

Alpena Community College Board of Trustees

FY 2016 Budget Workshop

June 18, 2015

ACC FY 2016 Budget Workshop

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

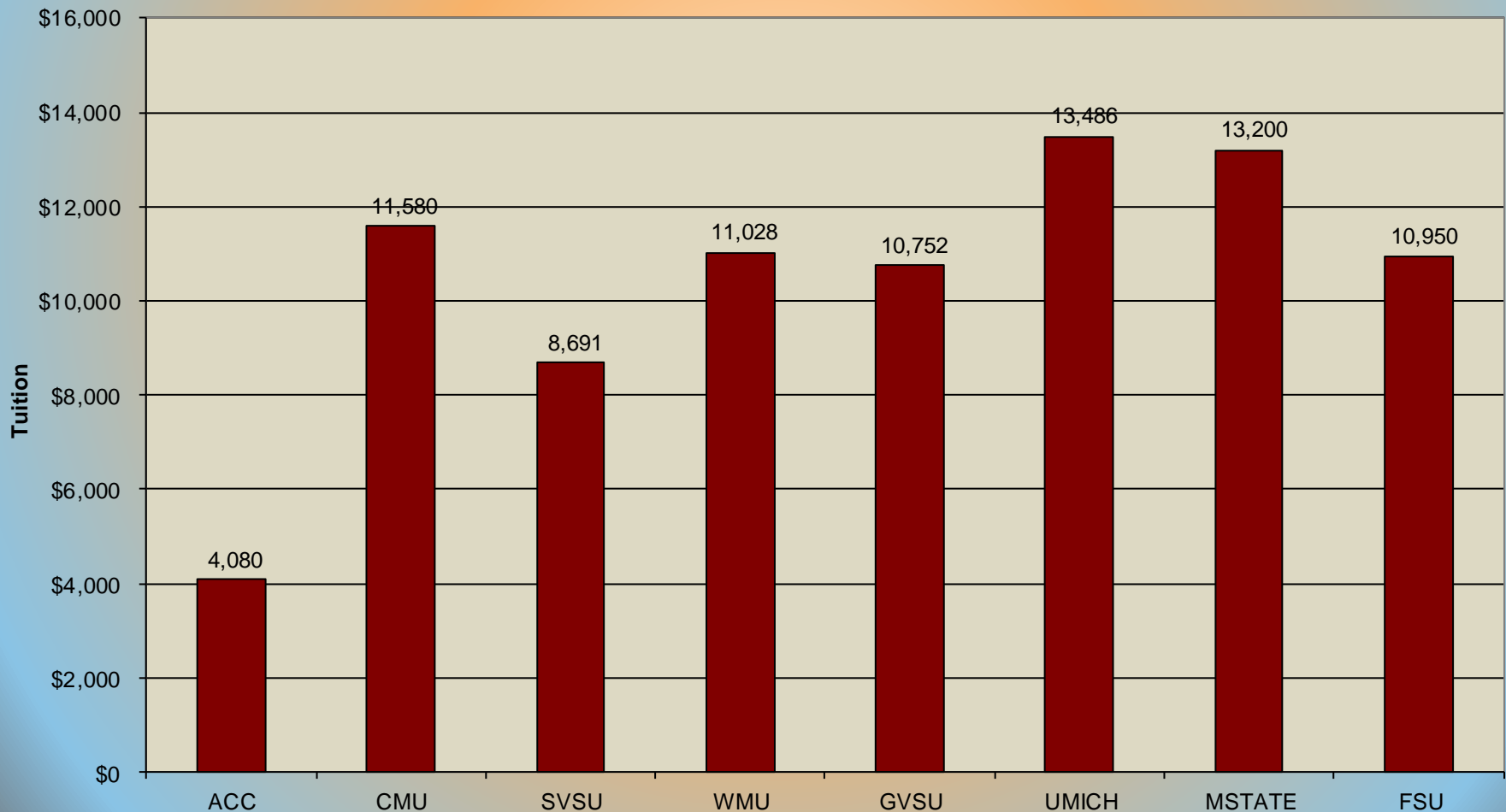
ACC FY 2016 Budget Workshop

- *Premises – Revenues*

- *7% Decrease in enrollments – costing about \$385,000*
- *\$5 in-district, \$8 out-of-district increase in tuition – adding about \$235,000*
- *Property tax up from FY 2015 by 2.5%*
- *1.3% increase in state aid – up about \$70,000*

