

MINUTES
REGULAR BOARD MEETING
of McHENRY COUNTY COLLEGE

The Regular Meeting of the Board of Trustees of McHenry County College was held on Thursday, December 19, 2013, in the Board Room, Room A217, in Building A on the Campus. Chair Parrish called the meeting to order at 6:31 p.m. When Secretary Jenner called the roll, the following were present:

Mr. Jenner
Ms. Kissler
Ms. Liddell
Ms. Miller
Ms. Walsh
Mr. Wilbeck
Mr. Parrish

Dr. Smith was also present. Attorney Nanci Rogers was present as legal counsel.

PLEDGE OF ALLEGIANCE

Chair Parrish led the group in the Pledge of Allegiance.

COLLEGE MISSION STATEMENT

Chair Parrish read the Mission Statement and noted that after tonight, reading it will be the task of the new Student Trustee.

ACCEPTANCE OF AGENDA

The agenda was accepted as presented.

APPOINTMENT AND INSTALLATION OF STUDENT TRUSTEE

Chair Parrish introduced Ms. Natalie Diversiev, who is majoring in nursing and will receive two degrees at McHenry County College in the spring. Mr. Parrish noted that Ms. Diversiev has earned a L.E.A.D. (Leadership Education and Development) certificate, volunteered with the blood drive, has served as an orientation student leader and works in the Advising Center as receptionist. Ms. Diversiev's goal is to earn a bachelor's degree in nursing and work internationally as a nurse. She would like to travel to third world countries and help people in need. Chair Parrish administered the Oath of Office to Ms. Diversiev and welcomed her to the Board, after which she was greeted with applause.

OPEN FOR RECOGNITION OF VISITORS AND PRESENTATIONS

Ms. Talia Koronkiewicz brought four students to the meeting tonight; she sees firsthand how college decisions impact students, as well as the quality of services and programs the College offers. She stated that four alumni will share their positive MCC experience with the Board tonight, and added that as the semester continues, different students will address the Board every month.

Ms. Shaz Sheikhalı addressed the Board, repeating the mission statement. She related her experiences at McHenry County College as a member of the Student Senate. She now attends Northern Illinois University and proudly tells all she is an MCC transfer student. She thanked MCC for her participation in the research program and hopes that the College continues to provide students with the same experience she enjoyed.

Mr. Alex Sisko addressed the Board, stating that he attended MCC from 2008 to 2010. He recently earned a Bachelor of Arts in Mathematics from Bradley University, having been nominated as the Outstanding Senior in Mathematics and graduated with high honors. Mr. Sisko is currently pursuing his Ph.D. at the University of Iowa. He stated that MCC is the place where he decided to become a mathematician. Instrumental in his decision was Mr. Charlie Huang, his Calculus instructor and Dr. Todd Culp, Instructor of History and Political Science, who taught him how to think critically and keep his views open to all perspectives. He thanked Ms. Anne Humphrey, Instructor of English, in whose class he wrote a paper which Ms. Humphrey replied is still being used as an example. Mr. Sisko does not believe a big brand name is needed to get a good education.

Ms. Bronte Borter addressed the Board and spoke about her MCC experience. She participated in Spanish Club, Student Senate, L.E.A.D. and Phi Theta Kappa, all of which helped her to get to the next level of her life. Ms. Borter attended Lake Forest College last year and will start student teaching in the spring. Ms. Borter stated that she gained leadership skills at MCC that have helped her get where she wants to go.

Mr. Taylor Irish Morrobel addressed the Board to speak about his MCC experience which began with the L.E.A.D. program. He was a member of the tennis team and served as Student Trustee. He is currently at Illinois State University majoring in organizational leadership and minoring in business administration, and has earned a 3.4 GPA his first semester. He thanked MCC for the skills he gained during his time here.

Mr. Gus Philpott addressed the Board regarding the Concealed Carry policy. He shared his concern about the fact that two parking lots may be designated where no firearms may be stored in cars, and spoke of a recent shooting incident in Colorado.

ACCEPTANCE OF MINUTES

The minutes of the Special Board Meeting, November 21, 2013, were accepted as corrected.

