

MINUTES
COMMITTEE OF THE WHOLE
OF McHENRY COUNTY COLLEGE

A meeting of the Committee of the Whole of the Board of Trustees of McHenry County College was held on Tuesday, November 29, 2012, in the Board Room, Room A217, of Building A on the Campus. Mr. Adams called the meeting to order at 6:05 p.m.

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

Ms. Kissar
Ms. Larson
Ms. Rueda
Mr. Parrish
Ms. Walters
Ms. Miller
Mr. Adams

Ms. Liddell was absent. Attorney Daniel Curran was present as legal counsel.

ACCEPTANCE OF AGENDA

The agenda was accepted as presented.

ACCEPTANCE OF MINUTES

The minutes of the Committee of the Whole meeting, October 16, 2012, were accepted as presented.

OPEN FOR RECOGNITION OF VISITORS AND PRESENTATIONS

No one signed in to address the Committee.

PRESIDENT'S REPORT

Dr. Smith stated she would deliver her report at the Board meeting later this evening.

DISCUSSION OF OCTOBER FINANCIAL REPORTS

Mr. Tenuta spoke about the balance sheet listing current funds as of October 31, 2012. He noted that student tuition and fees appear to be down from last year, and explained that the methodology for recording the revenue has changed. Tuition is now recorded monthly; the numbers will be positive at the end of the semester. Mr. Adams commented that the numbers are looking better.

DISCUSSION OF ESTIMATED 2012 TAX LEVY EXTENSION

Dr. Smith provided an overview of the tax levy process. She noted that at the November meeting the Board approves an estimated levy and then votes at the next meeting to approve it. She asked Mr. Tenuta to provide a memo to the Board with an in-depth overview about how College operations are financed and implications that activities have on overall funding.

Mr. Tenuta outlined the three sources of College funding: the tax levy, tuition and fees, and state grants. He noted that PTELL (Property Tax Extension Law Limit) overrides everything: the statutes give 3%, cost of living, Consumer Price Index-Urban or 5%, whichever is less. He noted that the overall aggregate appears to be 9.9% and that county clerks will reduce it to 3% to comply with PTELL. New property not currently on the tax rolls must be factored in, or the College loses the ability to capture it forever.

Mr. Tenuta spoke about price elasticity of demand, providing data going back ten years, which shows that when tuition is increased, demand does not drop off. Dr. Smith added that enrollment for fall semester is up 7.2% over last fall semester. Mr. Parrish asked whether the effects of the Promise program were included in these figures; Dr. Smith confirmed that this was included. Mr. Tenuta distributed handouts showing tuition rates over the past ten years for Illinois community colleges

Extensive discussion followed on tuition, Promise scholarships and Pell Grant funding; it was noted that many Promise students left the program but continued at McHenry County College. Mr. Tenuta noted that McHenry County College's tuition rate for last fall ranks in the bottom 25% of all Illinois community colleges. Mr. Tenuta spoke about state funding, noting that from FY2005 to FY2012, state funding decreased 23% for MCC.

Mr. Tenuta then spoke about the financial implications that lay ahead. He noted that state support is not looking positive, and that the state will most likely rule that the College will have to pay for pensions. Dr. Smith added that the Council of Presidents has been working with state offices to work out a way to phase those costs in over time.

Mr. Tenuta stated that employees pay .5% to the College Insurance Program through the State University Retirement System; employees could be paying as much as 1.25% toward that system in the future as the state does not want to cover this cost.

Mr. Tenuta then spoke about contractual increases for the Staff Council and Adjunct Faculty contracts and noted that negotiations are beginning on the faculty contract. He added that health insurance costs will be a wild card, increased costs will have to be anticipated.

Mr. Tenuta noted that there are deferred maintenance items for the campus physical property. As noted in the ISES report, \$41 million of projects will need to be taken care of over the next ten years. Money has been set aside to afford some of these projects. He noted that on the academic side, the College is trying to meet community needs to increase skills and abilities and improve educational backgrounds, and turned the floor over to Dr. Miksa.

Dr. Miksa stated that approximately \$250,000.00 would be spent for new programs, which includes staffing and equipment cost. He noted the College would be seeking grant funding to start those programs and stated the TAA (Trade Adjustment Assistance) grant has provided funds for industrial maintenance programs. Dr. Smith added that programs in respiratory therapy, physical therapy, health information technology, paralegal and industrial maintenance programs are being developed. Discussion followed on space and other requirements placed on the College by the accrediting bodies for some of these programs.

Mr. Tenuta spoke about additional costs involved in the widening of Route 14 through the Illinois Department of Transportation.

Mr. Tenuta then stated a document would be brought to the December Board meeting to approve the levy; he anticipates that the College levy will come back at 3% from the county clerks. Extensive discussion followed on the amount that should be asked for in the levy. Mr. Adams stated he would like to ask for a lesser figure this year; Mr. Parrish echoed his statement. Ms. Kissner stated that the College will not actually get 9.9% and added that she would be leery of asking for less. Dr. Smith emphasized the importance of capturing new growth. Discussion followed on what percentage to use for the estimated tax levy; the Board must decide on the figure to use.

CLOSED SESSION

At 7:02 p.m., Ms. Walters moved to go into Closed Session to discuss matters covered under the Illinois Open Meetings Act, 120/2 (c), Exception #1, *The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body, or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel for the public body to determine its validity.* Ms. Larson seconded the motion. There was no discussion. The roll was called and all were in favor; the motion carried. Closed Session began at 7:04 p.m.

At 7:16 p.m., Ms. Walters moved to come out of Closed Session; Ms. Larson seconded the motion. There was no discussion. A voice vote was taken, all were in favor and the motion carried. Closed Session ended at 7:17 p.m.

SUMMARY COMMENTS BY BOARD MEMBERS

There were no Summary Comments.

FUTURE AGENDA ITEMS

No Future Agenda Items were proposed.

ACCEPTANCE OF CLOSED SESSION MINUTES: Committee of the Whole, October 16, 2012

The Closed Session minutes of the October 16, 2012 Committee of the Whole meeting were accepted.

ADJOURNMENT

Hearing no further business, Chair Adams adjourned the meeting at 7:18 p.m.

Patricia Kriegermeier, Recording Secretary

Barbara Walters, Board Secretary