AC FY 2016 Budget Workshop

*ACC Compared to Michigan Universities
30 Credit Hours as of Fall/Spring 2014/15*



ACC FY 2016 Budget Workshop

- *Premises – Expenditures*

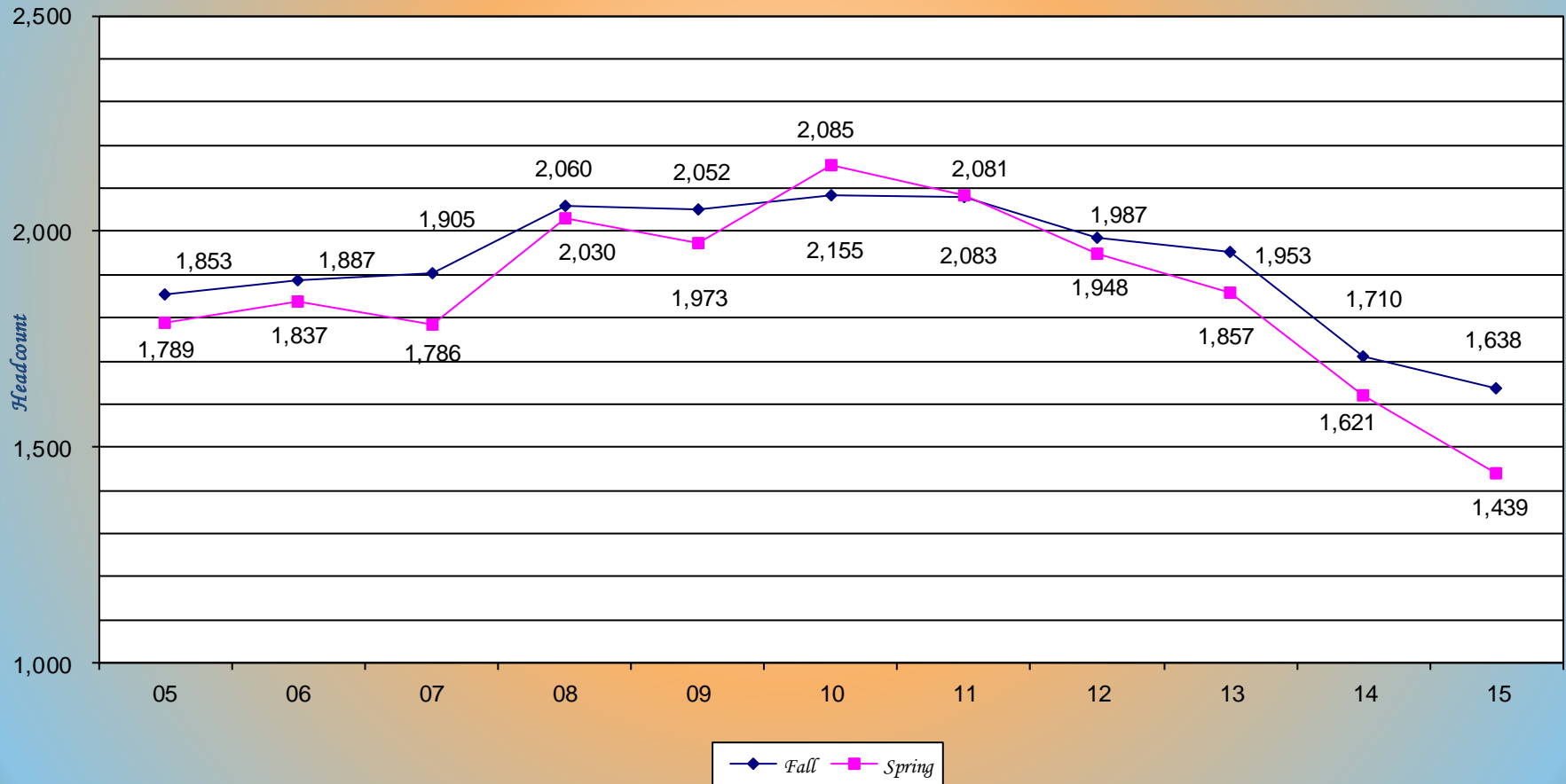
- *An increase in steps or stipend, for those already at highest step, for Faculty, ESP I & II, Custodial /Maintenance, and Administration.*
- *Three faculty have resigned under the severance agreement included in the faculty bargaining agreement effective last year. The College will replace one teaching faculty member, with expansion of Utility Technician program, and replace one with a faculty technician position.*
- *Fringe Benefits – health insurance costs to the College increased by 2.3% under the State mandated healthcare premium maximum college contribution rates.*