The minutes of the Regular Board Meeting, November 21, 2013, were accepted as presented.

CHAIRMAN'S REPORT

Mr. Parrish spoke about the updated format of Board meeting agendas; he noted that the focus and balance of the agendas has been changed. He stated that at Committee of the Whole meetings, the Board is able to explore major issues in greater depth before making decisions at the Regular Board meeting. He encourages all to attend the Committee of the Whole and Evaluation and Policies Committee meetings. Mr. Parrish stated his appreciation for visitor presentations and emails to the Board. He provided his email address, rparrish@niu.edu, for anyone interested in contacting him.

PRESIDENT'S REPORT

Dr. Smith stated that, as part of the Regional College Readiness Partnership, the College has received a report from Northern Illinois University, showing how McHenry County College students do when they transfer. The report showed that McHenry County College students had the highest GPA of all student categories, which speaks well to the fine education faculty provide.

Dr. Smith provided the McHenry County labor report for the third quarter of 2013 and pointed out that even though unemployment in the county is above the national average, McHenry County has the lowest unemployment rate in all of northeastern Illinois and the surrounding community colleges. Dr. Smith also provided updates on college events, grants received, and programs.

After Dr. Smith's report, Mr. Parrish shared a story about a student he taught at Northern Illinois University who thanked him for the McHenry County College Promise Program, explaining that he owed far less than his friends do after college graduation.

PRESENTATION: Faculty Professional Development

Ms. Laura Power, Instructor of English and Chair of Faculty Development, Dr. Ray Lawson, Director of Online Learning and Educational Technology, Ms. Meri Winchester, Instructor of Digital Media, and Ms. Pat Stejskal, Director of Institutional Effectiveness, gave a presentation on how employees are developed at the College. They provided a review of the Professional Development Strategic Plan and spoke about the team members. Their presentation covered faculty development, adjunct faculty orientation, and training for online teaching. It can be viewed on the Board website at <http://www.mchenry.edu/board/index.asp>.

COMMUNICATIONS

A. Faculty Report

Ms. Anne Humphrey and Ms. Elaine Whalen presented the faculty report, which summarized faculty accomplishments throughout the College divisions.

B. Adjunct Faculty Report

On behalf of more than 300 adjunct faculty members, Mr. Ponzio thanked the Board members for their support and wished them a happy holiday season.

C. Staff Council Report

There was no report.

D. Student Trustee Report

Mr. Parrish stated that Ms. Diversiev would report next month. Ms. Diversiev stated she appreciates being on the Board and looks forward to working with the Trustees.

E. Comments from the Board

Ms. Liddell shared a story about MCC criminal justice students who participated in a local alcohol sting operation.

E. Attorney Report

There was no report.

APPROVAL OF CONSENT AGENDA

Ms. Liddell moved to accept the Consent Agenda minus the following items: Manual Vertical Mills and

Precision Lathes, Board Report #13-230, Desktop Virtualization Phase 3 Implementation, Board Report #13-231, 2014-2015 Master Seniority List for Tenured Faculty, Board Report #13-234, and Approval of Laboratory, Computer Usage and Technology Fees for FY 2015, Board Report #13-235, and Ms. Walsh seconded the motion. All items listed above were removed by Mr. Wilbeck. There was no discussion. The roll was called and all were in favor; the motion carried.

For Approval

A. Financial Statements

1. Executive Summary, Board Report #13-226
2. Treasurer's Report, Board Report #13-227
3. Ratification for Accounts Payable Check Register, Board Report #13-228

B. Requests to Purchase/Renew/Lease

1. Cisco SmartNet Support, Board Report #13-229
2. Manual Vertical Mills and Precision Lathes, Board Report #13-230
3. Desktop Virtualization Phase 3 Implementation, Board Report #13-231
4. Membership in Community College Forum, Board Report #13-232
5. NuStep T5xr Recumbent Cross Trainer, Board Report #13-233

