

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, May 14, 2013, in the Board Room, Room A217, of Building A on the Campus. Chair Liddell called the meeting to order at 6:01 p.m., noting the meeting was being transmitted via closed circuit television into the Student Services atrium.

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 and Nanci Rogers were 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, April 16, 2013, were accepted as presented.

OPEN FOR RECOGNITION OF VISITORS AND PRESENTATIONS

Ms. Allison Barnard addressed the Committee to protest the decision that employees may only have one supervisor.

PRESIDENT'S REPORT

Dr. Smith reported on current pension issues. She noted that the Illinois House passed the Madigan bill, and the Illinois Senate passed the Cullerton bill. It has been proposed to shift the cost of SURS annuities away from the state to the local districts. She noted that the state pays 12.2% of the cost of the annuity; while employees pay 8% with an additional .5% to the SURS College Insurance Program (CIP) for health insurance when they retire. Dr. Smith stated that legislation was passed last year to remove the state from

the business of providing health insurance for retirees. The .5% paid by the state for CIP was transferred to the employee and employer. These costs will be increased by .0275% per year so that the program becomes viable. Dr. Smith noted the cost-shift is proposed for all five retirement systems in the state. She added that a group of community college leaders worked closely last year with Speaker Madigan, Senate President Cullerton, and the Governor's Office on a proposal to make the proposed cost shift less sudden, gradually bringing it up to the percentage that the state is currently paying. Community college leaders met again this week with legislative leaders to continue discussions. Dr. Smith stated that if the Madigan bill passes, it is likely that there will be numerous court challenges regarding the constitutionality of the bill. She noted that the College is budgeting for possible increased pension costs due to a cost shift.

DISCUSSION OF PRELIMINARY APRIL FINANCIAL REPORTS

Mr. Tenuta reported that total College assets are \$86 million, with total liabilities of \$20.4 million, leaving a \$65 million designated fund balance. Of the \$86 million in assets, \$40 million are fixed assets, which include the building and equipment. He received questions and comments from the Trustees, and Ms. Miller reminded all that the auditors will come to the June meeting to provide preliminary audit information, and will also interview the Trustees. Mr. Jenner asked whether the last audit contained any findings; Ms. Miller responded that there was a management letter, but no findings, it was an unqualified audit and the Financial Aid department came out very, very well.

SELECTION OF BOARD RETREAT DATE AND TOPICS

The Board discussed the selection of a retreat date and agreed on July 27. Topics were discussed, including a presentation and discussion on clarifying the roles of the president and the Board in decision-making, good Board governance, including ethics, and a review of the College's mission statement. Ms. Walsh asked about the Strategic Plan; Dr. Smith replied that the Strategic Plan draft will come to the Board in June.

DISCUSSION OF SURS AFFECTED ANNUITANTS

Discussion was held on SURS Affected Annuitants; after reviewing how a retiree becomes an affected annuitant and the penalties that would be imposed should such a retiree work more than 18 weeks and

earn 40% of their highest pre-retirement salary, a recommendation was made by administration that the College no longer hire annuitants or affected annuitants as of August 1, 2013. It was determined that 20 employees currently are annuitants; they have been contacted and open forums for faculty and staff will be held to discuss the issue.

DISCUSSION OF AFFORDABLE HEALTH CARE ACT

The Committee heard a presentation on the Affordable Health Care Act, which takes effect July 1, 2013 and mandates health insurance coverage be offered to employees who consistently work 30 or more hours a week. The following is proposed: 1) adjunct faculty are able to teach no more than 12 contact hours in a semester; 2) all part time employees may report to only one supervisor; however, employees may perform multiple positions reporting to that supervisor, not to exceed 29 hours a week; 3) all new part-time positions may only work 25 hours a week. If the College does not comply with the Affordable Health Care Act, a penalty would be assessed for the entire employee population, \$2,000.00 per employee potentially costing the College over \$700,000.00.

DISCUSSION OF BLACK BOX THEATER AND THREE GENERAL CLASSROOM ADDITION AND MANUFACTURING SPACE REMODELING

The Committee reviewed a draft Board Report covering work on the Black Box Theatre and three general classroom addition and the renovation of manufacturing space. After extensive discussion, the Committee reached consensus to recommend building the addition with three general classrooms and renovating the manufacturing space. The Board Report will be sent to the full Board for approval at the May Board meeting. Ms. Walsh asked whether sustainability costs were built into this Board Report; Dr. Smith will speak with the architect and construction firm. Mr. Jenner asked that in approximately 1.5 years, a comparison be made to check the accuracy of the tuition estimate.

DISCUSSION OF COLLEGE'S CUSTODIAL SERVICES

Mr. Greg Evans gave a presentation on the Request for Proposals sent out on custodial services, providing background on why the RFP was considered. He noted that last year, a new approach was taken to the College's maintenance department. Extremely advantageous cost savings were realized when three skilled

professionals were hired: an HVAC specialist, an electrician, and a plumber. When analyzing custodial costs, it was found that cleaning costs the College \$3.97 per square foot, while industry average costs are between \$2.00 and \$2.75 per square foot. A comprehensive RFP was created, which looked at the College's needs and demands, and the process resulted in two custodial services firms being considered. Each firm was interviewed; the recommendation was made to hire a firm at \$1.93 per square foot. Throughout the process, transparency with the union and employees was a major consideration. Milestones were set up and the process was explained at each step. A draft Board Report given to the Committee of the Whole for discussion recommends hiring one of the two firms interviewed. Current employees can interview with the firm selected.

