A meeting of the Committee of the Whole of the Board of Trustees of McHenry County College was held on Tuesday, February 19, 2013, in the Board Room, Room A217, of Building A on the Campus. Chair Adams called the meeting to order at 6:36 p.m.

When Secretary Walters called the roll, the following were present:

- Ms. Larson
- Ms. Rueda
- Mr. Parrish
- Ms. Walters
- Ms. Miller
- Ms. Kisser
- Mr. Adams

Ms. Liddell was absent. Attorney Nanci Rogers was present as legal counsel. Ms. Miller left the meeting at 8:02 p.m.

**ACCEPTANCE OF AGENDA**

The agenda was accepted as presented.

**ACCEPTANCE OF MINUTES**

The minutes of the Committee of the Whole meeting, January 15, 2013, were accepted as revised.

**OPEN FOR RECOGNITION OF VISITORS AND PRESENTATIONS**

Ms. Jane Collins addressed the Committee; she spoke about the results of her recent FOIA request and spoke about the proposed tuition increase.

**PRESIDENT’S REPORT**

Dr. Smith noted that at last month’s mid-year budget review, changes were made to take into consideration less property tax revenue. She noted that the College does not have a budget deficit, but expects to have a surplus due to ongoing planning efforts, which were shared at the last two COTW meetings. The overarching approach to the budget was discussed, to help the College develop fiscally responsible decisions with taxpayer dollars while providing a quality education for residents. Cost savings
and efficiencies already implemented were discussed, as well as current and future revenue implications including reduction in state funding, impact or SURS pension discussion, and contract obligations. Dr. Smith noted that MCC tuition remains in the lowest quartile of all Illinois community colleges, adding that tuition would be part of the budget discussion, to take a responsible approach to insuring the financial stability of MCC.

DISCUSSION OF JANUARY FINANCIAL REPORTS

Mr. Tenuta explained the preliminary reports and noted final reports would be available for the regular Board meeting. He stated that the College tries to maintain 25 to 50% of annual expenses in the fund balance; he spoke about the income statement, noting that the mid-year forecast shows a possible positive result of almost $750,000. He added that the College is doing all it can to control costs. Mr. Tenuta spoke about the operating results and performance, noting that total revenue to date is 52% of the budget, while expenses are at 46% of the budget. The January preliminary reports are reinforcing Mr. Tenuta’s belief that performance expectations will be exceeded.

Dr. Smith asked whether the order of tonight’s two presentations could be switched and all agreed.

PRESENTATION ON ENVIRONMENTAL SCAN

Ms. Diana Robinson and Ms. Sherrie Taylor from NIU’s Center for Governmental Studies gave a presentation on the environmental scan they conducted for MCC, one purpose of which is to stimulate discussion and get the entire community involved in these discussion points.

The scan looked at the College’s core values – change ready, community and quality – and incorporated information on industry trends 2001-2011, changes in age of residents, and diversity in the community, noting that McHenry County is ranked 10th in the percentage of Latino residents in Illinois. Ms. Robinson urged MCC to think about looking at return on investment wage premium, noting that in the county, associate degree holders earn more than holders of baccalaureate degrees. She congratulated MCC on being in the black, noting that every dollar invested in community colleges is a dollar well earned. She believes that MCC is doing a phenomenal job.
After the presentation, questions were raised by the Trustees. It was pointed out that while there may be a declining birth rate, there will be an enrollment bump coming along, for which MCC must be prepared.

The environmental scan will be incorporated into the College’s Strategic Plan.

PRESENTATION ON MANAGING SURS PENALTY

Dr. Miksa, Ms. Castillo, Ms. Roewer and Mr. Tenuta gave the presentation. They explained that if an employee experiences an increase in total earnings of more than 6% from one year to the next in the last four years of employment before retirement, SURS imposes a penalty on those earnings, which the College must pay. Mr. Tenuta has created tools using the ERP system so that employee earnings can be tracked proactively, to see in advance who may be in potential violation of this rule. After the presentation, the group received comments and answered questions from the Board.