C. 2014-2015 Master Seniority List for Tenured Faculty, Board Report #13-234

D. Approval of Laboratory, Computer Usage and Technology Fees for FY 2015, Board Report #13-235

E. Minimum Qualification for Full-Time Faculty 2014-2015, Board Report #13-236

F. Destruction of Closed Session Recordings, Board Report #13-237

G. Approval the Memorandum of Understanding between the Board of Trustees of McHenry County College and the Friends of McHenry County College Foundation, Board Report #13-238

H. Personnel

1. Workforce and Community Development Personnel Considerations for Spring 2014, Board Report #13-239
2. Appointment of Replacement Associate Dean, Education, Career and Technical Education, Board Report #13-240
3. Appointment of Replacement Instructor and Program Chair of Fire Science, Board Report #13-241
4. Approval of New and Eliminated Positions, Board Report #13-242
5. Request for Faculty Leave, Board Report #13-243
6. Salary Adjustment/Advanced Placement, Board Report #13-244

ACTION ON ITEMS REMOVED FROM THE CONSENT AGENDA

Regarding Manual Vertical Mills and Precision Lathes, Board Report #13-230, Mr. Wilbeck asked whether the equipment is used exclusively by the College or shared with Woodstock North High School. Dr. Miksa confirmed that the equipment is used on campus during the day. He noted that evening classes were offered at the high school. Mr. Wilbeck inquired about the number of students in the program; Dr. Miksa replied that fifty students are currently in the program. Ms. Walsh asked whether this equipment complements what is in the manufacturing lab, and Dr. Miksa confirmed that it did. Ms. Miller asked whether this was paid for by

TAA grant funds and Dr. Miksa stated that part of it was paid with TAA funds. He explained that this is smaller equipment. Ms. Liddell pointed out the large difference between quoted prices and Mr. Falco responded that Hass Factory Outlet bid for CNC machines but did not bid for manual machines. Mr. Jenner questioned the origin of this request; Mr. Falco replied that when the manufacturing grant was received, it was known that manual machines would be put in place to teach the introductory course and CNC machines to teach the advanced course. Mr. Wilbeck asked whether the College asks the business community for used equipment; Ms. Zaccagini replied that the College has asked for things of that nature and explained that used equipment would be much harder to maintain and come with no warranty. She noted that MCC is not equipped to service its own machines, adding that Scot Forge advised the College not to purchase used equipment due to maintenance concerns, as most used equipment of this type has been used heavily. In response to Mr. Wilbeck's question on the life expectancy of these machines, Ms. Zaccagini replied they would last 25 to 30 years.

Ms. Liddell moved that the Board approve Board Report #13-230, Manual Vertical Mills and Precision Lathes, and Ms. Walsh seconded the motion. There was no discussion. The roll was called and all were in favor; the motion carried.

Regarding Desktop Virtualization Phase 3 Implementation, Board Report #13-231, Mr. Wilbeck noted he would like to see more local companies involved in the Information Technology area. He asked Dr. Butler when these services were last out for bid. Dr. Butler replied that these services are not biddable as the College is a Dell-centric architecture and platform, and in order to deploy those platforms must use Dell-recommended vendors. The College had initially started with another local firm over a year ago, but the firm wanted to involve the College in a longer term monitoring and support agreement, which was not felt necessary. Internal support resources were developed and in this next phase of implementation, a Chicago area firm was recommended by Dell. Dr. Butler noted there were no Dell recommended firms in McHenry County. Mr. Wilbeck moved to approve Desktop Virtualization Phase 3 Implementation, Board Report #13-231 and Ms. Liddell seconded the motion. There was no discussion. The roll was called and all were in favor; the motion carried.

Regarding 2014-2015 Master Seniority List for Tenured Faculty, Board Report #13-234, Mr. Wilbeck asked for a brief discussion on the detail and the process. Dr. Miksa explained that this list is updated each year, working with Executive Deans and Deans who look at which faculty have seniority to teach courses. The list is compiled to include any course and qualification changes and is then reviewed. Dr. Smith explained this process is part of the Collective Bargaining Agreement. Mr. Wilbeck moved to approve 2014-2015 Master Seniority List for Tenured Faculty, Board Report #13-234, and Ms. Kisser seconded the motion. There was no discussion. The roll was called and all were in favor; the motion carried.

