

ALPENA

COMMUNITY COLLEGE

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Office of the Board of Trustees

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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: January 11, 2019

Meeting Date: Wednesday, January 16, 2019
Meeting Time: Workshop at 6:00 p.m., regular meeting at 7:00 p.m.
Location of Meeting: Room 400, Charles R. Donnelly Natural Resources Center,
665 Johnson Street, Alpena, Michigan, 49707

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, January 16, 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 December 19, 2018, 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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- 13) Board Discussion
- 14) New Business
- 15) Suggested Future Agenda Items
- 16) Next Regular Meeting: Wednesday, February 20, 2019, 7:00 p.m. Please note: The ACC Board of Trustees is scheduled to meet with the ACC Foundation Board of Trustees for an informal luncheon on February 8, 2019. No official business will be conducted.
- 17) Adjournment

2.727 Election of Board Officers

The election of officers of the Alpena Community College Board of Trustees usually occurs biennially in the month of January following a general election in which trustee seats are up for election. Board officers thereby serve two-year terms of office as specified by the official by-laws of the Board.

The last officer election was held at the January 18, 2017, Board of Trustees meeting. A general election was held on November 6, 2018; two trustee seats were up for election.

Therefore, the following resolution is proposed:

- a) The Board of Trustees approves the election of _____
as Chairperson of the Board of Trustees;
- b) The Board of Trustees approves the election of _____
as Vice Chairperson of the Board of Trustees;
- c) The Board of Trustees approves the election of _____
as Treasurer of the Board of Trustees;
- d) The Board of Trustees approves the appointment of Denis J. Walterreit as Secretary of
the Board of Trustees.

The term of office for all officers will extend through December 31, 2020, unless changed by official resolution of the Board of Trustees.

2.728 Authorization of Depository Accounts

The College normally reviews its various depository relationships biennially and finalizes these relationships for the next two years. In February 2017 the Board of Trustees passed a resolution of authorization of depository account.

The College currently maintains depository relationships with the following financial institutions:

- mBank
- FirstMerit Bank
- Chemical Bank
- PNC Bank

Upon reviewing the above list, College staff recommends that depository relationships be renewed with each of these institutions for future relationships.

Therefore, the following resolution is proposed:

The Board of Trustees authorizes appropriate College officials to execute all appropriate agreements to continue the existing financial relationships of the College with the following institutions for future relationships over the coming year:

- mBank
- FirstMerit Bank
- Chemical Bank
- PNC Bank

2.729 Affirmation of Legal Counsel

Occasionally, the College requires legal counsel to address various issues. The College currently utilizes the firm of Wenzel Bennett & Harris, P.C. for routine matters.

All matters are handled on a per-hour-plus-expenses basis at rates established by the firms for the individuals providing the services. Such arrangements with the specified firm have served the College in a satisfactory fashion.

Therefore, the following resolution is proposed:

The Board of Trustees affirms Wenzel Bennett & Harris, P.C. to serve as “Counsel of Record” through December 31, 2020, unless changed by official resolution of the Board of Trustees. It is understood that such designation does not restrict the capacity of the College to engage other firms to provide such legal services when appropriate officials of the College deem it necessary.

2.730 Affirmation of Auditor

Biennially, the Board of Trustees considers the appointment of a firm for the regular and special auditing requirements of the College to ensure that sound business practices are being followed. The auditing firm of Straley Lamp & Kraenzlein P.C. currently performs these services, and it is the opinion of College officials that this firm has served with distinction in this capacity.

Therefore, the following resolution is proposed:

That the Board of Trustees affirms Straley Lamp & Kraenzlein P.C. as external auditors of the financial activities of Alpena Community College, and to perform any other specialized services in the financial area that may be desired by the College. The length of service shall extend through December 31, 2020, unless changed by official resolution of the Board of Trustees.

2.731 Purchase of Copiers

Alpena Community College’s staff, after an extensive review of history and needs, has determined that the College should replace three workhorse copiers. One copier is for Van Lare Hall, one in the Donnelly Natural Science Building and one is in the Newport Center Building.