DISCUSSION OF FY 2014 BUDGET ASSUMPTIONS AND TUITION

Dr. Smith noted that over the last two Committee of the Whole meetings, the mid-year analysis of FY 2013 has been shared to show where the College stood in terms of revenue and expenses. Expenses are below budget and revenues are about even with budget. Work has begun on the FY 2014 budget using the philosophical approach that the budget is to provide quality education to all who seek it, further employability skills and increase wage earning potential through workforce development, increase the number of graduates with degrees and certificates, and provide a safe place to learn. Dr. Smith stated that budget development begins with examining year-to-date revenues and expenses, and developing a forecast for fiscal years 2014, 2015 and 2016.

Mr. Tenuta continued that budget development starts with assumptions, reviewing past years to trend expenditures, and using these figures to build the budget. New curriculums, staffing, equipment and facilities are considered, as are items such as the TAA grant, health care programs, and Board-directed initiatives. Each year $2.5 million is moved for future growth and deferred maintenance. State funding will be reduced over the next three years, and the College must face potential increases from the State University Retirement System. Tuition is the last item on the revenue side of the budget. Mr. Tenuta provided a graph to show MCC tuition compared to the state average over the last 12 years. Up until the
downfall of the economy, MCC was a little above average, and has, since then, started to fall rapidly below the average tuition rates of Illinois community colleges.

Chair Miller asked Student Trustee Rueda whether she had conducted a student tuition poll. Ms. Rueda spoke about the recent tuition forum held, the outcome of which was that students prefer to have smaller increases rather than one large increase.

Discussion followed, which included the following topics: federal grants, Foundation scholarships, course scheduling, space needs, staffing needs, online coursework, capital drive prospects, and possible SURS pension cost chargebacks. After discussion, a consensus was reached to increase tuition by $3.00 per credit hour.

**DISCUSSION OF APPROVAL OF POSITION, DUPLICATION CENTER ASSISTANT**

Mr. Tenuta has worked with the Staff Council, and noted the position is budget neutral and provides an opportunity for cost savings. He stated that per the contract, a Staff Council employee has been performing half the position’s duties and can be moved into this position.

**ICCTA NOMINATIONS**

The Board proposes to nominate Ms. Pat Kriegermeier for the ICCTA Board Professional Staff Award and Ms. Paola Rueda for the ICCTA Student Trustee Award.

**SUMMARY COMMENTS BY BOARD MEMBERS**

Ms. Kisser found the ACCT webinar she took to be very good, and plans to take the rest. She urged her fellow trustees to use the College’s ACCT webinar subscription.

Mr. Adams complimented the work done on the “Fast Facts” pamphlet.

Ms. Larson inquired whether revenue could be brought in by advertising, after seeing examples of such advertising in Washington at the ACCT Legislative Summit.

**FUTURE AGENDA ITEMS**

No future agenda items were proposed.
CLOSED SESSION

At 8:08 p.m., Ms. Walters moved to go into Closed Session to discuss matters covered under the Illinois Open Meetings Act 120/2(c), Exception #2, Collective negotiating matters between the public body and its employees or their representatives, or deliberations concerning salary schedules for one or more classes of employees, and Exception #21, Discussion of minutes of meetings lawfully closed under this Act, whether for purposes of approval by the body of the minutes or semi-annual review of the minutes as mandated by Section 2.06. Ms. Larson seconded the motion. There was no discussion. The roll was called and all were in favor; the motion carried. A short break was taken at 8:10 p.m. and Closed Session began at 8:18 p.m.

At 8:34 p.m., Ms. Walters moved to come out of Closed Session and Ms. Rueda seconded the motion. There was no discussion. A voice vote was taken and all were in favor; the motion carried. Closed Session ended at 8:34 p.m.

ACCEPTANCE OF CLOSED SESSION MINUTES: Committee of the Whole, January 15, 2013

Ms. Larson moved to accept the Closed Session minutes of the January 15, 2013 Committee of the Whole meeting and Ms. Walters seconded the motion. There was no discussion. The roll was called and all were in favor; the motion carried.

ADJOURNMENT

Hearing no further business, Chair Adams adjourned the meeting at 8:35 p.m.

_______________________________________        _________________________________________
Patricia Kriegermeier, Recording Secretary        Barbara Walters, Board Secretary