

*Alpena Community College
Board of Trustees*

*FY 2019 Budget Workshop
May 16, 2018*

ACC FY 2019 Budget Workshop

- *Budget Premises*
- *Budget*
- *Future Budget Considerations*

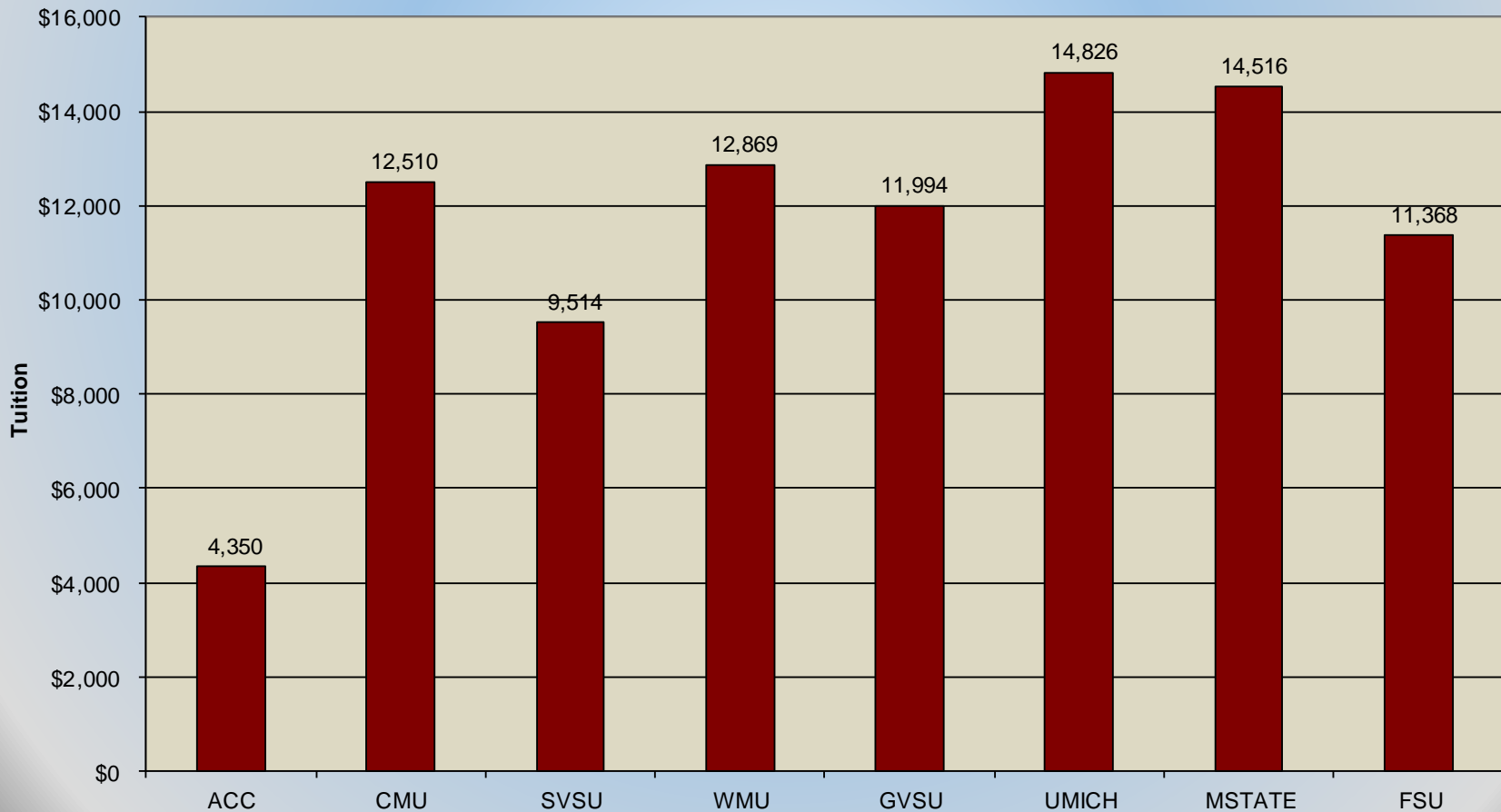
ACC FY 2019 Budget Workshop

- *Premises – Revenues*

- *Tuition and Fees revenue remains at FY 2017 actual levels*
- *Property tax for FY 2018 remains level*
- *State Aid remains level*

ACC FY 2019 Budget Workshop

ACC Compared to Michigan Universities 30 Credit Hours as of Fall/Spring 2018/19



ACC FY 2019 Budget Workshop

- *Premises – Expenditures*

- *An increase in steps, if available, and 2% on base, for Faculty and ESP I & II. Custodial /Maintenance contract still being negotiated.*
- *Administrative pay being evaluated and adjusted.*
- *Fringe Benefits – health insurance costs to the College increased by 3.4% under the State mandated healthcare premium maximum college contribution rates.*