The Savin copiers are nine years old and have reached the point that servicing them is very costly and downtime is increasing substantially. The average number of copies per machine is over 2 million with an estimated monthly average of 20,000 copies per month per machine with peaks of 100,000. Our original estimate was to receive five years of service, we have achieved an additional 4 years. It is time to retire those three machines.

The College sent out RFPs to local and area business for copiers of upgraded capabilities over those we are replacing. The following are the results of the RFPs with a calculation for service cost of five years. Bids include shipping, delivery, set up, installation of new copiers, and disposal/trade-in of existing copiers. Funding for the purchase will come from the Maintenance and Replacement Fund.

Bidder	Location	Make and Model	Purchase Price for 3	Service Fee	5 Year Cost 3.6 Million Copies	Total Cost Over 5 Years
Michigan Office Solutions	Alpena, MI	Xerox AltaLink B8075	\$40,980.00	.00492/Copy	\$17,712.00	\$58,692.00
Dunn’s Business Solutions	Gaylord, MI	Kyocera 7002i	\$25,791.00	.0049/Copy	\$17,640.50	\$43,431.00
Staples	Deerfield Beach, FL	Xerox AltaLink B8075	\$21,313.35	.0061/Copy	\$21,960.00	\$43,273.35
Miller Office Machines	Lincoln, MI	Konica-Minolta Bizhub 808	\$21,133.86	.0053/Copy	\$19,080.00	\$40,213.86

After reviewing the bids, administrative services staff recommend the bid from Miller Office Machines.

Therefore, the following resolution is proposed:

The Board of Trustees authorizes appropriate College officials to contract with Miller Office Machines to purchase three (3) Konica-Minolta Bizhub 808 copiers at a price not to exceed \$21,133.86.

2.732 CNC Mill Purchase

Currently the ACC Machine Tool Technology program has one Haas Mini Mill, two Anilam CNC mills, and one Fadal VMC 15 machining center. The program instructor wants the new Haas Mini Mill because it would benefit the program in the following three ways. First, the Fadal VMC 15 and Anilam CNC mills are antiquated systems that were built in 1995 or before. These are aging systems that cannot perform as well as modern machines, have antiquated tube displays, were originally equipped and run on reel-to-reel tape or floppy disk drives, and do not have modern controls, VQC, or use modern tool and work offset tables. While the instructor does not believe these systems are in danger of imminent failure, it does represent our program as having 75% antiquated CNC milling/machining centers.

Secondly, the new Haas Mini Mill EDU would come equipped with the Next Generation Control widely used in the immediate area as well as nationwide. It utilizes modern tool and work offset tables, programming and VQC structure, operating systems, and file organization. This would permit the student work primarily on Haas controls and remove the burden of learning many different systems, and let them focus on learning programming and code.

Lastly, a program or run of parts can run in excess of two to four hours. With only two machining centers, it limits the students on what projects they can accomplish during limited lab periods. Having an additional machining center would not only give the student more opportunity to operate machinery but also take some of the burden off the older machining centers/CNC mills that the College currently has.

The instructor is requesting a single source purchase of a Haas Mini Mill EDU from Gerotech Inc., the sole provider of Haas equipment and service in Michigan. This request is because the College primarily have Haas control training and CNC equipment in the lab. For the benefit of the program and students, the instructor would like to keep all the operating machinery from the same provider. The instructor has reviewed and researched comparable equipment that have similar capabilities from Okuma, DMG Mori, and other manufacturers that did or did not have an education discount. The Haas education discount of approximately \$10,000 made the Haas machines considerably less expensive.

The funding for the purchase will come from Perkins grant funds.