PRESENTATION ON CHILDREN'S LEARNING CENTER REQUEST FOR PROPOSAL RESULTS AND BUSINESS PLAN

The Committee heard a presentation on the Children's Learning Center with the results of a Request for Proposal. Four companies attended the pre-bid meeting and only one provided a bid. It was determined that this company's philosophy of early childhood education did not align with MCC's philosophy. While Ms. Linder has been interim director of the Center, many changes have been made. The Center worked with the ISBDC (Illinois Small Business Development Center) on a business plan, revised the fee schedule, which lowered the cost for students and raised the cost for employees, worked to revise employee teaching schedules, and is looking at the possibility of using assistant teachers and outsourcing the food catering. Three staff members have resigned, which has presented an opportunity to re-evaluate staffing. In FY2011-2012, the College subsidized the Center at a cost of \$140,000.00; this year's projected subsidy is \$16,762.00. With the changes being proposed in the business plan, next year there will be an estimated \$45,928.67 surplus of revenue over expenditures for the Children's Learning Center.

DISCUSSION OF ADMINISTRATIVE COMPENSATION

Dr. Smith noted that last year administrative staff oversaw the Building B renovation, the ERP implementation, development of new academic programs, the High School Plus program, and many other projects. Dr. Smith proposed that 1.7%, the CPI-U from December of the previous year, be added to the

minimum and maximum figures in each of the seven administrative pay ranges. She noted that anyone hired after March 1, 2013 would not receive an increase and added that any administrators on a Performance Improvement Plan or discipline would not receive an increase. Dr. Smith noted that in December, 2011 the CPI-U was 3%, and in December, 2012 the CPI-U was 1.7%. Last year, the Board provided a 2% increase for administrators. Adding the two CPI-U figures together totals 4.7%, which would require a 2.7% increase to catch up to the CPI-U. Dr. Smith noted that there is a distinct possibility that if the General Assembly provides pension reform, 1% more of each person's salary would go to pay for the State University Retirement System. Dr. Smith recommended a 3% increase for administrators. Discussion followed, and it was agreed to place this item on the June Committee of the Whole agenda for further discussion and possible recommendation to the full Board at the June meeting.

DISCUSSION OF RESPONSE TO BOARD REQUESTS FOR FUTURE AGENDA ITEMS

Mr. Jenner and Mr. Wilbeck's future agenda items were discussed.

a. In addition to the mcctrustees@mchenry.edu email address, each Trustee will have a mchenry.edu email account listed under his or her photo on the website. All mail will be forwarded to the Board Liaison who will forward items to the Chair or individual Trustees as requested; b. The College will follow a similar process to D-300 and list FOIA requests received and results. Private information will be redacted; c. PowerPoint presentations given at Board meetings are already posted to the website; d. Exceptions for Closed Session will be listed on the agenda starting with the May Board agenda; e. It was agreed that the Board would be informed when a negotiating session was held, but no future information would be provided in open session; f. Mr. Jenner will share the results of an Illinois Policy Institute transparency audit of the College's website; g. The Evaluation and Policy Committee will develop an approach to Mr. Jenner's policy requests; h. A dashboard which has been developed for the Board will be provided to them; i. Consensus was reached to stream Board meetings via the Internet beginning with the June Board meeting; and j. Discussion of several topics (long-term contracts, debt service, how Foundation employees are paid, 360 evaluations) was moved to the next Committee of the Whole meeting.

FUTURE AGENDA ITEMS

In addition to items noted above, Ms. Miller noted that the auditors will attend the June COTW meeting and provide the timeline for this year's audit.

SUMMARY COMMENTS BY BOARD MEMBERS

Mr. Jenner expressed his disappointment in resistance to being transparent. Ms. Kissler responded that when a lot of change is wanted quickly, consideration and care must be given to how it affects peoples' work, to make sure all understand what is wanted, and to have all concerns aired and receive feedback so that things are done right.

CLOSED SESSION

At 9:52 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 Ms. Kissler seconded the motion. During discussion, Mr. Jenner questioned when it was known that a Closed Session would be needed; Vice Chair Liddell responded that it was known when she reviewed the agenda. Dr. Smith added that when the agenda is posted, it is not always known what exceptions will be needed should items arise for discussion. The roll was called and all were in favor; the motion carried. A break was taken at 9:55 p.m. and Closed Session began at 10:02 p.m. At 10:22 p.m., Ms. Miller moved to come out of Closed Session and Mr. Wilbeck seconded the motion. There was no discussion. A voice vote was taken and all were in favor; the motion carried. Closed Session ended at 10:22 p.m.

ADJOURNMENT

Hearing no further business, Chair Liddell adjourned the meeting at 10:22 p.m.