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- *Premises – Expenditures – Continued*
 - *Retirement contribution stayed level at 25.78% of wages for most wage earners.*
 - *Most expenses decreased to balance the FY 2015 due to lower than anticipated enrollments remain in place.*
 - *Travel and staff development funds continue to be reduced.*
 - *Transfer to Maintenance & Replacement Fund increased by \$100,000.*

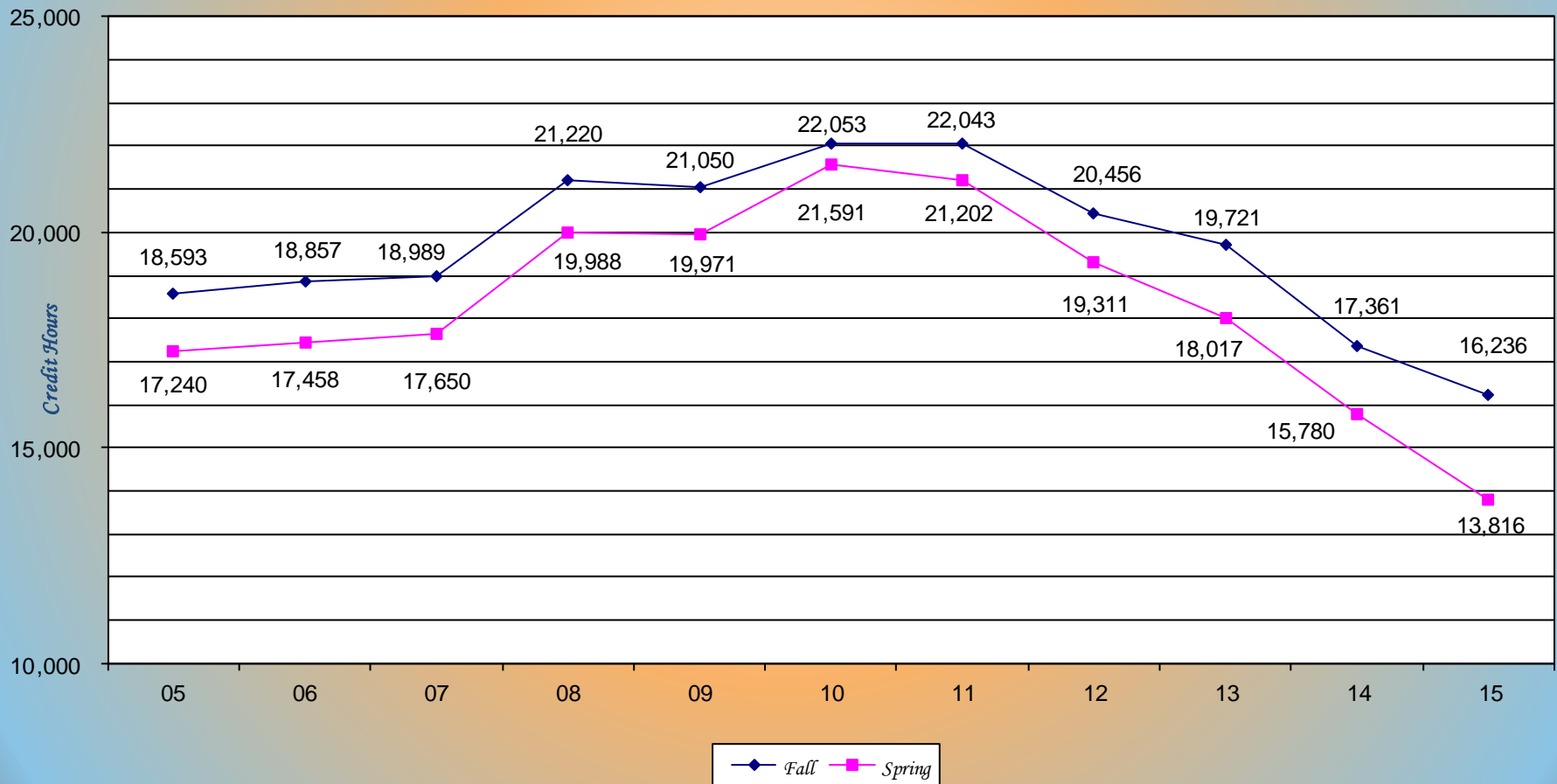
Alpena Community College

Headcount Enrollment History FY2003 - 2015

