

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 12, 2013, in the Board Room, Room A217, of Building A on the Campus. Vice Chair Liddell called the meeting to order at 6:00 p.m.

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

Mr. Jenner
Ms. Kisser
Mr. Parrish
Mr. Wilbeck
Ms. Liddell

Ms. Lambert and Ms. Miller were absent. Ms. Walsh was absent at roll call and arrived at 6:19 p.m. Dr. Smith was present. Attorney 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, October 15, 2013, were accepted as corrected.

OPEN FOR RECOGNITION OF VISITORS AND PRESENTATIONS

No one addressed the Committee.

TOUR OF FITNESS CENTER

Dr. Smith introduced Ms. Elaine Whalen and Mr. Joel Chapman; preliminary remarks were presented before the Board's tour. Ms. Whalen stated that the educational purpose of the fitness center lab is to serve McHenry County College students and faculty. She noted that the lab is used for many courses, as well as community needs. At 6:12 p.m. the Trustees left for a tour of the Fitness Center. The group returned at 6:33 p.m. Ms. Whalen provided a folder with pertinent information on the College's fitness programs and the fitness center, reviewed that information, and received questions and comments from the Trustees.

PRESIDENT'S REPORT

Dr. Smith announced that MCC Night for high school students and their parents to visit would be held November 13. She also announced that the AQIP Systems Portfolio was sent to the Higher Learning Commission last week; the College should receive results in late February or early March 2014.

DISCUSSION OF PRELIMINARY OCTOBER FINANCIAL REPORTS

Mr. Tenuta explained the monthly financial reports; he noted that a change will be made under revenue for Sales and Service Fees, totaling \$185,000.00 – some items were coded to Fund 05; he is still working on \$50,000.00 to be identified and a decision will be made whether to move that to Fund 05. He received comments and questions from the Trustees regarding fund transfers; Dr. Smith noted that transfers were budgeted but not all were done. Ms. Walsh asked for an explanation on the assigned fund balance; Mr. Tenuta stated that a minimum reserve is to be held in the fund balance, and the Board designates the rest so that the College does not overspend its means.

IDOT RIGHT OF WAY

Dr. Smith hopes that documents can be brought to the November Board of Trustees meeting to approve the acquisition by IDOT of two parcels of land for a right-of-way in front of the College and a temporary construction easement for the widening of Route 14. For one set of parcels, IDOT will compensate the College; the other parcels will be donated so as to provide the land for the revised Entrance 3 to be constructed. Dr. Smith explained that the process took quite a while to finalize, as the College wanted a different design for College entrances to make them safer to handle traffic. The College asked engineering firm HR Green to design the entrances; IDOT eventually used HR Green's design.

Also discussed was the relocation of the stoplight which is College property, as requested by the City of Crystal Lake several years ago and approved by the College at that time, prior to creation of the new Facility Master Plan. The cost of stoplight relocation has been budgeted over three fiscal years.

FEASIBILITY STUDY FOR HEALTH AND SCIENCES EDUCATION BUILDING

Ms. Walsh stated that this area should be focused on teaching, not a facility with third party management. She would like to see this done on a smaller scale. Mr. Wilbeck agreed with Ms. Walsh and stated the

proposed \$9.00 per credit hour fee should be assessed only to students using the facility. Ms. Walsh asked if there was any possibility of building out the College's current buildings; Dr. Smith replied that the Facility Master Plan shows areas to be repurposed. Dr. Smith added that she wants the right size for an exercise science fitness center to meet the programmatic needs of the institution. Dr. Smith noted also that when the business plan was developed, part included public private partnership funding options; she then stated that the College would not use alternative revenue bonds. She stated that the current Fitness Center needs more space.

Discussion followed on how classroom space for some programs (fitness, biology, nursing, physical therapy) must be dedicated for that purpose and cannot be used for other programs. Ms. Liddell asked whether the smallest concept discussed would meet the College's program needs for five, ten and fifteen years into the future. She asked whether the Board is looking in too short-sighted a way.

Additional discussion followed on growth projections in the county; Dr. Smith just received the 2013 Illinois Labor Report from the Workforce Investment Board and will forward that to the Trustees. Mr. Jenner would like to develop an inventory of what space is needed, and start looking at the College's financial resources, what the College can obtain, which would help the Board to decide what is going to be affordable, and to decide what is really needed. Ms. Kissler commented that the Board is first conceptualizing which components are considered important, and then get a detailed inventory of what those components would require, and move from there. She stated that the Board is having serious discussion and wants to come up with the best plan. Mr. Jenner stated that this discussion was mostly about the fitness center, and asked whether overall discussion will include biology labs, which are clearly outdated. He stated that to attract students, the College needs more modern facilities.

Ms. Liddell asked that all continue to read their feasibility study binders and come up with questions or areas to address. The topic will continue to be discussed.

