

**Official Proceedings of the
Alpena Community College Board of Trustees Regular Meeting**

April 19, 2017

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

On Wednesday, April 19, 2017, the Alpena Community College Board of Trustees gathered for a workshop session and their regular monthly meeting.

The workshop session began at 6:04 p.m. Chairman Briggs recognized Richard Sutherland, Vice President for Administration and Finance, who began a presentation on the proposed Fiscal Year 2018 budget. Sutherland's presentation covered the premises behind the current budget numbers, the breakdown of projected revenues and expenses, and future budget considerations.

In slide #4, Sutherland compared ACC's tuition costs for the 2016-17 year to state universities, noting ACC's price tag of \$4,350 less than half of the cheapest 4-year institution (Saginaw Valley State University, \$9,375). Trustee Hilberg asked if ACC promotes this price advantage on Facebook. Jay Walterreit, Director of Public Information & Marketing, noted there is a document located on the ACC website that shows the same price comparison and also shows the benefits of earning higher degrees and that this piece is used on a regular basis by staff. The trustees agreed that communicating the cost benefits of ACC to potential students is important.

Slide #5 outlined the main assumptions about FY18 expenses, including increased salary expenses for employees and associated increases in fringe benefits. Trustee Gentry expressed concern about rising expenses while enrollment numbers decreased. A discussion on this topic ensued. Slide #9, containing a chart showing the MPSERS rates from FY98 to FY18, showed how one of the expense variables has increased over time.

Slide #12 showed the general fund revenues and expenses for FY16 and FY17, and projected revenues and expenses for FY18. Slide #13 showed the general fund three-year projection. Sutherland outlined the assumptions associated with the projections.

As the workshop drew to a close, Sutherland discussed slide #14, the five-year facility projected expenditures. He noted that approximately \$2 million of the \$3.775 million in expenditures would be addressed if ACC received state capital outlay money for the Van Lare Hall renovation project.

At approximately 6:50 p.m. Chairman Briggs ended the workshop session to allow the audience to be seated for the regular meeting.

Chairman Briggs called the regular meeting to order at 7:01 p.m. Present: John Briggs, Teresa Duncan, Joseph Gentry II, Lisa Hilberg, Susan Stender, and Florence Stibitz. Absent: Tom Townsend.

Seated at the Board Table: President Don MacMaster and Board Secretary Jay Walterreit.

Chairman Briggs led the Pledge of Allegiance.

Approval of Agenda

Moved by Trustee Duncan that the agenda be approved; seconded by Trustee Hilberg. Ayes: 6. Nays: 0. Motion approved.

Approval of Minutes from the March 15, 2017, Regular Board Meeting

Trustee Gentry moved to accept the draft minutes from the March 15, 2017, regular board meeting; Trustee Hilberg seconded the motion. Ayes: 6. Nays: 0. Motion carried.

Introduction of Guests and Public Comment

Guests attending the regular meeting included: Jordan Spence, The Alpena News; Ben Stevens, WATZ; Kathy Marsh, ACC administration; Richard Sutherland, ACC administration; Tim Kuehnlein, ACC faculty; Jim Berles, ACC faculty; Roy Smith, ACC faculty; Stephanie Richards, ACC student; Brittany Worth, ACC student; Lee Fitzpatrick, Alpena Public Schools; Joyce McCoy, Alpena Public Schools; and Alyssa McCann, WBKB.

Communication(s)

President MacMaster read a note from Tom Moran thanking the College for a meeting and expressing the wish to work together for the betterment of education in Northern Michigan.

Board Member and Subcommittee Reports

Trustee Stibitz noted she had attended the March MCCA directors' meeting and noted the speech given by Roger Curtis, the director of the Michigan Department of Talent and Economic Development.

Student Report

Combined with the Faculty Report.

Faculty Report

ACC Instructor Roy Smith brought three UTT students to talk about their experiences at this year's lineman rodeo in Nebraska. A dozen UTT students made the two-day trek in two vans; Smith and instructor Mark Swanson accompanied the students. Smith noted the continued generosity of the Lucas and Janet Pfiembenberger for their contributions which make attending yearly rodeos possible.

President's Report

Following is the President's Report as it was distributed.