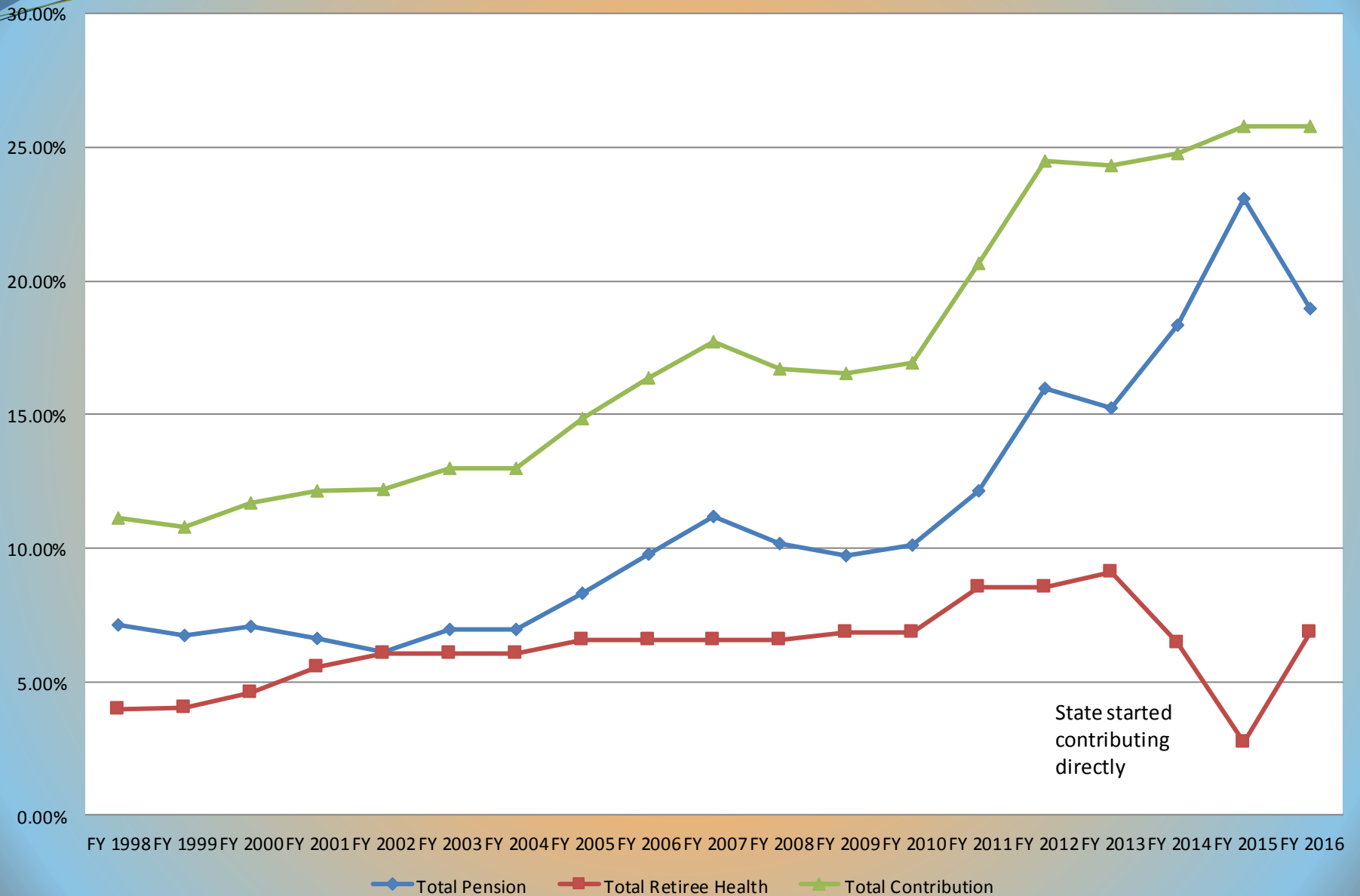


Alpena Community College

Credit Hour Enrollment History FY2005 - 2015



MPERS Rates



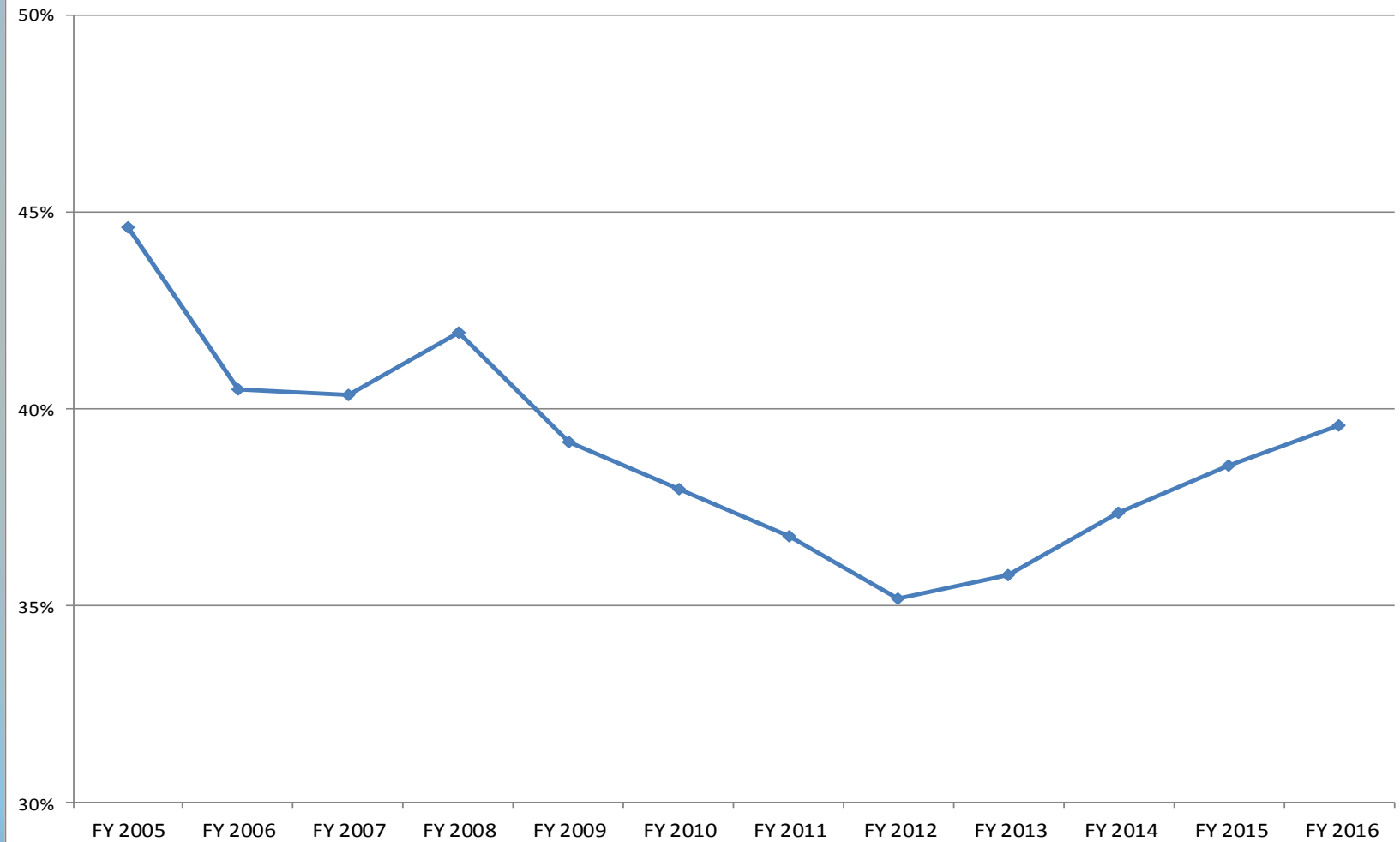
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General Fund Balance Schedule as of June 18, 2015