Bidder	Location	Make and Model	Purchase Price
Gosiger - Quote	Plymouth, MI	V480 Hardinge Mitsubishi	\$64,750
Gosiger - Quote	Plymouth, MI	Okuma	\$180,000
Gerotech, Inc.	Flat Rock, MI	Haas Mini Mill EDU	\$21,485 plus shipping
One Way Technologies - Quote	Indianapolis, IN	Hurco CNC VM5	\$49,995 +

After reviewing the bids, academic and administrative services staff recommend the bid from Gerotech, Inc.

Therefore, the following resolution is proposed:

The Board of Trustees authorizes appropriate College officials to contract with Gerotech, Inc., to purchase a Haas Mini Mill EDU at a price not to exceed \$21,485 plus shipping.

3.949 Financial Report

Monthly General Fund Revenue and Expense through December 2018 (Year-to-Year Actual Comparison)

- The property tax receipts of \$775,361 are \$15,975 less than those for December 2017. This is due to lower than expected collection of taxes.
- Tuition/fee receipts of \$5,501,983 are \$167,471 greater primarily due to registrations occurring more quickly than last year.
- State aid for the current year is \$1,686,387 due to normal State aid payment of \$1,545,252, Renaissance zone payment of \$2,306, MPSERS cost offsets of \$56,982 and personal property tax appropriation of \$81,847.
- All operational payroll expenses are up due to new contract agreements initiated for this year.
- OIT 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 addition of half the expense of Director of Institutional Research.
- Net income through the sixth month of the fiscal year shows as a gain of \$1,113,794, typical for this time of year.

Monthly General Fund Revenue and Expense through December 2018 (Budget-to-Actual Comparison)

- Insurance is higher than anticipated due to workers compensation premiums and the overall budget for insurance was decreased.
- Library Books and Equipment is higher due to timing of purchases.
- All other categories are in acceptable ranges for this stage of the year.

General Fund Month-to-Month Comparison through December 2018

- Salaries and fringe benefits are tracking higher due to three payrolls processed in August, longevity paid in September, and overload paid in October.
- All other Month-to-Month comparisons are tracking as expected.

Consolidated Income Statement through December 2018

- All funds are tracking as expected for this time off year.

Alpena Community College
General Fund
Year to Year Actual Comparison
For the Six Months Ending December 31, 2018

	YTD Actual FY 2019	YTD Actual FY 2018	Variance
Revenue			
Property Tax	775,361	791,336	(15,975)
Tuition/Fees	5,501,983	5,334,512	167,471
Sales, Service, and Rent	10,341	10,315	26
State Aid	1,686,387	1,655,405	30,982
Local	0	0	0
State	0	0	0
Federal	0	0	0
Donations	33,085	47,530	(14,445)
Interest	696	402	294
Other	2,922	6,967	(4,045)
Revenue	8,010,775	7,846,467	164,308
Expense			
Instruction	3,412,971	3,376,566	36,405
OIT	514,478	461,905	52,573
Public Service	0	0	0
Instruction Support	629,524	601,820	27,704
Student Services	629,779	629,118	661
Institutional Administration	1,021,772	1,041,031	(19,259)
Physical Plant	688,457	689,916	(1,459)
Expense	6,896,981	6,800,356	96,625
Income	1,113,794	1,046,111	67,683
Net Assets - Beginning of Year	1,148,771	909,664	239,107
Net Assets - End of Year	2,262,565	1,955,775	306,790

Alpena Community College
Comparative Income Statement
General Fund
For the Six Months Ending December 31, 2018