President's Report to the Board of Trustees
April 19, 2017

ACEN Accreditation

On April 7, the Accreditation Commission for Education in Nursing sent formal notification granting initial accreditation to the ACC Nursing Program with the next evaluation visit set for fall 2021. The ACEN acceptance letter read:

“Congratulations on this outstanding achievement! We look forward to continued successes for your nursing program. On behalf of the Board of Commissioners, we thank you and your colleagues for your commitment to quality nursing education.”

Kudos to Nursing director Melissa Fournier and faculty Diane O'Connor, Robert Kutschman, Tony Pratt, Beverly Banks, Julie Miller, and Melanie Thomas for their sustained collaborative focus on attaining this prestigious distinction. Thanks also to Kathy March, Vice-President of Instruction, and Lisa Brege, administrative assistant, for their leadership contributions to this milestone achievement.

Alpena Early College

The Alpena Early College partnership between Alpena Public Schools and Alpena Community College launched in 2014. Now completing its third year with the first cohort of students set to graduate this spring, the program is thriving. Program highlights include:

- Seventy-seven percent of enrollees completed the program.
- Program completers accumulated an average of 40.5 credits toward an ACC certificate or Associate degree.
- Two students attained the credits required for an Associate degree at ACC.
- There are 104 APS students currently in the program with 54 applications for fall 2017.
- Alpena Public Schools has earned statewide recognition for the quality of its Early College program.

Here tonight from Alpena Public Schools are Joyce McCoy, Director of Curriculum and Career and Technical Education Director, and Lee Fitzpatrick, Early College Specialist. Graduation for the third year Early College students is set for Tuesday May 16 at 7 p.m. in Granum Theatre. All are welcome to attend.

Endowed Chair Sculpture Project Update

ACC Political Science instructor Tim Kuehnlein, winner of the 2016 Endowed Chair Teaching Award, is leading a team working on a Global Awareness Sculpture project. Tim is here tonight to provide an

overview of the project. Two ACC students, Brittany Worth and Stephanie Richards, who have been working on the structural engineering of the sculpture, will provide an update on their work. Jim Berles, Nick Brege, Kevin Sylvester are here to discuss the design and implementation of the plan.

Action Items

2.678, Resolution of Congratulations for 2017 PTK All-Michigan Academic Team Members.

The following resolution was proposed by Trustee Gentry and seconded by Trustee Hilberg:

The Board of Trustees adopts the following resolutions of congratulations for Morgan Esch and John McHarg and congratulates them on their distinguished academic success.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of Alpena Community College unanimously extends its sincerest congratulations to Morgan K. Esch for her numerous contributions to increasing the quality of life at the College and for her outstanding scholarly accomplishments throughout her enrollment at the College.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of Alpena Community College unanimously extends its sincerest congratulations to John N. McHarg for his numerous contributions to increasing the quality of life at the College and for his outstanding scholarly accomplishments throughout his enrollment at the College.

Ayes: 6. Nays: 0. Motion approved.

2.679, Financing the Purchase of College Park Apartments

The following resolution was proposed by Trustee Gentry and seconded by Trustee Hilberg:

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Board determines that it is in the best interest of the Issuer to purchase the Property from the Vendor. The Issuer has complied with all of its policies and procedures with respect to the acquisition of the Property.
2. The Board determines that it is in the best interest of the Issuer to solicit bids from financial institutions to finance the acquisition of the Property through an Installment Purchase Agreement among the Issuer, the Bank and the Vendor for a total amount not to exceed Six Hundred Eighty Thousand Dollars (\$680,000.00) at an interest rate of not to exceed six percent (6%) per annum over a period of not to exceed twenty (20) years with equal annual principal payments beginning May 24, 2018, with semi-annual interest thereon beginning on that same date, based upon a 360-day year, 30-day month.
3. A member of the administrative staff or Board of the Issuer is authorized to distribute a Solicitation for Bids to financial institutions in substantially the form

attached hereto as Exhibit A and to accept the bid which produces the lowest dollar interest cost to the Issuer within the parameters established by the Board in this Resolution.