Fund Balance Year	General Fund Exp.	Fund Balance at Beginning of Year	Inc. / (Dec.)	% Inc. / (Dec.)	Fund Balance at End of Year	Fund Bal. %	Goal (15%)	Comments
2007	11,309,422	770,346	(405,708)	-52.7%	364,638	3.2%	1,696,413	State withheld payment
2008	12,125,343	364,638	479,846	131.6%	844,484	7.0%	1,818,801	State made payment
2009	12,998,615	844,484	(17,689)	-2.1%	826,795	6.4%	1,949,792	
2010	13,233,992	826,795	111,922	13.5%	938,717	7.1%	1,985,099	
2011	13,803,677	938,717	47,898	5.1%	986,615	7.1%	2,070,552	
2012	13,962,260	986,615	16,204	1.6%	1,002,819	7.2%	2,094,339	
2013	14,329,625	1,002,819	102,482	10.2%	1,105,301	7.7%	2,149,444	
2014	14,077,458	1,105,301	5,320	0.5%	1,110,621	7.9%	2,111,619	
2015	14,027,655	1,110,621	0	0.0%	1,110,621	7.9%	2,104,148	
2016	13,904,081	1,110,621	0	0.0%	1,110,621	8.0%	2,085,612	
2017	14,095,402	1,110,621	210,000	18.9%	1,320,621	9.4%	2,114,310	
2018	14,447,787	1,320,621	210,000	15.9%	1,530,621	10.6%	2,167,168	
2019	14,808,982	1,530,621	210,000	13.7%	1,740,621	11.8%	2,221,347	
2020	15,179,206	1,740,621	210,000	12.1%	1,950,621	12.9%	2,276,881	
2021	15,558,686	1,950,621	220,000	11.3%	2,170,621	14.0%	2,333,803	
2022	15,947,654	2,170,621	220,000	10.1%	2,390,621	15.0%	2,392,148	

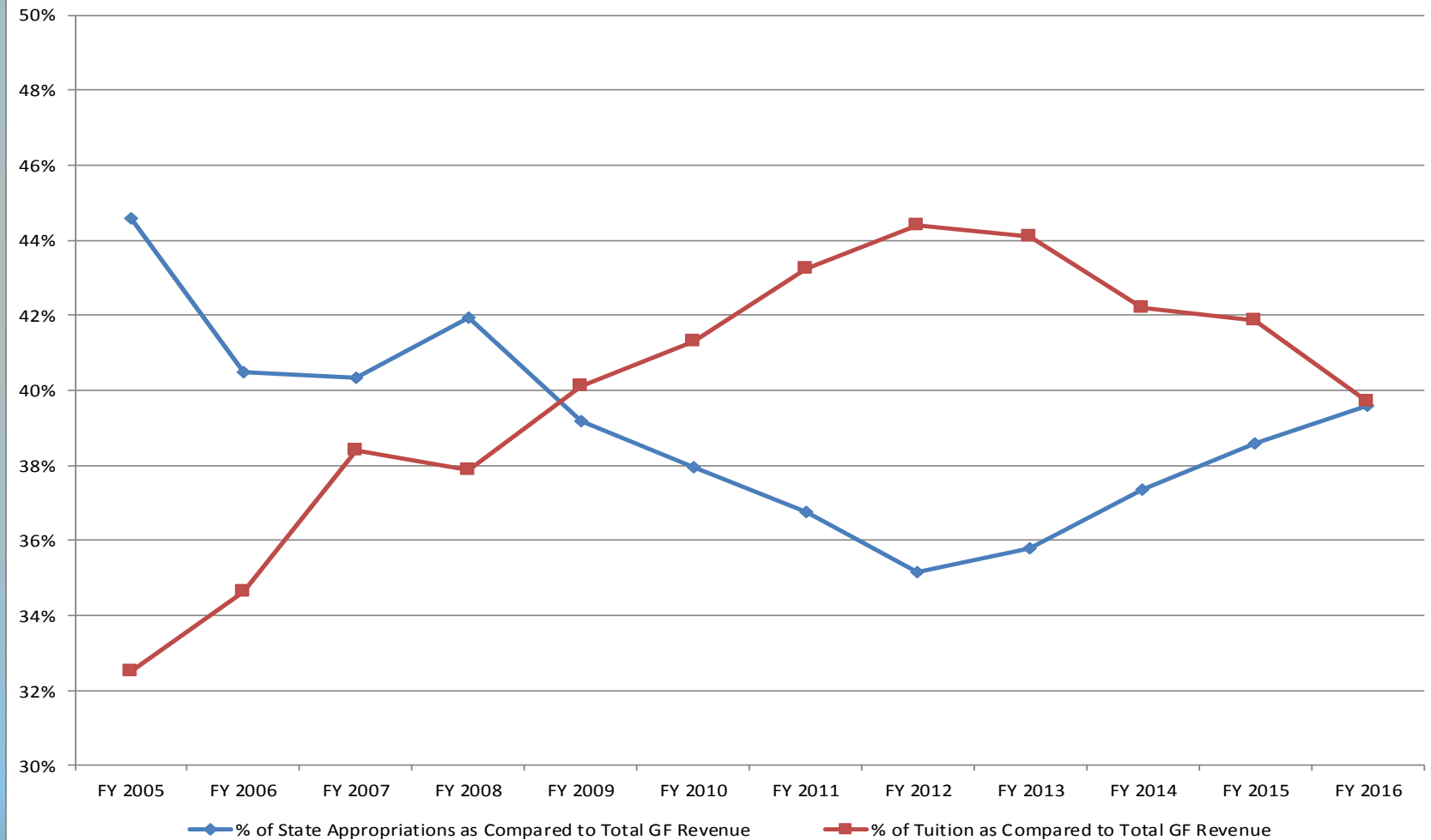
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% of State Appropriations as Compared to Total GF Revenue