	FY 2019				FY 2018
	Budget	YTD Actual	Variance	Complete	Complete
Revenue					
Property Tax	2,610,574	775,361	(1,835,213)	29.70%	30.81%
Tuition/Fees	5,912,971	5,501,983	(410,988)	93.05%	91.74%
Sales, Services, and Rent	19,000	10,341	(8,659)	54.43%	34.38%
State Aid	5,830,365	1,686,387	(4,143,978)	28.92%	29.25%
Federal	63,120	33,085	(30,035)	52.42%	45.98%
Donations	69,415	0	(69,415)	0.00%	0.00%
Interest	2,500	696	(1,804)	27.84%	16.08%
Other	7,200	2,922	(4,278)	40.58%	580.58%
Revenue	<u>14,515,145</u>	<u>8,010,775</u>	<u>(6,504,370)</u>	<u>55.19%</u>	<u>55.12%</u>
Expense					
Salaries	7,811,162	3,922,785	3,888,377	50.22%	50.38%
Fringe Benefits	3,873,507	1,803,980	2,069,527	46.57%	48.10%
Outside Services	773,819	454,389	319,430	58.72%	57.36%
Advertising	187,500	89,488	98,012	47.73%	42.71%
Supplies	263,720	86,153	177,567	32.67%	33.00%
Rental	5,500	0	5,500	0.00%	0.00%
Utilities	499,662	128,128	371,534	25.64%	30.31%
Telephone	60,000	18,843	41,157	31.41%	34.88%
Postage	40,000	13,511	26,489	33.78%	45.85%
Insurance	139,000	143,699	(4,699)	103.38%	76.13%
Travel & Mileage	93,662	49,235	44,427	52.57%	46.43%
Tuition Waivers	242,000	131,194	110,806	54.21%	58.08%
Library Books & Equipment	80,640	31,360	49,280	38.89%	24.93%
Other	113,000	24,214	88,786	21.43%	17.65%
Transfers	331,973	0	331,973	0.00%	0.00%
Expense	<u>14,515,145</u>	<u>6,896,979</u>	<u>7,618,166</u>	<u>47.52%</u>	<u>47.77%</u>
Income	0	1,113,796			
Net Assets - Beginning of Year	<u>1,148,771</u>	<u>1,148,771</u>			
Net Assets - End of Year	<u>1,148,771</u>	<u>2,262,567</u>			

Alpena Community College
General Fund Month to Month Tracking
For the Six Months Ending December 31, 2018

	July	August	September	October	November	December	January	February	March	April	May	June	YTD	Budget
Revenue														
Property Tax	84,471	424,567	19,870	6,154	2,035	238,264	0	0	0	0	0	0	775,361	2,610,574
Tuition/Fees	2,863,461	231,803	(43,389)	723,484	1,246,012	480,613	0	0	0	0	0	0	5,501,984	5,912,971
Sales, Services, and Rent	2,775	125	1,445	4,580	170	1,246	0	0	0	0	0	0	10,341	19,000
State Aid	0	0	2,306	600,737	557,318	526,026	0	0	0	0	0	0	1,686,387	5,830,365
Federal	5,526	2,201	12,708	6,301	3,324	3,024	0	0	0	0	0	0	33,084	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	0	0	0	0	0	0	696	2,500
Other	20	610	110	1,180	541	461	0	0	0	0	0	0	2,922	7,200
Revenue	2,956,253	659,430	(6,950)	1,342,748	1,809,535	1,249,759	0	0	0	0	0	0	8,010,775	14,515,145
Expense														
Salaries	570,593	791,185	616,638	704,308	615,083	624,979	0	0	0	0	0	0	3,922,786	7,811,162
Fringe Benefits	270,746	343,812	303,369	304,710	289,807	291,536	0	0	0	0	0	0	1,803,980	3,873,507
Outside Services	188,085	40,928	40,933	64,849	40,437	79,156	0	0	0	0	0	0	454,388	773,819
Advertising	13,793	19,123	30,586	6,244	3,960	15,781	0	0	0	0	0	0	89,487	187,500
Supplies	5,814	10,904	22,594	19,753	13,464	13,624	0	0	0	0	0	0	86,153	263,720
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	0	0	0	0	0	0	128,128	499,662
Telephone	1,683	97	4,225	4,266	4,514	4,057	0	0	0	0	0	0	18,842	60,000
Postage	5,000	114	1,431	5,086	450	1,431	0	0	0	0	0	0	13,512	40,000
Insurance	64,624	0	29,360	8,892	26,132	14,691	0	0	0	0	0	0	143,699	139,000
Travel & Mileage	4,397	6,187	11,910	5,588	4,902	16,251	0	0	0	0	0	0	49,235	93,662
Tuition Waivers	865	69,728	57,494	1,310	1,798	0	0	0	0	0	0	0	131,195	242,000
Library Books & Equipment	18,848	4,910	144	4,201	1,632	1,625	0	0	0	0	0	0	31,360	80,640
Other	0	4,708	2,522	13,467	1,848	1,669	0	0	0	0	0	0	24,214	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	0	0	0	0	0	0	6,896,979	14,515,145
Income	1,811,606	(632,766)	(1,155,616)	176,221	774,272	140,079	0	0	0	0	0	0	1,113,796	0