DISCUSSION ON ISSUING DEBT

Trustee Chris Jenner brought before the Evaluations and Policies Committee a request to discuss whether policy language is needed in conjunction with, or in addition to existing Board Policy 2.1.2, dealing with

borrowing, to the effect that the College could not take on debt without voter approval. Trustee Jenner's main concern is that alternative revenue bonds or any significant property tax increase not be sought without voter approval. Committee Chair Cynthia Kissler asked College Chief Financial Officer Mr. Robert Tenuta for information regarding the steps, timing and expenses of seeking voter approval. He stated that a policy along the lines contemplated by Trustee Jenner would require a referendum, which is a campaign that the College cannot support with tax dollars.

Further discussion by the Committee focused on the following: 1) whether such a policy would prevent the College from acting immediately if the need arises for a major expenditure for which the College does not have sufficient funds on hand, such as replacing HVAC equipment, repairs after a major disaster, or something else catastrophic; 2) whether public approval should always be required for any big expenditure for which the College does not have sufficient funds at hand; 3) making sure there is an understanding of what the community wants from education when undertaking such a proposed expenditure, and the need for a campaign to educate the community as to the perceived need and create awareness in connection with that proposed expenditure; 4) consideration of the principle that should the College go forth with a big capital need, then grant money, public support money, and state revenue, in addition to bonds or debt certificates should be sought to lessen taxpayers' potential liability, with each of these a component, not the main source of funding; 5) the need for information about methods of funding available to the College for such expenditures – what has worked, what hasn't worked, when did something work well, when did it not work well. A meeting with PMA, a bond consulting firm, to do a whole overview of funding mechanisms, could be arranged if requested. Dr. Smith stated that in the last ten years, the College has used long-term debt certificates to purchase the Shah Center and to purchase the land that has Tartan Drive on it.

The Committee members agreed that the Board as a whole should provide guidance to the Committee on this topic, and asked that this topic be placed on an upcoming Board meeting agenda for discussion.

DISCUSSION ON WHETHER TO RE-ESTABLISH THE FINANCE AND NEGOTIATIONS COMMITTEE

A straw vote was taken. Mr. Jenner, Mr. Parrish and Ms. Walsh felt the committee should be reactivated; Mr. Wilbeck was not in favor; Ms. Kisser is willing to talk about it and added that she is inclined to say no; Ms. Liddell stated there may be a need for this committee to meet and agreed that those who cannot attend need a better way to be brought up to date about the meeting's events. Mr. Jenner asked whether the meetings could be streamed without incurring too much cost and Dr. Smith stated that they could.

PRESENTATION ON PURCHASING AND BIDDING PROCESS AT MCC

Ms. Jennifer Jones, Director of Business Services, gave a presentation on how the purchasing and bidding process works at MCC and afterward received questions and comments from the Trustees.

EXPLANATION ON HIRING AFFECTED ANNUITANTS

Dr. Miksa gave a presentation that explained the College's position: as of May 31, 2014, no affected annuitants will be hired. Extensive discussion followed. Attorney Rogers responded to questions on hiring such annuitants, noting that there is a difference of opinion among attorneys as to whether or not an affidavit will protect an institution from being assessed a penalty from the State University Retirement System. Ms. Walsh confirmed that there is currently space on the MCC application form to indicate that an applicant is a SURS annuitant.

INFORMATION ON TUITION AND FEES

Due to time constraints, this item will be discussed at the November 21, 2013 Board of Trustees meeting.

UPDATE ON CUSTODIAL OUTSOURCING

Due to time constraints, Dr. Smith will include this information in the November 21, 2013 President's Report.

FUTURE AGENDA ITEMS

Future Agenda Items include the following: a discussion of re-establishing the Finance Committee, a report on auxiliary enterprises such as the College Bookstore and Food Service and the break-even points on these enterprises, and a report back at a future meeting with progress on the policy on issuing debt.

SUMMARY COMMENTS BY BOARD MEMBERS

Mr. Wilbeck asked for a drawing of the proposed intersection; Mr. Jenner asked whether the details contained in the Facility Master Plan would suffice or whether more detail was needed. Ms. Walsh stated she was disappointed by the policy not to hire affected annuitants, but understood.

CLOSED SESSION

At 10:09 p.m., Ms. Kisser moved to go into Closed Session to discuss matters covered under Illinois Open Meetings Act 120/2(c), 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. Closed Session began at 10:14 p.m.

At 10:19 p.m., Mr. Parrish moved to come out of Closed Session and Ms. Kisser seconded the motion. There was no discussion. A voice vote was taken and all were in favor; the motion carried. Closed Session ended at 11:19 p.m.

ACCEPTANCE OF CLOSED SESSION MINUTES, COMMITTEE OF THE WHOLE, October 15, 2013

Ms. Kisser moved to accept the closed session minutes of the Committee of the Whole, October 15, 2013 with changes and Ms. Walsh seconded the motion. The roll was called. All were in favor; the motion carried.

ADJOURNMENT

Hearing no further business, Vice Chair Liddell adjourned the meeting at 10:19 p.m.

Patricia Kriegermeier, Recording Secretary

Chris Jenner, Board Secretary