Regarding Approval of Laboratory, Computer Usage and Technology Fees for FY 2015, Board Report #13-235, Mr. Wilbeck stated he was trying to understand forecasting methods and timing, and how these fees are kept reasonable. Dr. Miksa stated that this follows the same process as the Minimum Qualifications Board Report and any course changes are addressed in this document. Ms. Walsh asked how these fees are tracked and whether they go back to the courses charging them; Mr. Tenuta explained that the fees go into institutional funds and answered Ms. Walsh's question that departments can include the course fees in their budgets. Mr. Jenner asked whether fees for one course subsidize another course; Mr. Tenuta replied that for the most part, fees go back to the bottom line of the College. Mr. Jenner asked whether each course was monitored so fees equal costs; Mr. Tenuta replied that he has the capability of tying revenue to a faculty member to see if that program is still supportable. Mr. Wilbeck asked whether a ballpark figure was available for last year and how close fees came to actual costs and Mr. Tenuta replied that \$3,000,000 was collected which was \$400,000 short. He has adjusted FY 2015 slightly down to come in at actual cost. Mr. Wilbeck moved to approve Approval of Laboratory, Computer Usage and Technology Fees for FY 2015, Board Report #13-235 and Ms. Liddell seconded the motion. There was no discussion. The roll was called and all were in favor; the motion carried.

NEW BOARD POLICY, FIRST READING, 2.9 – FIREARMS, Board Report #13-245

Mr. Parrish asked Ms. Kisser to summarize the changes to existing policy as they appeared at the last meeting. Attorney Rogers stated this was a completely new policy, noting there was a firearms policy previously. Ms. Kisser confirmed that this is considered a new policy. Mr. Parrish noted that this would not

be voted on tonight and added that the policy was vetted at length at the Evaluation and Policies Committee meeting. Ms. Rogers noted that suggestions can be made tonight, adding that this policy would not become effective until the next Board meeting.

Extensive discussion followed. Specific changes requested will be incorporated into the policy for its Second Reading at the January Board meeting.

Mr. Parrish called for a break at 8:42 p.m.; the meeting reconvened at 8:50 p.m.

DISCUSSION FOR FY 2015 BUDGET (TUITION & FEES IMPACT)

Dr. Smith stated that decisions about tuition and fee rates for the FY 2015 academic year must be made by the February, 2014 Board meeting. First, direction must be obtained from the Board as to what the Board would like to do. Dr. Smith noted that tuition and fees represent the College's second largest revenue source. The budget must then be created based on the Board's priorities. Dr. Smith stated that prior to her arrival as President, previous Boards would put money into the Fund 02 Operations and Maintenance budget to cover deferred maintenance costs. The Facility Condition Analysis conducted in 2011 showed \$41 million in deferred maintenance to be taken care of over a ten-year period. The Board established a cost center in the Operations and Maintenance budget for deferred maintenance and over the past two to three years has designated how much money is budgeted there; the amount has varied from \$2.3 million to \$3.5 million. Dr. Smith stated that over the past few years, about \$6 million has been spend on deferred maintenance issues. Lighting was replaced with more energy efficient lighting, and energy costs have gone down. Ms. Liddell noted that funds were set aside to handle unexpected issues; Ms. Walsh cited the parking lot. Dr. Smith spoke about the break in the pipes underneath the building, and Ms. Liddell added that when that was fixed, the College found it cost effective to fix other things at the same time.

Dr. Smith stated that past Boards transferred monies from Fund 01, the Education Fund, to Fund 03, the Operations and Maintenance Restricted Fund, to build up savings to cover the cost of major infrastructure improvements, land purchase, and additions to the current facilities.

Ms. Miller provided background information on past funding transfers, and stated that administration needs to know sooner rather than later what level the Board wants to fund these areas. Ms. Miller stated she felt the

Board should continue to fund Fund 03, noting that in the past, prior administrations were not doing a lot of maintenance and repair work. She stated that with the decision to do a flat levy, \$2.5 million may not be possible to transfer, but rather \$2 million or \$2.25 million. She stated that this is really maintenance of the current facility, which the Board is required to do to make sure the buildings are safe and running properly.

