

MINUTES
COMMITTEE OF THE WHOLE
OF McHENRY COUNTY COLLEGE

A meeting of the Committee of the Whole was held on Tuesday, April 15, 2014, in the Board Room, Room A217, of Building A on the Campus. Vice Chair Liddell called the meeting to order at 6:02 p.m. When Mr. Jenner called the roll, the following were present:

Mr. Jenner
Ms. Kisser
Mr. Parrish
Ms. Walsh
Ms. Liddell

Ms. Miller and Ms. Diversiev were absent. Mr. Wilbeck was absent at roll call and arrived at 6:03 p.m. Dr. Smith was present. Attorney Nanci Rogers 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, February 18, 2014, were accepted as presented.

OPEN FOR RECOGNITION OF VISITORS AND PRESENTATIONS

Dr. Bev Dow, Instructor of Biology, addressed the Committee of the Whole, thanking the Board for the majority opinion that McHenry County College needs more space to accommodate growing programs. She favored adding space on campus to avoid commuting time between locations, noted that support services are on campus and added that large lecture classes are not the College's educational philosophy and not practical for the students. She hopes to join the Board at the retreat being planned.

PRESIDENT'S REPORT

Dr. Smith had no report.

PRELIMINARY MARCH FINANCIAL STATEMENTS

Mr. Tenuta reported that expenditures are tracking well at 75% throughout the year, with the fund balance currently at \$80.6 million. He noted that year-to-date expenditures were budgeted at \$51.6 million and

total expenditures are currently \$46.6 million, leaving a \$5.2 million balance to the good. He stated the transfer the Board approved last month will happen this month. Mr. Tenuta noted that revenues are coming in nicely and expenditures are staying quite low. He has no concerns the College will not meet its budget for this year.

DISCUSSION OF THE SELECTION OF INVESTMENT ADVISOR

Mr. Tenuta stated twelve firms responded and the final selection was PFM, whose representatives attended the meeting to answer any questions. PFM will be charged with increasing the College's investment income and stated they would work hard to meet the College's expectations.

DISCUSSION OF HEALTH INSURANCE CONSORTIUM

Mr. Tenuta stated that the College is looking at every possible way to reduce costs and recently received a quote that was an 8.0% reduction on the premiums if the College joined a consortium for medical insurance. The College's current health insurance broker indicated that medical insurance premiums, if the College continued down their current path, will decrease by 4.6% for next year, so the College may realize even more savings should it join the medical insurance consortium. Mr. Tenuta is waiting for more information on renewals and will work to get the best cost for health insurance.

Mr. Tenuta stated that he is also looking into property and casualty insurance with a consortium through Illinois Risk Management and will report back to the Board on the results of that inquiry.

FEASIBILITY STUDY FOR HEALTH AND SCIENCES EDUCATION BUILDING

Ms. Liddell spoke about a Board retreat to discuss this topic; all will check their calendars for available weeknights in May. Ms. Liddell added that health professions and science faculty would be invited to participate in the discussion. Dr. Smith and Dr. Miksa will work together to develop an agenda for this retreat.

Discussion ensued on Board consensus that space is needed on the current campus property, and further discussion followed on Trustees' level of confidence or lack thereof in the feasibility study conducted, enrollment projections, survey sample size, lab space needed, course delivery format, and long-term

planning. The workshop/retreat will focus on what physical space the Board believes is needed based on what faculty and administration are telling the Board.

Additional discussion focused on the use of the Anatomage table and the need for a cadaver room, followed by discussion on whether biology classes will transfer to four-year universities.

A suggestion was made that the Board tour other health science education facilities such as the new health and sciences building that Elgin Community College has recently finished.

UPDATE ON MERIT PAY FOR ADMINISTRATORS

The administrators' merit pay rapid response team gave a presentation on Merit Pay for Administrators system, which explained the current evaluation and merit process, the updated process, an example of how merit pay could be distributed, the integration of goal attainment into the evaluation process, and future considerations to look at 360 evaluations in partnership with the College's AQIP team. The presentation is available to view at: <http://www.mchenry.edu/board/index.asp>.

PRELIMINARY DISCUSSION ON FY 2015 BUDGET

A preliminary draft of the FY2015 budget, based on certain assumptions received from the Board, was discussed. Mr. Tenuta asked Trustees to focus on Funds 01 and 02 where input is still needed. Mr. Tenuta has only transferred \$2.5 million of the proposed \$5 million transfer this fiscal year and may hold off on the other \$2.5 million. Mr. Tenuta spoke about cost control considerations and noted that two-thirds of the budget is driven by personnel costs. He also noted that tuition will increase from \$102.00 to \$105.00 per credit hour. He provided a summary by major category of expenditures, and added that the Board will get more detail as the budget cycle progresses. He is trying to predict the ending fund balance for this fiscal year, which becomes the beginning fund balance for FY 2015. Mr. Tenuta noted also that the state has indicated to the Colleges to prepare for state funding to be cut by 11.04%. He answered questions from the Trustees on several areas of the budget – transfers, positions, temporary services, travel, and fixed charges. Mr. Tenuta has based the budget on the assumption that the property tax levy is flat and noted the tax levy is split between two fiscal years.

Mr. Jenner asked whether the levy the Board will vote on eight months from now have any effect on the FY 2015 budget; Mr. Tenuta answered that it would not.

FUTURE AGENDA ITEMS

Future agenda items include the following: discussion of the amount of money to be transferred; quarterly check on College investments, discussion on dashboards, discussion of development of policy on issuing debt, better understanding of internal committees and faculty training, update on the solar panel project and the manufacturing grant, and a general report on new and innovative things happening at the College.

SUMMARY COMMENTS BY BOARD MEMBERS

Mr. Parrish praised the previous night's meeting of the Evaluation and Policies Committee.

CLOSED SESSION

At 8:32 p.m., Ms. Kisser 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.*, 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.* Mr. Ms. Walsh seconded the motion. There was no discussion. The roll was called and all were in favor; the motion carried. Closed Session began at 8:34 p.m.

At 10:47 p.m., Ms. Kisser moved to come out of Closed Session and Ms. Walsh seconded the motion. There was no discussion. A voice vote was taken and all were in favor; the motion carried. Closed Session ended at 10:48 p.m.

ACCEPTANCE OF CLOSED SESSION MINUTES, Committee of the Whole, March 18, 2014

Ms. Walsh moved to accept the closed session minutes of the February 18, 2014 Committee of the Whole meeting and Mr. Wilbeck seconded the motion. There was no discussion. The roll was called and all were in favor. The motion carried.

ADJOURNMENT

Hearing no further business, Vice Chair Liddell adjourned the meeting at 10:50 p.m.

Patricia Kriegermeier, Recording Secretary

Chris Jenner, Board Secretary