

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, June 18, 2013, in the Board Room, Room A217, of Building A on the Campus. Chair Liddell called the meeting to order at 6:50 p.m.

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

Mr. Jenner  
Ms. Kisser  
Ms. Lambert  
Ms. Miller  
Mr. Parrish  
Ms. Walsh  
Mr. Wilbeck  
Ms. Liddell

Attorneys Daniel Curran was present as legal counsel.

ACCEPTANCE OF AGENDA

The agenda was accepted as revised; item #8, FY 2013 Audit Process, was moved up to item #6.

ACCEPTANCE OF MINUTES

The minutes of the Committee of the Whole meeting, May 14, 2013, were accepted as presented.

OPEN FOR RECOGNITION OF VISITORS AND PRESENTATIONS

No one signed in to address the Committee of the Whole.

FY 2013 AUDIT PROCESS

Mr. Fred Lantz and Mr. Ray Krause from Sikich, the College's auditing firm, spoke about this year's audit process. They provided an audit timeline, consisting of the following items: 1) Planning, which runs from April through June; 2) Field work, from June to September; 3) Reporting from September through October, and 4) Exit Conferences in October.

Trustees will receive SAS 99 interviews electronically and must return them to Sikich by the middle of July. Discussion followed on new GASB standards 62, 63, and 65, which are applicable to the College.

## PRESIDENT'S REPORT

Dr. Smith reported that work has been conducted the past few weeks to post trustee email addresses on the website, as well as work ongoing to enable streaming the Regular Board meetings. She noted that Board Policy 1.8.10 requires Trustee emails to be sent to the Board Liaison, who forwards the messages to the Board Chair, if addressed to the Board as a whole. If the email is addressed to an individual Trustee the messages are forwarded to the Board Liaison who then forwards them to the individual trustee. Ms. Haggerty displayed the Board page and noted the location of individual contact information; Dr. Butler noted that these addresses will go live June 19 so that community members may contact Trustees individually. A question and answer period followed.

Ms. Haggerty spoke about the process to access streamed Board meetings and it was noted that meetings will be archived for viewing after the meeting.

## DISCUSSION OF PRELIMINARY APRIL FINANCIAL REPORTS

Mr. Tenuta provided an update on May financial reports including statement of financial position, balance sheet, fund balances and a statement of activities. He noted that deferred tuition, which is posted monthly rather than a lump sum at the beginning of the semester, is in a liability account now until it is able to be recorded as income earned.

## EXPLANATION OF THE COMPOSITION OF THE COLLEGE'S LONG-TERM CONTRACTS AND DEBT SERVICE

Mr. Tenuta gave a presentation, requested by Trustee Wilbeck, about the College's long-term contracts and debt service. He noted that the College issued \$3,560,000.00 of General Obligation Limited Tax Debt Certificates in 2004 to finance the acquisition and remodeling of what is now known as the Shah Center in McHenry. He noted that the debt certificates are repaid from the education fund and a revenue stream generated by the facility and that the certificates are rated A1 by Moody's Investor Service.

Mr. Tenuta added that in 2008, the College issued \$3,800,000.00 of General Obligation Limited Tax Debt Certificates to finance the acquisition of 57 acres of vacant land contiguous to the College. The debt certificates will be repaid from the education fund and are rated A2 by Moody's Investor's Service.

Mr. Tenuta noted also that in 2012, the College issued \$1,995,000.00 of General Obligation Limited Tax Refunding Debt Certificates, to advance refund a portion of the 2004 certificates. Through the refunding transaction, the College achieved a savings of \$88,607.00 and an economic gain of \$79,964.00. The debt certificates will be repaid from the education fund.

Mr. Tenuta noted that the College has various leases for computers, mailing equipment, and off-campus classroom space. Lease payments for fiscal years 2012 and 2011 totaled \$388,665.00 and \$238,095.00, respectively. He provided a table of other long-term contracts, their annual total, date implemented, and contract end date. He then received questions and comments from the Trustees.

#### EXPLANATION OF THE COLLEGE'S ETHICSPPOINT PROCESS

In response to a request from Chair Parrish, Dr. Miksa gave a presentation about the College's utilization of a third-party company called EthicsPoint to process employee ethics complaints. He explained how the process works: a) employees are asked to categorize their inquiry, b) employees complete an online questionnaire, c) the questionnaire is sent to the Ethics Officer, d) the Ethics Officer responds within 24 hours, e) the College may request asynchronous communication through EthicsPoint to clarify the inquiry, and f) a final response is given.