Dr. Smith noted that the only way to fund Fund 03 is to transfer money; discussion followed that Mr. Tenuta informed the County treasurer on how tax revenue should be allocated. Former CFOs had levied all revenue into Fund 01 and transferred out of that fund into others; Mr. Tenuta divides the levy money into various funds. Dr. Smith stated that 75% of tuition and fee revenue goes into Fund 01 and 25% into Fund 02, adding that the levied amount does not cover deferred maintenance costs. Dr. Smith stated that the revenues budgeted to come into Fund 01 excluding any transfers do not cover expenditures, although they are close. She stated that the gap must be closed, and she does not want to erode the fund balance and wishes to continue to keep 25% of operating expenditures in Funds 01 and 02 fund balance.

Dr. Smith stated that additional discussion on tuition and fees would occur in January. Ms. Kisser commented that looking at the multi-year forecast, operating expenditures will run 8-12% higher than revenue. Mr. Tenuta stated that 8% might be high, noting that the College continues to work on savings and stated that expenditures are rising a little faster than revenues.

Ms. Kisser commented that the College has control, but not complete control, of salaries and benefits. Mr. Tenuta replied that salaries and benefits account for two-thirds of costs as a service institution. Ms. Kisser stated that other areas seem small in terms of how they affect the overall budget: travel is 1.4% of total expenditures; she was not sure how funds would be found to transfer into Fund 03. She stated that raising tuition is as hot a button as the tax levy, and agreed with Ms. Miller that it is short-sighted not to be preparing money in those funds, which already do not have enough.

Ms. Walsh would like to see the College focus on deferred maintenance projects, and noted that any major expansion would not come from operating funds but a combination of philanthropy and referendum. She would recommend transferring \$2.5 million to cover deferred maintenance costs.

Ms. Liddell asked how unfunded mandates would be covered; Mr. Tenuta replied that the College has no choice but to pay for unfunded mandates. He stated that the bigger issue is SURS pension, which pays between \$6-8 million on the College's behalf.

Mr. Parrish asked whether there was a sensitivity point for tuition increases, at which enrollment would drop.

Mr. Tenuta replied that he has found the demand for education is inelastic and does not respond to a rise in tuition due to the perceived value of education. Discussion followed on what rate of tuition would be found acceptable, where McHenry County College's tuition ranks in the state and prioritization of deferred maintenance items. Dr. Smith shared that the College's roof may have to be repaired in the next few years and asked how she could build up funds to cover that cost, as well as HVAC repairs. She noted that the College is looking into retrofitting the facility for geothermal energy. Before money is spent to replace current heating and air conditioning technology, she would want to know long-term plans.

Mr. Wilbeck asked what would happen if the Board does not approve a tuition increase, what expenses would have to be cut. Ms. Miller responded she did not think more cuts could be made, and the next step would be to cut programs. Ms. Liddell suggested that how programs are evaluated could be discussed at the Committee of the Whole.

Dr. Smith replied that over the last three years, about \$2.5 million has been saved; cuts have been made and things are running more efficiently. She has insisted that auxiliary services break even rather than be subsidized, and will report on those services at the January Committee of the Whole meeting.

Ms. Walsh stated that a tuition increase would only be a Band-Aid. Dr. Smith stated that the fund balance cannot be dipped into. Ms. Walsh stated that a flat levy assumption should not be made for the next five years and noted that she would be open to looking at a levy increase. Ms. Kissler stated it would be helpful to know whether the Board was looking at a flat levy or an increase for next year. Mr. Parrish asked whether there was a function within the College to look for other means of earning income; Ms. Liddell stated that from her participation at the state level, most other community colleges are facing the same challenges.