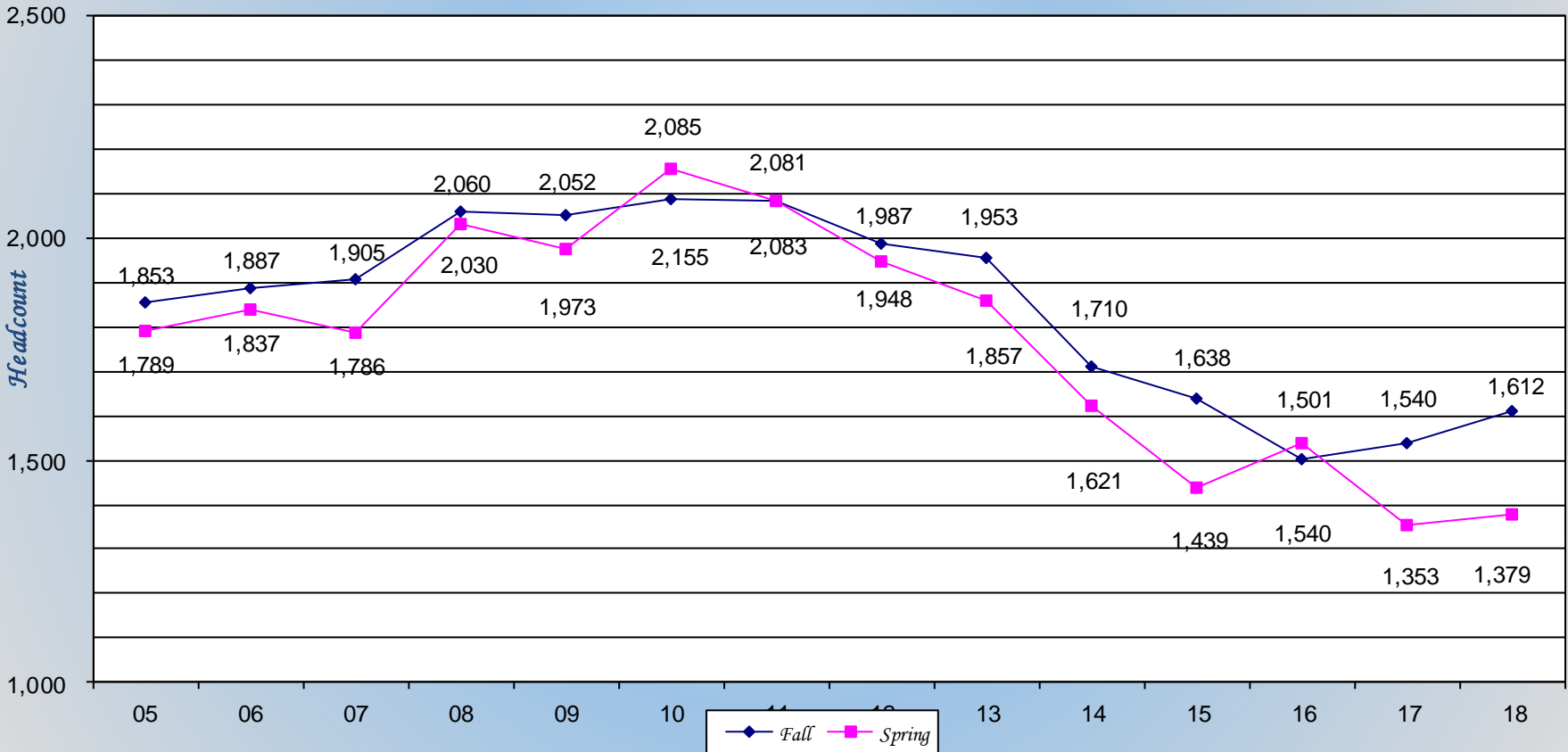
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- *Premises – Expenditures – Continued*

- *MPSEERS Retirement contribution rose slightly at 25.56% of wages for most wage earners and 30% for new hires. TIAA contribution is 12% for faculty and administrators who select it, 20 employees at last count.*
- *Information technology costs have risen by \$40,000*
- *Added police presence on campus additional \$40,000*
- *Most expenses held level or adjusted to meet funding requirements.*
- *Transfer to Maintenance & Replacement Fund is level.*