Dr. Miksa noted that the College receives less than five inquiries per year through this system.

#### PRESENTATION ON INTERACTIVE CAMPUS MAPPING/WAYFINDING

Ms. Haggerty gave a presentation on a campus mapping/wayfinding system proposed for use, a system called CampusBird. She noted that through this system, information would be managed by the College, information displayed through the public website, and added that the system is developed in partnership and hosted by a third party. Visitors would be able to use their personal electronic devices or monitors throughout the campus to find classrooms and offices to find their way around campus. After the presentation Ms. Haggerty answered questions and received comments from the Trustees.

#### DISCUSSION OF FY 2014 ADMINISTRATIVE COMPENSATION

Dr. Smith spoke about proposed compensation for administrators for the coming fiscal year. The recommendation is to increase salaries by 3.7%, which encompasses an increase in the CPI-U, and an

increase of 1% in State University Retirement System (SURS) contribution. Dr. Smith stated that during the past year, administrators have done a great job on new programs, finishing the Building B renovation, and implementing the new ERP system. She added that, in addition, the December 2012 CPI-U percentage would be added to the minimum and maximums of each of the seven administrative pay ranges. Ms. Miller noted past increases: one year, administrators received an increase of .5%, one year they received just the increase in the CPI-U, another year they received 2%. She stated that she would vote for the increase being recommended if the College looks at a merit-based compensation system for future administrative increases. Ms. Kissler asked that the salary sample provided be expanded to include more community colleges. Ms. Miller asked for the total cost of the salary increase and Mr. Tenuta responded it would be \$165,000.00. Dr. Smith will provide detailed information to the Trustees before the next Board meeting with the highest and lowest administrative salaries and increases at surrounding community colleges. Mr. Wilbeck stated that it is not yet known what SURS increase administrators will have to pay.

#### DISCUSSION OF FY 2014 BUDGET

Mr. Tenuta provided an overview of the FY 2014 budget. He reviewed Board-directed initiatives such as the \$2.5 million transfer to the Operations & Maintenance fund, programmatic initiatives which include Health Information Technology, Physical Therapy Assistant, Respiratory Therapy Assistant, Paralegal, Online Computer Information Systems, and weekend business programs. He spoke about personnel issues, including new positions and salary increases. Mr. Tenuta spoke about capital projects which include the IDOT stoplight and Entrances 1 and 3, and Capital Development Board projects for the greenhouse and pump house, the B & D parking lot project and phase II of the carpeting and painting project. He noted that exterior lighting upgrades will go through the Capital Development Board process. Discussion followed on the Working Cash fund, the General Assets and General Liability fund, the Trusted Agency fund, the Audit fund and the tax levy. Mr. Wilbeck and Ms. Walsh asked whether a flat levy could be considered; Mr. Jenner stated the levy need not be flat or maximum, but must be looked at. The draft budget will be brought to the July Committee of the Whole meeting.

FUTURE AGENDA ITEMS

Future agenda items include the tax levy, \$2.5 million transfer to restricted fund, a presentation by the Biology department on the recently purchased Anatomage table, the 360 evaluation process, and the AQIP process.

SUMMARY COMMENTS BY BOARD MEMBERS

Ms. Kisser reminded her fellow Trustees to take advantage of the ACCT seminar membership.

CLOSED SESSION

At 9:31 p.m., Ms. Miller 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* 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*. Mr. Wilbeck seconded the motion. There was no discussion. The roll was called and all were in favor; the motion carried. A break was taken at 9:31 p.m. and Closed Session began at 9:36 p.m. At 10:09 p.m., Mr. Parrish moved to come out of Closed Session and Ms. Lambert seconded the motion. There was no discussion. A voice vote was taken and all were in favor; the motion carried. Closed Session ended at 10:09 p.m.

ACCEPTANCE OF CLOSED SESSION MINUTES, Committee of the Whole, May 14, 2013

Mr. Parrish moved to accept the Closed Session minutes from the May 14, 2013 Committee of the Whole meeting and Ms. Miller 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 Liddell adjourned the meeting at 10:10 p.m.