4. The President of the College, or the Chairman, Vice Chairman, Secretary or Treasurer of the Board shall execute an Installment Purchase Agreement in substantially the form attached hereto as Exhibit B on behalf of the Issuer, and the executed Installment Purchase Agreement shall be delivered to the Bank.
5. The Installment Purchase Agreement may be prepaid, in whole or in part, prior to maturity on any date on or after May 24, 2028.
6. The Issuer hereby irrevocably pledges to make the principal installments and interest payments on the Installment Purchase Agreement, beginning with the fiscal year 2017-2018 and during each fiscal year for which an operating budget is adopted, the first operating budget obligation within its authorized millage until such time as the principal installments and interest payments have been paid in full.
7. The Issuer hereby pledges its limited tax full faith and credit for the payment of the principal installments and interest payments on the Installment Purchase Agreement, payable from ad valorem taxes which will be levied within the authorized constitutional and statutory operating millage rate available to the Issuer and an irrevocable appropriation of a sufficient amount of taxes will be made each year from said millage rate for the payment of principal installments and interest payments on the Installment Purchase Agreement.

The obligation to pay the principal installments and interest payments will be the limited tax general obligation of the Issuer, and if tax collections are insufficient to pay the principal or interest on the borrowing when due, the Issuer pledges to use any and all other resources available for the payment of principal and interest on the Installment Purchase Agreement.

8. The President of the College, Chairman, Vice Chairman, Secretary, Treasurer, and individual acting in the capacity of the business official are each further authorized to execute any documents or certificates necessary to complete the transaction. Any of those officers may designate, in writing, an individual to act in their place with respect to the powers conveyed in this paragraph.
9. The useful life of the Property is hereby determined to be not less than thirty (30) years.
10. The Issuer hereby covenants to comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the execution of the Installment Purchase Agreement in order that interest thereon be or continue to be excluded from gross income for federal income tax purposes, including the filing of Form 8038-G or 8038-GC with the Internal Revenue Service.

11. The Issuer hereby designates the Installment Purchase Agreement as a "qualified tax-exempt obligation" for purposes of deduction of interest expense by financial institutions under the Internal Revenue Code of 1986, as amended. In making said designation, the Board determines that the reasonably anticipated amount of tax-exempt obligations which will be issued by the Issuer or entities which issue obligations on behalf of the Issuer during calendar year 2017 will not exceed \$10,000,000.
12. The outstanding balance of all of the Issuer's contractual agreements for the purchase of real or personal property, exclusive of interest, does not exceed 1.25% of the taxable valuation of real and personal property in the Issuer.
13. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution be and the same are hereby rescinded.

Ayes: 4. Nays: 0. Abstentions: 2 (Gentry and Stender). Motion approved.

Information Items

President MacMaster drew attention to the financial report and asked the trustees if they had any questions. Revenues and expenses are tracking as expected.

New hires, terminations, and status changes between March 9 and April 11, 2017.

New Hires:

None.

Resignations:

Cindy Besaw, FT Administrative Asst. to the Director of HR, 3/17/17

Status Changes:

None.

The Gifts and Grants Report showed 71 donors gave \$34,302 in pledges and gifts between March 8 and April 10, 2017.

Board Discussion

Chairman Briggs suggested the trustees could receive a marketing and recruiting update for the May workshop. Trustee Stibitz suggested we could invite Roger Curtis, the director of the Michigan Department of Talent and Economic Development, to discuss the activities of his department and the needs of Michigan employers.

Trustee Hilberg noted that she has proposed a schedule for the president's review process. President MacMaster agreed to write his list of yearly objectives and accomplishments prior to the May 17 board

meeting. Once finished, the president's objectives and accomplishments will be circulated to the trustees along with the president's job description and the FY18 administrative salary schedule. Trustees will review the materials and be prepared for discussion at a closed session prior to the June 21, 2017, board meeting.

New Business

None.

Suggested Future Agenda Items

None.

Next Regular Meeting

The next regularly scheduled Board of Trustees meeting is at 7:00 p.m. on Wednesday, June 21, 2017, in the Roger C. Bauer Board Room, Room 400 of the Charles R. Donnelly Natural Resources Center, 665 Johnson Street, Alpena, MI 49707. There will be a workshop session at 6 p.m. to discuss marketing and recruiting activities and possibly a presentation by speaker Roger Curtis of the Michigan Department of Talent and Economic Development.

Adjournment

The regular meeting was adjourned at approximately 8:20 p.m.

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