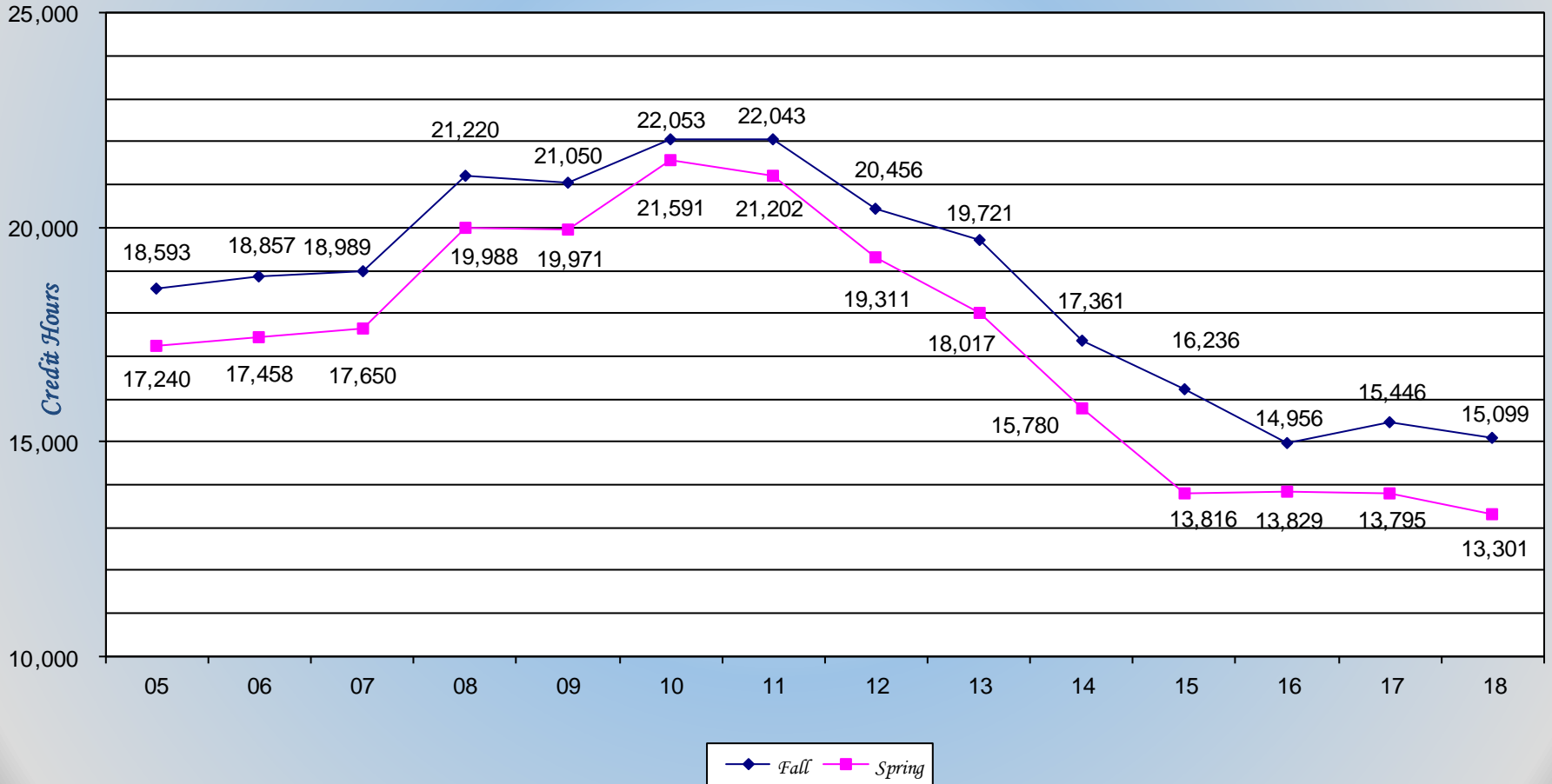
Alpena Community College

Headcount Enrollment History FY 2005 - 2018

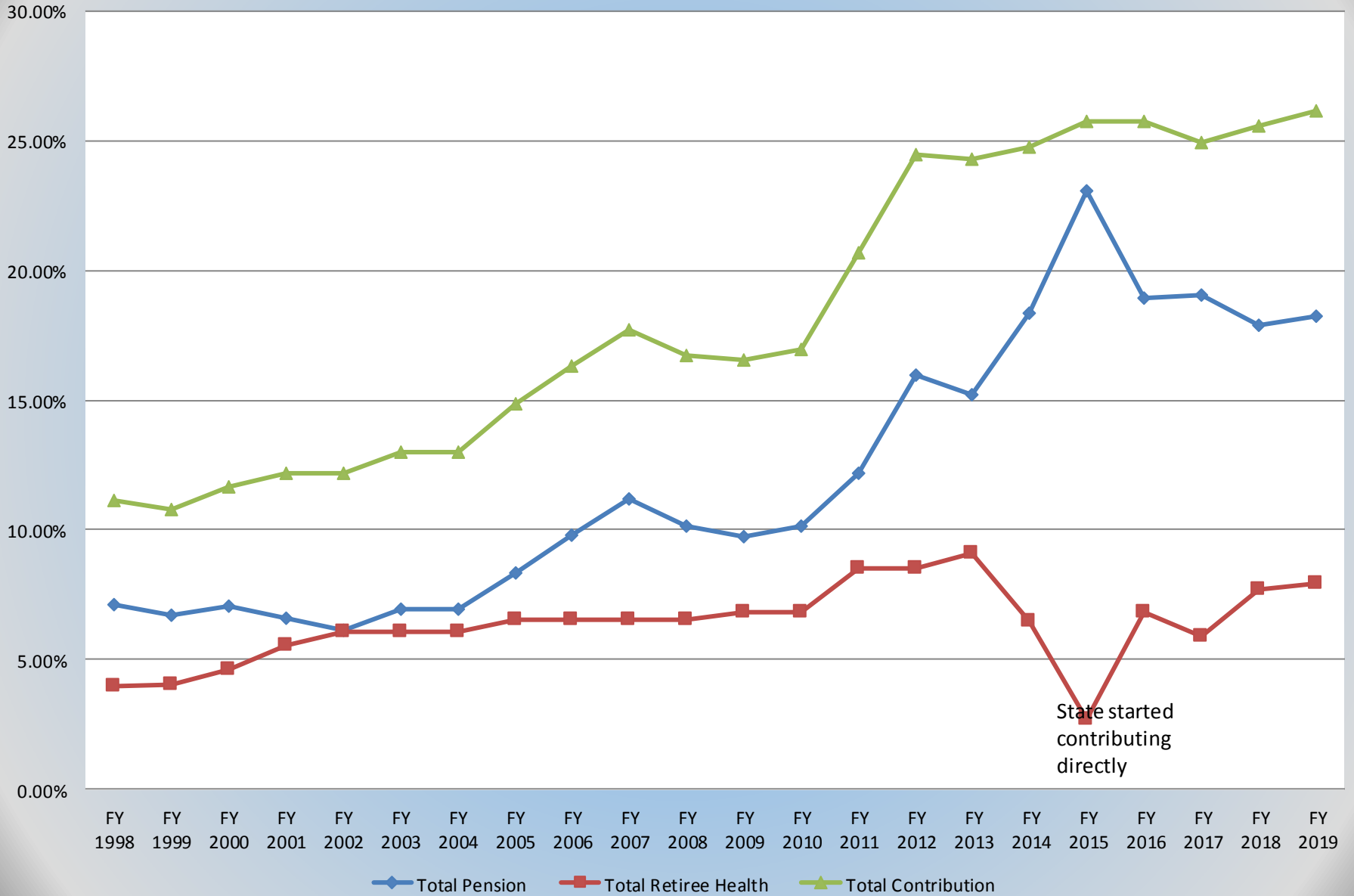


Alpena Community College

Credit Hour Enrollment History FY 2005 - 2018



MPERS Rates



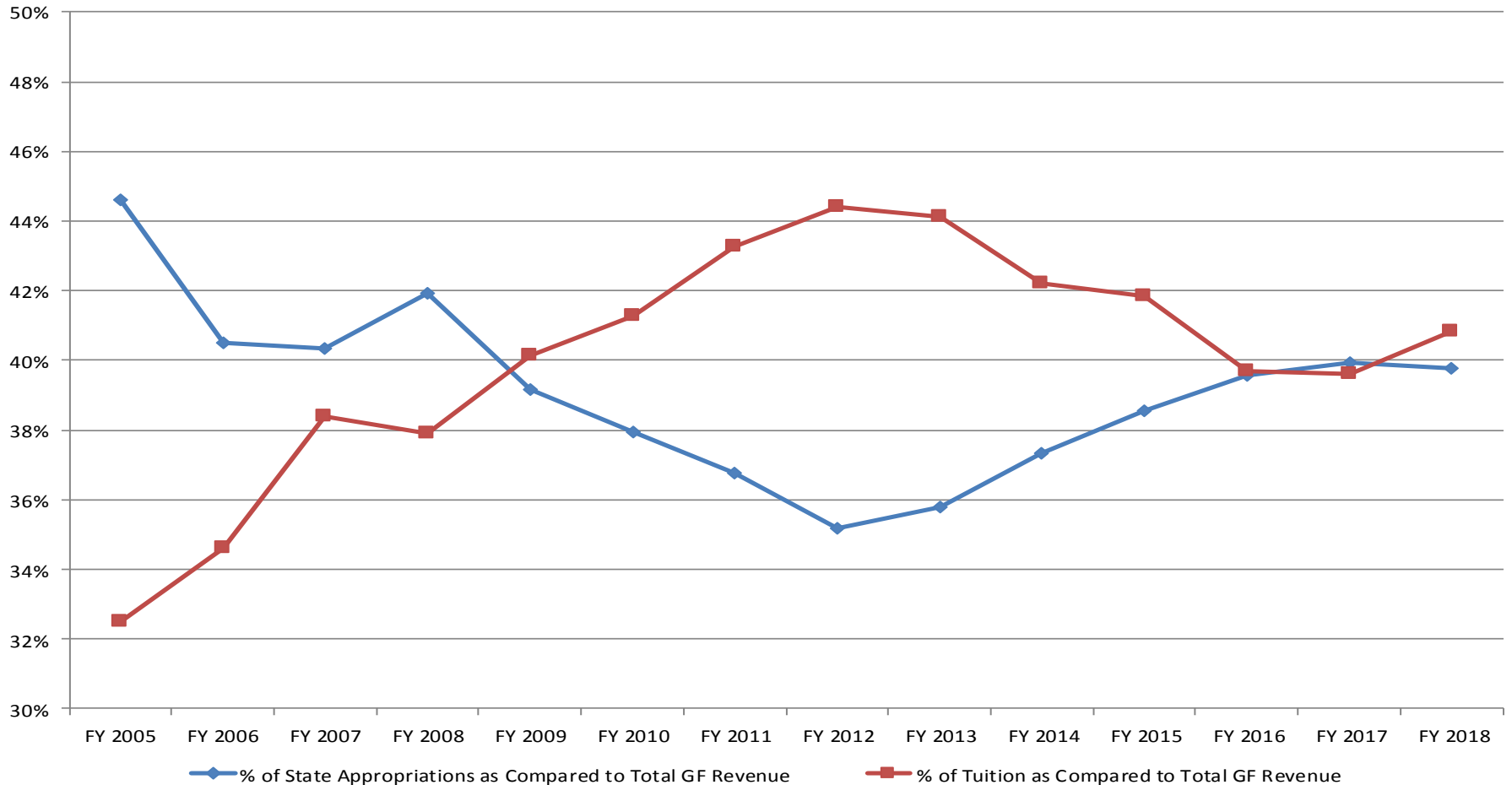
ACC FY 2019 Budget Workshop

General Fund Balance Schedule as of May 16, 2018

| Fund Balance Year | General Fund Exp. | General & M&R Fund Balance at Beginning of Year | Inc. / (Dec.) | % Inc. / (Dec.) | Fund Balance at End of Year | Fund Bal. % | Goal (15%) | Comments |
|-------------------|-------------------|---|---------------|-----------------|-----------------------------|-------------|------------|-------------------------|