Discussion followed on opportunities at the Shah Center, the concept of finding grants to cover program start-up costs, and finding partnership opportunities. Mr. Jenner commented that he wants McHenry County

College to stay an affordable alternative or gateway to a four-year university and expressed his disagreement with unfunded mandates. He asked whether the College is spending efficiently and effectively, noted that an increase in employee benefits is unsustainable, and asked what the five-year forecast is based on. He asked what programs might be phased out. Dr. Miksa stated that when a position comes open, that area is assessed to see whether it is necessary to refill. Discussion followed on programs which were eliminated (plastics, electronics and optometry) and programs that were retooled in the manufacturing area. Mr. Jenner stated that this issue is larger than McHenry County College and affects all school districts.

Ms. Kisser stated that a minimum of \$1.5 million should be transferred and added that \$2.5 million would be ideal. Ms. Walsh stated she felt \$2 million could be transferred but if a plan that could deal with HVAC expenses was done, or if geothermal energy was looked at, she has no problem with \$2.5 million, without raising tuition. Ms. Liddell recommended transferring \$2.5 million. Ms. Kisser stated she said \$1.5 million, but is fine with \$2 million. Mr. Wilbeck stated he did not have an answer. Mr. Jenner stated no money should be transferred.

Dr. Smith explained why the College has to have a fund balance, and noted the auditors have specified the fund balance should be between 30 and 40% of the operating budget. Mr. Tenuta stated that the fund balance is kept at 33% if possible. Dr. Smith stated she cannot allow the fund balance to go lower, as when revenue is not coming in the fund balance must be used for expenses. When revenue comes in, the fund balance is replaced. The fund balance is needed should there be a crisis. The federal government accredits associations using the Composite Financial Index to determine whether an institution is fiscally sound.

Mr. Parrish stated that the question had been discussed long enough and asked that each Trustee provide their recommendations, shown below.

Ms. Walsh: \$2.5 million	Ms. Miller: \$2 million	Mr. Parrish: \$0	Mr. Wilbeck: no answer
Ms. Liddell: \$2.5 million	Ms. Kisser: \$2 million	Mr. Jenner: \$0	

Ms. Liddell asked Chair Parrish whether this issue warranted a session at the Committee of the Whole meeting, or whether a Special Board meeting could be held in January. It was agreed that discussion would be held at the Committee of the Whole.

Ms. Brown informed Chair Parrish of a notification from Campus Public Safety that the roads are getting icy and have expressed safety concerns.

BOARD COMMITTEE REPORTS

A. Evaluation and Policies Committee

Ms. Kisser skipped this report due to time considerations.

B. Committee of the Whole

Ms. Liddell skipped this report due to time considerations.

ICCTA REPORT

Ms. Liddell stated she had no report.

FRIENDS OF MCC FOUNDATION REPORT

There was no discussion.

FOR INFORMATION

- A. Resignation
- B. Program Articulation Agreement with Southern Illinois University at Carbondale
- C. Office of Marketing and Public Relations Update
- D. Office of Resource Development Update
- E. Office of Sustainability Center Update

There was no discussion.

SUMMARY COMMENTS BY BOARD MEMBERS

Mr. Jenner noted he would not be present at the January Evaluation and Policies Committee meeting or the January Committee of the Whole meeting.

Mr. Parrish noted that the poinsettias at each Trustee's place are gifts from the horticulture department. Mr. Jenner asked that the Board's thanks be communicated to the horticulture department.

FUTURE AGENDA ITEMS

Ms. Liddell stated that future projections for county growth are needed for review as the Board discusses expansion for the health science area.

Mr. Wilbeck would like the faculty to start thinking about today's economic situation, and hear what suggestions they may have that they consider "thinking outside the box." Brief discussion followed, asking

for clarification; Mr. Parrish stated he would send a letter to Dr. Smith suggesting that we ought to be thinking differently. Dr. Miksa stated that during the agenda item for Recognition of Visitors and Presentations, suggestions on productivity could be encouraged. Ms. Kissler stated these suggestions could be shared at Town Hall meetings.

CLOSED SESSION

No Closed Session was held.

ACCEPTANCE OF CLOSED SESSION MINUTES

Acceptance of Closed Session Minutes listed on the agenda was postponed to the January Board Meeting.

ADJOURNMENT

Hearing no further business, the meeting was adjourned at 10:10 p.m.

Patricia Kriegermeier, Recording Secretary

Chris Jenner, Board Secretary