Alpena Community College
Consolidated Income Statement
For the Six Months Ending December 31, 2018

	Current					Loan	Endow. & S'ship			Total
	General	Designated	Auxiliary	Unrestricted	Restricted		Plant	Agency		
Revenue										
Property Tax	775,361	0	0	775,361	0	0	0	0	0	775,361
Tuition/Fees	5,501,983	315,227	0	5,817,210	(7,432)	0	0	180,143	0	5,989,921
Sales, Services, and Rent	10,341	66,904	662,948	740,193	(26,195)	0	0	0	0	713,998
State aid	1,686,387	0	0	1,686,387	0	0	0	0	0	1,686,387
Local	0	0	0	0	14,500	0	0	0	0	14,500
State	0	0	0	0	78,883	0	24,622	0	0	103,505
Federal	33,085	0	0	33,085	1,486,841	783,982	0	0	0	2,303,908
Donations	0	2,756	0	2,756	21,119	0	107,145	6,408	4,456	141,884
Interest	696	0	0	696	0	0	0	414	0	1,110
Other	2,922	0	(18,932)	(16,010)	0	155,555	0	9,904	48,914	198,363
Total Revenue	8,010,775	384,887	644,016	9,039,678	1,567,716	939,537	131,767	196,869	53,370	11,928,937
Expenditures										
Salaries	3,922,785	90,745	91,050	4,104,580	248,659	0	0	0	0	4,353,239
Fringe Benefits	1,803,980	35,785	38,826	1,878,591	87,264	0	0	0	0	1,965,855
Outside Services	454,389	36,765	36,829	527,983	13,673	0	0	123,905	0	665,561
Advertising	89,488	233	1,000	90,721	0	0	0	0	0	90,721
Supplies	86,153	18,825	332,282	437,260	22,334	0	0	0	0	459,594
Utilities	128,128	1,737	6,027	135,892	0	0	0	0	0	135,892
Telephone	18,843	0	0	18,843	0	0	0	0	0	18,843
Postage	13,511	151	11,700	25,362	0	0	0	0	0	25,362
Insurance	143,699	20,358	0	164,057	0	0	0	0	0	164,057
Travel & Mileage	49,235	21,686	1,559	72,480	35,143	0	0	0	0	107,623
Tuition Waivers	131,194	3,545	0	134,739	1,109,264	939,537	96,888	0	0	2,280,428
Library Books & Equipment	31,360	92,637	0	123,997	21,850	0	0	50,029	0	195,876
Other	24,214	7,664	2,682	34,560	2,365	0	0	21,193	49,232	107,350
Total Expenditures	6,896,979	330,131	521,955	7,749,065	1,540,552	939,537	96,888	195,127	49,232	10,570,401
Net Revenue (Expense)	1,113,796	54,756	122,061	1,290,613	27,164	0	34,879	1,742	4,138	1,358,536

3.950 Personnel Report

New hires, terminations, and status changes from December 11, 2018, to January 10, 2019.

New Hires

- None.

Transfers

- None.

Layoffs

- None.

Resignations

- None.

Retirements

- None.

3.951 Gifts and Grants Report

This report reflects the following activity for pledges and gifts received by the College and its Foundation between December 11, 2018 and January 7, 2019.

Total Donors: 134

New Gifts: \$28,184.00

Pledge Payments: \$18,287.35

New Pledges: \$5,550.00