| 2011 | 13,803,677 | 1,070,674 | 59,976 | 5.6% | 1,130,650 | 8.2% | 2,070,552 | |
| 2012 | 13,962,260 | 1,130,650 | (11,999) | -1.1% | 1,118,651 | 8.0% | 2,094,339 | |
| 2013 | 14,329,625 | 1,118,651 | 90,073 | 8.1% | 1,208,724 | 8.4% | 2,149,444 | |
| 2014 | 14,077,458 | 1,208,724 | (41,381) | -3.4% | 1,167,343 | 8.3% | 2,111,619 | |
| 2015 | 14,027,655 | 1,167,343 | (281,390) | -24.1% | 885,953 | 6.3% | 2,104,148 | Prior period adjustment |
| 2016 | 13,904,081 | 885,953 | 114,682 | 12.9% | 1,000,635 | 7.2% | 2,085,612 | |
| 2017 | 14,095,402 | 1,000,635 | 547,527 | 54.7% | 1,548,162 | 11.0% | 2,114,310 | |
| 2018 | 14,447,787 | 1,548,162 | 100,000 | 6.5% | 1,648,162 | 11.4% | 2,167,168 | |
| 2019 | 14,808,982 | 1,648,162 | 150,000 | 9.1% | 1,798,162 | 12.1% | 2,221,347 | |
| 2020 | 15,179,206 | 1,798,162 | 150,000 | 8.3% | 1,948,162 | 12.8% | 2,276,881 | |
| 2021 | 15,558,686 | 1,948,162 | 150,000 | 7.7% | 2,098,162 | 13.5% | 2,333,803 | |
| 2022 | 15,947,654 | 2,098,162 | 150,000 | 7.1% | 2,248,162 | 14.1% | 2,392,148 | |
| 2023 | 16,346,345 | 2,248,162 | 150,000 | 6.7% | 2,398,162 | 14.7% | 2,451,952 | |
| 2024 | 16,755,004 | 2,398,162 | 150,000 | 6.3% | 2,548,162 | 15.2% | 2,513,251 | |

