
Tuition Waivers	865	69,728	57,494	1,310	1,798	0	55,990	5,691	1,334	180	189	0	194,579	242,000
Library Books & Equipment	18,848	4,910	144	4,201	1,632	1,625	7,595	877	2,991	17,943	15	0	60,781	80,590
Other	0	4,708	2,522	13,467	1,848	1,669	3,135	7,993	4,730	2,168	2,387	0	44,627	113,000
Transfers	0	0	0	0	0	0	0	0	0	0	0	0	0	331,973
Expense	1,144,647	1,292,196	1,148,666	1,166,527	1,035,263	1,109,680	1,028,140	995,619	1,694,804	1,078,531	1,065,300	0	12,759,373	14,515,145
Income	1,811,606	(632,766)	(1,155,616)	176,221	774,272	140,079	493,045	96,693	(586,538)	(356,562)	(437,193)	0	323,241	0

3.965 Personnel Report

New hires, terminations, and status changes from May 9 to June 7, 2019.

New Hires

- None.

Transfers

- E. Gwen Spence from ESP Accounts Payable Secretary/Cashier to ESP Secretary - Facilities Management, effective 06/24/19.
- Connie Kaczorowski from ESP Clerical Assistant/Word Processor – Registrar’s Office to ESP Financial Aid Office Coordinator, effective 07/01/19.

Layoffs

- None.

Resignations

- Melissa Guy, Assistant to the Director of Human Resources, effective 06/21/19.

Retirements

- None.

3.966 Gifts and Grants Report

This report reflects the following activity for pledges and gifts received by the College and its Foundation between May 9 and June 10, 2019.

Total Donors: 53

New Gifts:	\$13,932.00
Pledge Payments:	\$13,970.00
New Pledges:	\$60,420.00