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Revenue Comparisons



Alpena Community College
General Fund Past Two Years and New
June 18, 2015

	2013-2014		2014-2015			2015-2016		
Description	Actual Totals	% of Actual	Budget Totals	% of Actual	% Inc.	Budget Totals	% of Budget	% Inc.
Property Taxes	2,550,812	17.56%	2,530,658	17.26%	-0.8%	2,593,039	18.79%	2.5%
Tuition/Fees	5,966,011	41.07%	5,874,680	40.06%	-1.5%	5,461,607	39.57%	-7.0%
State Aid	5,266,944	36.26%	5,409,289	36.89%	2.7%	5,479,610	39.70%	1.3%
State Aid - UAAL	368,945	2.54%	640,739	4.37%	73.7%	0	0.00%	0.0%
Federal	165,357	1.14%	111,129	0.76%	-32.8%	127,129	0.92%	14.4%
Interest	57,726	0.40%	2,500	0.02%	-95.7%	2,500	0.02%	0.0%
Other	149,964	1.03%	94,399	0.64%	-37.1%	139,050	1.01%	47.3%
Total Revenue	14,525,759	100.00%	14,663,394	100.00%	0.9%	13,802,935	100.00%	-5.9%
Salaries	7,640,992	52.62%	7,741,725	52.80%	1.3%	7,559,728	54.77%	-2.4%
Fringe Benefits	3,944,126	27.16%	3,731,354	25.45%	-5.4%	3,734,144	27.05%	0.1%
F. B. - UAAL	368,945	2.54%	640,739	4.37%	73.7%	0	0.00%	0.0%
Outside Sources	563,289	3.88%	626,411	4.27%	11.2%	569,544	4.13%	-9.1%
Advertising	201,025	1.38%	176,630	1.20%	-12.1%	210,130	1.52%	19.0%
Supplies	221,555	1.53%	306,548	2.09%	38.4%	245,238	1.78%	-20.0%
Rental	6,040	0.04%	3,000	0.02%	-50.3%	5,000	0.04%	66.7%
Utilities	520,477	3.58%	457,714	3.12%	-12.1%	461,714	3.35%	0.9%
Telephone	57,636	0.40%	53,000	0.36%	-8.0%	58,000	0.42%	9.4%
Postage	44,945	0.31%	48,000	0.33%	6.8%	48,000	0.35%	0.0%
Insurance	191,864	1.32%	160,000	1.09%	-16.6%	185,000	1.34%	15.6%
Travel & Mileage	64,812	0.45%	92,400	0.63%	42.6%	69,362	0.50%	-24.9%
Tuition Waivers/Dues	216,700	1.49%	213,000	1.45%	-1.7%	202,000	1.46%	-5.2%
Library & Equipment	57,924	0.40%	83,140	0.57%	43.5%	75,300	0.55%	-9.4%
Other	159,348	1.10%	150,500	1.03%	-5.6%	166,750	1.21%	10.8%
Transfers	261,011	1.80%	179,233	1.22%	-31.3%	213,025	1.54%	18.9%
Total Expense	14,520,689	100.00%	14,663,394	100.00%	1.0%	13,802,935	100.00%	-5.9%
	5,070		0			0		