ACC FY 2019 Budget Workshop

Alpena Community College Revenue Comparisons



Alpena Community College
General Fund Past Two Years and New
May 16, 2018

| Description | 2016-2017 | | 2017-2018 | | | 2018-2019 | | |
|--------------------------------|---------------|-------------|---------------|-------------|--------|---------------|-------------|--------|
| | Actual Totals | % of Actual | Budget Totals | % of Actual | % Inc. | Budget Totals | % of Budget | % Inc. |
| Property Taxes | 2,577,183 | 17.61% | 2,568,496 | 18.04% | -0.3% | 2,619,496 | 18.21% | 2.0% |
| Tuition/Fees | 5,448,781 | 37.23% | 5,814,970 | 40.85% | 6.7% | 5,912,970 | 41.09% | 1.7% |
| State Aid | 5,495,112 | 37.55% | 5,660,243 | 39.76% | 3.0% | 5,694,915 | 39.58% | 0.6% |
| State Aid - UAAL | 879,834 | 6.01% | | 0.00% | 0.0% | 0 | 0.00% | 0.0% |
| Federal | 110,306 | 0.75% | 103,361 | 0.73% | -6.3% | 63,120 | 0.44% | -38.9% |
| Interest | (3,555) | -0.02% | 2,500 | 0.02% | 0.0% | 2,500 | 0.02% | 0.0% |
| Other | 127,135 | 0.87% | 86,719 | 0.61% | -31.8% | 95,615 | 0.66% | 10.3% |
| Total Revenue | 14,634,796 | 100.00% | 14,236,289 | 100.00% | -2.7% | 14,388,616 | 100.00% | 1.1% |
| Salaries | 7,615,895 | 52.37% | 7,681,530 | 53.96% | 0.9% | 7,774,943 | 53.64% | 1.2% |
| Fringe Benefits | 3,628,756 | 24.95% | 3,780,924 | 26.56% | 4.2% | 3,870,278 | 26.70% | 2.4% |
| F. B. - UAAL | 879,834 | 6.05% | | 0.00% | 0.0% | 0 | 0.00% | 0.0% |
| Outside Sources | 583,392 | 4.01% | 713,006 | 5.01% | 22.2% | 771,819 | 5.32% | 8.2% |
| Advertising | 199,661 | 1.37% | 187,500 | 1.32% | -6.1% | 187,500 | 1.29% | 0.0% |
| Supplies | 218,204 | 1.50% | 263,720 | 1.85% | 20.9% | 263,720 | 1.82% | 0.0% |
| Rental | 2,250 | 0.02% | 5,500 | 0.04% | 144.4% | 5,500 | 0.04% | 0.0% |
| Utilities | 431,792 | 2.97% | 457,214 | 3.21% | 5.9% | 500,662 | 3.45% | 9.5% |
| Telephone | 59,003 | 0.41% | 60,000 | 0.42% | 1.7% | 60,000 | 0.41% | 0.0% |
| Postage | 36,025 | 0.25% | 40,000 | 0.28% | 11.0% | 40,000 | 0.28% | 0.0% |
| Insurance | 165,960 | 1.14% | 168,400 | 1.18% | 1.5% | 155,000 | 1.07% | -8.0% |
| Travel & Mileage | 81,203 | 0.56% | 100,162 | 0.70% | 23.3% | 93,362 | 0.64% | -6.8% |
| Tuition Waivers/Dues | 222,845 | 1.53% | 238,000 | 1.67% | 6.8% | 242,000 | 1.67% | 1.7% |
| Library & Equipment | 41,990 | 0.29% | 82,640 | 0.58% | 96.8% | 82,940 | 0.57% | 0.4% |
| Other | 118,007 | 0.81% | 121,000 | 0.85% | 2.5% | 112,000 | 0.77% | -7.4% |
| Transfers | 257,583 | 1.77% | 336,693 | 2.37% | 30.7% | 335,346 | 2.31% | -0.4% |
| Total Expense | 14,542,400 | 100.00% | 14,236,289 | 100.00% | -2.1% | 14,495,070 | 99.99% | 1.8% |
| | 92,396 | | 0 | | | (106,454) | | |

Alpena Community College
General Fund Three Year Projection
May 16, 2018

| Description | 2018-2019 | | | 2019-2020 | | | 2020-2021 | | |
|-----------------------|-------------------|----------------|-------------|-------------------|----------------|-------------|-------------------|----------------|-------------|
| | Budget Totals | % of Budget | % Inc. | Budget Totals | % of Budget | % Inc. | Budget Totals | % of Budget | % Inc. |
| Property Taxes | 2,619,496 | 17.98% | 2.0% | 2,619,496 | 17.95% | 0.0% | 2,619,496 | 17.66% | 0.0% |
| Tuition/Fees | 5,912,970 | 41.21% | 1.7% | 6,031,229 | 41.33% | 2.0% | 6,151,854 | 41.48% | 2.0% |
| State Aid | 5,694,915 | 39.69% | 0.6% | 5,808,813 | 39.81% | 2.0% | 5,924,990 | 39.95% | 2.0% |
| Stata Aid - UAAL | 0 | 0.00% | 0.0% | | | | | | |
| Federal | 63,120 | 0.44% | -38.9% | 34,716 | 0.24% | -45.0% | 34,716 | 0.23% | 0.0% |
| Interest | 2,500 | 0.02% | 0.0% | 2,500 | 0.02% | 0.0% | 2,500 | 0.02% | 0.0% |
| Other | 95,615 | 0.67% | 10.3% | 95,615 | 0.66% | 0.0% | 95,615 | 0.64% | 0.0% |
| Total Revenue | 14,388,616 | 100.00% | 1.1% | 14,592,369 | 100.00% | 1.4% | 14,829,171 | 100.00% | 1.6% |
| Salaries | 7,774,943 | 53.64% | 1.2% | 8,047,066 | 54.22% | 3.5% | 8,288,478 | 54.56% | 3.0% |
| Fringe Benefits | 3,870,278 | 26.70% | 2.4% | 3,920,592 | 26.42% | 1.3% | 3,979,400 | 26.19% | 1.5% |
| F. B. - UAAL | 0 | 0.00% | 0.0% | | | | | | |
| Outside Sources | 771,819 | 5.32% | 8.2% | 771,819 | 5.20% | 0.0% | 794,974 | 5.23% | 3.0% |
| Advertising | 187,500 | 1.29% | 0.0% | 187,500 | 1.26% | 0.0% | 187,500 | 1.23% | 0.0% |
| Supplies | 263,720 | 1.82% | 0.0% | 268,994 | 1.81% | 2.0% | 274,374 | 1.81% | 2.0% |
| Rental | 5,500 | 0.04% | 0.0% | 5,500 | 0.04% | 0.0% | 5,500 | 0.04% | 0.0% |
| Utilities | 500,662 | 3.45% | 9.5% | 508,172 | 3.42% | 1.5% | 515,795 | 3.40% | 1.5% |
| Telephone | 60,000 | 0.41% | 0.0% | 60,000 | 0.40% | 0.0% | 60,000 | 0.39% | 0.0% |
| Postage | 40,000 | 0.28% | 0.0% | 40,400 | 0.27% | 1.0% | 40,804 | 0.27% | 1.0% |
| Insurance | 155,000 | 1.07% | -8.0% | 158,100 | 1.07% | 2.0% | 162,843 | 1.07% | 3.0% |
| Travel & Mileage | 93,362 | 0.64% | -6.8% | 93,362 | 0.63% | 0.0% | 93,362 | 0.61% | 0.0% |
| Tuition Waivers/Dues | 242,000 | 1.67% | 1.7% | 249,260 | 1.68% | 3.0% | 256,738 | 1.69% | 3.0% |
| Library & Equipment | 82,940 | 0.57% | 0.4% | 82,940 | 0.56% | 0.0% | 82,940 | 0.55% | 0.0% |
| Other | 112,000 | 0.77% | -7.4% | 113,120 | 0.76% | 1.0% | 114,251 | 0.75% | 1.0% |
| Transfers | 335,346 | 2.31% | -0.4% | 335,346 | 2.26% | 0.0% | 335,346 | 2.21% | 0.0% |
| Total Expenses | 14,495,070 | 100.00% | 1.8% | 14,842,171 | 100.00% | 2.4% | 15,192,305 | 100.00% | 2.4% |
| | (106,454) | | | (249,802) | | | (363,134) | | |

ACC FY 2019 Budget Workshop

Five Year Facilities Projected Expenditures

May 16, 2018

| Budgeted Item | Total Cost | Budget Year | | | | | |
|--|------------|-------------|------------|-----------|-----------|------------|------------|
| | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| UTT Truck Repairs and Certifications | \$ 33,000 | \$ 33,000 | - | - | - | - | - |
| Room Upgrades - Carpet, Shades, Paint, etc. | \$ 18,000 | \$ 18,000 | - | - | - | - | - |
| Library Furniture Replacement | \$ 1,400 | \$ 1,400 | - | - | - | - | - |
| Building Automation Upgrades | \$ 5,600 | \$ 5,600 | - | - | - | - | - |
| Repair Brick Paver Walkway in the Rear of CTR at Library Entrance | \$ 6,000 | \$ 6,000 | - | - | - | - | - |
| FAC Parking Lot Drainage Improvements | \$ 5,400 | \$ 2,700 | \$ 2,700 | - | - | - | - |
| Campus-wide Security Cameras | \$ 10,000 | \$ 6,000 | \$ 4,000 | - | - | - | - |
| CTR Roof Restoration | \$ 190,000 | \$ 15,000 | \$ 15,000 | \$ 60,000 | \$ 60,000 | \$ 40,000 | - |
| BTC Terrazzo Refurbishment | \$ 16,000 | \$ 8,000 | \$ 8,000 | - | - | - | - |
| BTC Masonry Restoration at Computer Classrooms and Auto Service | \$ 29,000 | \$ 4,000 | \$ 5,000 | \$ 10,000 | \$ 10,000 | - | - |
| New and Updated Interior Directories and Campus Mapping | \$ 15,000 | \$ 1,500 | \$ 6,000 | \$ 7,500 | - | - | - |
| New Equipment for Wellness Center | \$ 38,000 | \$ 10,000 | \$ 10,000 | \$ 6,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 |
| LED Lighting Upgrades | \$ 30,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | - | - | - |
| HUSH Nursing Lab Remodel | \$ 15,000 | \$ 15,000 | - | - | - | - | - |
| Replace Both 12-passenger Vans | \$ 50,000 | - | - | \$ 25,000 | - | \$ 25,000 | - |
| Replace Maintenance/Plow Trucks | \$ 50,000 | - | - | - | - | \$ 25,000 | \$ 25,000 |
| Replace VCT Tile in 1st Floor of HUSH | \$ 10,000 | - | \$ 10,000 | - | - | - | - |
| FAC Automated Entry Door Opener | \$ 5,000 | - | \$ 5,000 | - | - | - | - |
| BTC Roof Replacement at Lower Section | \$ 160,000 | - | - | - | - | - | \$ 160,000 |
| Repave B-Lot | \$ 150,000 | - | - | - | - | \$ 150,000 | - |
| BTC Restroom Remodels | \$ 50,000 | - | - | - | \$ 50,000 | - | - |
| Restore EPDM Roof on WCCT | \$ 80,000 | - | - | - | - | - | \$ 80,000 |
| Replace WCCT walkway pavers and repair curb trip hazards | \$ 20,000 | - | \$ 20,000 | - | - | - | - |
| Replace WCCT Boiler with higher efficiency units | \$ 90,000 | - | \$ 100,000 | - | - | - | - |
| Upgrade Welding/Manufacturing Tech Fume Extraction and Air Make-up | \$ 50,000 | - | - | - | - | - | \$ 50,000 |