Alpena Community College
General Fund Three Year Projection
June 18, 2015

Description	2015-2016			2016-2017			2017-2018		
	Budget Totals	% of Budget	% Inc.	Budget Totals	% of Budget	% Inc.	Budget Totals	% of Budget	% Inc.
Property Taxes	2,593,039	18.79%	2.5%	2,657,865	19.05%	2.5%	2,724,312	19.32%	2.5%
Tuition/Fees	5,461,607	39.57%	-7.0%	5,461,607	39.15%	0.0%	5,461,607	38.74%	0.0%
State Aid	5,479,610	39.70%	1.3%	5,561,804	39.87%	1.5%	5,645,231	40.04%	1.5%
Stata Aid - UAAL	0	0.00%	0.0%						
Federal	127,129	0.92%	14.4%	127,129	0.91%	0.0%	127,129	0.90%	0.0%
Interest	2,500	0.02%	0.0%	2,500	0.02%	0.0%	2,500	0.02%	0.0%
Other	139,050	1.01%	47.3%	139,050	1.00%	0.0%	139,050	0.99%	0.0%
Total Revenue	13,802,935	100.00%	-5.9%	13,949,955	100.00%	1.1%	14,099,829	100.00%	1.1%
Salaries	7,559,728	54.77%	-2.4%	7,688,243	54.42%	-1.5%	7,803,567	54.04%	1.5%
Fringe Benefits	3,734,144	27.05%	0.1%	3,782,688	27.59%	-1.5%	3,839,428	27.95%	1.5%
F. B. - UAAL	0	0.00%	0.0%						
Outside Sources	569,544	4.13%	-9.1%	569,544	4.05%	0.0%	569,544	4.02%	0.0%
Advertising	210,130	1.52%	19.0%	210,130	1.41%	0.0%	210,130	1.40%	0.0%
Supplies	245,238	1.78%	-20.0%	269,762	2.09%	0.0%	275,157	2.12%	2.0%
Rental	5,000	0.04%	66.7%	5,000	0.04%	0.0%	5,000	0.04%	0.0%
Utilities	461,714	3.35%	0.9%	468,640	3.12%	1.5%	475,669	3.14%	1.5%
Telephone	58,000	0.42%	9.4%	58,000	0.34%	0.0%	58,000	0.34%	0.0%
Postage	48,000	0.35%	0.0%	48,480	0.32%	1.0%	48,965	0.32%	1.0%
Insurance	185,000	1.34%	15.6%	185,000	1.12%	0.0%	190,550	1.14%	3.0%
Travel & Mileage	69,362	0.50%	-24.9%	69,362	0.64%	0.0%	69,362	0.64%	0.0%
Tuition Waivers/Dues	202,000	1.46%	-5.2%	202,000	1.52%	0.0%	204,020	1.53%	1.0%
Library & Equipment	75,300	0.55%	-9.4%	75,300	0.53%	0.0%	75,300	0.52%	0.0%
Other	166,750	1.21%	10.8%	168,418	1.11%	1.0%	170,102	1.12%	1.0%
Transfers	213,025	1.54%	18.9%	255,630	1.70%	25.0%	255,630	1.68%	0.0%
Total Expenses	13,802,935	100.00%	-5.9%	14,056,197	100.00%	-0.8%	14,250,424	100.00%	1.4%
	0			(106,242)			(150,595)		

Alpena Community College

Maintenance and Replacement

Projects FY 2015 & FY 2016

as of June 18, 2015

<i>PROJECT</i>	<i>OCCURANCE</i>	<i>EST. COST</i>	<i>ANNUAL COSTS</i>
Handicap Doors - NRC-Fine Arts	Summer 2015	\$ 4,000	
Install HUSH building roof drains	Summer 2015	\$ 1,500	
Repair BTC oval drive at drains	Summer 2015	\$ 2,000	
College signage	Summer 2015	\$ 10,000	
Energy efficient boiler in NRC	Fall 2015	\$ 125,000	
Unknowns	Various	<u>\$ 50,000</u>	\$ 192,500
Roofing - CTR building sections	Summer 2016	<u>\$ 50,000</u>	
			<u>\$ 50,000</u>
	TOTAL		<u><u>\$ 242,500</u></u>

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Natural Resource Center – Energy Efficient Boilers

- Original boiler
 - Built in 1971
 - Only about 65% efficiency
 - Very high minimum BTU output
 - Numerous leaks occurring in the attached valves and fittings
 - High cost of chemicals
 - High electricity costs
 - High maintenance costs

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Natural Resource Center – Energy Efficient Boilers

- New boiler
 - 94% efficiency
 - Lower maintenance cost
 - Lower cost of chemicals
 - Lower electricity costs
 - Substantially lower minimum BTU output
 - All new valves and fittings attached to the boilers
 - Ability to add a boiler in the future if needed
 - ROI less than 20 years

ACC FY 2016 Budget Workshop

- *Future Budgeting Considerations*
 - *Enrollments lower than budgeted*
 - *Executive orders reducing state aid*
 - *Property tax revenues lower than estimated*
 - *Legislated retirement and healthcare provisions*