ACC FY 2019 Budget Workshop

Five Year Facilities Projected Expenditures

May 16, 2018

| Budgeted Item | Total Cost | Budget Year | | | | | |
|--|--------------|-------------|------------|--------------|------------|------------|------------|
| | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| UCB window replacement | \$ 20,000 | - | - | - | - | \$ 20,000 | - |
| Replace tables in CTR 104/106 | \$ 25,000 | - | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 | \$ 5,000 |
| Upgrade NRC Elevator | \$ 205,000 | - | - | - | - | \$ 205,000 | - |
| NRC Window Replacement | \$ 350,000 | - | - | - | \$ 350,000 | - | - |
| NRC air handler upgrades with vari-freq motor drive and A/C | \$ 85,000 | - | - | - | - | - | \$ 85,000 |
| NRC stair tread and landing replacement | \$ 36,000 | - | - | - | - | - | \$ 36,000 |
| NRC 4th Floor Balcony and Overhang Repair | \$ 40,000 | - | - | \$ 40,000 | - | - | - |
| Renovate/Upgrade NRC 101 Lecture Hall | \$ 350,000 | - | - | - | - | - | \$ 350,000 |
| New Roof Over NRC 101 | \$ 18,000 | - | \$ 18,000 | - | - | - | - |
| New classroom chairs in NRC | \$ 10,000 | - | - | \$ 10,000 | - | - | - |
| New classroom chairs in BTC | \$ 10,000 | - | \$ 10,000 | - | - | - | - |
| New classroom chairs in VLH | \$ 10,000 | - | - | - | \$ 10,000 | - | - |
| Plant trees along BTC drive and along Johnson St sidewalk on VLH & BTC | \$ 8,000 | - | \$ 2,000 | - | \$ 2,000 | \$ 2,000 | \$ 2,000 |
| Improvement to south Johnson St crosswalk and UCB sidewalk | \$ 30,000 | - | \$ 30,000 | - | - | - | - |
| Totals: | \$ 2,324,400 | \$ 138,218 | \$ 262,719 | \$ 175,520 | \$ 493,021 | \$ 478,022 | \$ 799,023 |
| Van Lare Hall Mechanical/Heating System Overhaul | \$ 2,000,000 | - | - | \$ 2,000,000 | - | - | - |
| Van Lare Hall Restroom Remodels | \$ 60,000 | - | - | \$ 60,000 | - | - | - |
| Van Lare Hall Chimney Removal | \$ 25,000 | - | - | \$ 25,000 | - | - | - |
| Van Lare Hall Commons Area Beautification | \$ 12,000 | - | - | \$ 12,000 | - | - | - |
| Van Lare Hall Door Replacement and Front Entrance Enhancements | \$ 600,000 | - | - | \$ 600,000 | - | - | - |
| Totals: | \$ 2,697,000 | \$ - | \$ - | \$ 2,697,000 | \$ - | \$ - | \$ - |
| Grand Totals | \$ 5,021,400 | \$ 138,218 | \$ 262,719 | \$ 2,872,520 | \$ 493,021 | \$ 478,022 | \$ 799,023 |

ACC FY 2019 Budget Workshop

- *Future Budgeting Considerations*
 - *Enrollments lower than budgeted*
 - *State aid still being determined*
 - *Personal property tax reimbursement lower than estimated*
 - *Legislated retirement and healthcare provisions*