

MINUTES  
REGULAR BOARD MEETING  
of McHENRY COUNTY COLLEGE

The Regular Meeting of the Board of Trustees of McHenry County College was held on Wednesday, October 21, 2015, in the Board Room, Room A217, in Building A on the Campus. Chair Smith called the meeting to order at 6:30 p.m. When Secretary Jenner called the roll, the following were present:

Mr. Memmen  
Mr. Jenner  
Ms. Kisser  
Ms. Liddell  
Mr. Parrish  
Ms. Tirio  
Ms. Walsh  
Mr. Smith

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

PLEDGE OF ALLEGIANCE

Chair Smith led the group in the Pledge of Allegiance.

COLLEGE MISSION STATEMENT

Student Trustee Memmen recited the Mission Statement.

ACCEPTANCE OF AGENDA

The agenda was accepted as presented.

ACCEPTANCE OF MINUTES

Ms. Kisser listed minor corrections, Ms. Walsh noted a sentence should be revised and Mr. Memmen asked that a sentence be revised. The minutes were accepted as amended.

OPEN FOR RECOGNITION OF VISITORS AND PRESENTATIONS

Mr. Colin Worden spoke to the Board on student space; he stated that a Student Center would be a great addition to the school. Mr. Cal Skinner asked the Board to put important things first on the agenda, encouraged the Board to continue the flat levy, asked whether anyone on the search committee would

ask presidential candidates about cutting budgets, expressed his surprise that DKA did not provide a written report, and asked the College to vote no on the Huntley Tax Increment Financing district.

Mr. Daniel Ringgenberg spoke about the need for more veterans' space.

#### PRESIDENT'S REPORT

Dr. Smith spoke about presentations given by MCC at the recent ACCT Leadership Congress; one presentation was given on College and Career Readiness, and another on Board Policy. In her report, she provided statistics on the College's 3-year loan default rate, which is 10.3%, adding that the overall rate for Illinois is 10.1% while the national rate is 19.1%.

Dr. Smith stated that the State of Illinois has not yet passed a budget; she noted that many community colleges are stopping adult education programs and subsidizing State MAP funding. The Executive Council looked at possible ways to cover what the College's \$4.575 million in state funding would pay for and has concluded that various expenditures will be paused, not eliminated. Once the state passes a budget, items could be reconsidered and "unpaused." The areas noted are capital expenditures, instructional equipment not yet purchased, and deferred maintenance projects. A hiring freeze will begin January 1, 2016, and out of state travel will need to be approved by Executive Council. Dr. Smith stated that McHenry County College is in better shape than some other community colleges, since the College receives a lower percentage of our budget through state funding. Over the last five year the College has been able to cut budgets and repurpose funds, making the budget fiscally responsible. Ms. Walsh stated that this is a good solution to a bad problem, and much better than letting staff go and stopping services needed for students. Mr. Parrish stated this is a courageous approach.

Dr. Smith delivered to the Board feedback from internal constituents on the Board's retreat, at which the Board worked on vision, mission, values, and strategic initiatives. The Board will discuss this feedback during Summary Comments.

## PRESENTATION

### MCC's Participation in the ICISP Professional Two-Week Exchange

Mr. Tim Seitz, Instructor of Philosophy, and Mr. Ted Hazelgrove, Instructor of English, visited Xi'an University in China, and then hosted visitors from Xi'an University to McHenry County College. They gave a presentation on their experience, which can be viewed at [www.mchenry.edu/Board](http://www.mchenry.edu/Board). It was noted also that Mr. David White, Instructor of History, is participating in an exchange this semester with Mr. Matti Manninen from Valtimo College of North Karelia, Finland.

## COMMUNICATIONS

### A. Faculty Report

Ms. Anne Humphrey provided copies of her report to the Trustees and reported on its highlights.

### B. Adjunct Faculty Report

There was no report.

### C. Staff Council Report

Ms. Trimble invited Trustees to view the 5<sup>th</sup> Annual Staff Art Show, from November 13-22 in the art hallway. She stated that the Staff Council is advertising for the staff scholarship for spring. She thanked the Board for a benefit gained through contract negotiations: the right to hold a Staff Council meeting on Professional Development Day.

### D. Student Trustee Report

Student Trustee Memmen reported that mid-term exams are done, and students are filing intent to graduate forms. He noted that October is Domestic Violence Awareness month, spoke about numerous activities over the month, and added that the Veterans Town Hall Meeting is being held tonight at the College.

#### E. Comments from the Board

Ms. Kisser stated she was very impressed with the employee feedback on the Board's vision, mission and strategic initiatives and hoped that the Board could hold another brief retreat to talk about these comments.

Mr. Jenner asked whether there was no other space for student clubs and organizations to hold their meetings; Dr. Smith noted that student clubs may contact the scheduling office to find space other than the Multicultural Room. Mr. Jenner asked whether the College's contract with DKA did not include a written report; Ms. Kisser replied that the College received the Paulien Report, available on the Board website at [http://www.mchenry.edu/board/15\\_16/presentations/spaceneedsstudy.pdf](http://www.mchenry.edu/board/15_16/presentations/spaceneedsstudy.pdf).

Mr. Parrish commented relative to the ICISP presentation, that he participated in exchanges through Northern Illinois University, noting that some of the Board might be interested in participating in such exchanges.

Ms. Tirio asked whether Board presentations could be videotaped and posted for viewing; she asked that the important parts of the meeting be placed at the beginning of the agenda.

Mr. Memmen spoke to the importance of Board meeting presentations, which are important to showcase what is happening at the College to the Board. Ms. Liddell asked that veteran space be reconsidered. She thanked faculty and staff presenters for providing an opportunity to recognize names and faces at the College.

Ms. Kisser commented on Ms. Tirio's request regarding agenda order; she noted that many of the presenters may not want to stay until 9:30 or 10:00 p.m. to wait while the Board covers issues that tend to be debated or discussed at length.

#### F. Attorney Report

There was no report.

APPROVAL OF CONSENT AGENDA

Ms. Liddell asked to remove Out-of-District and Out-of-State Tuition and Fees, Board Report #15-117. Ms. Kisser moved to approve the Consent Agenda, minus Board Report #15-117 and Ms. Tirio seconded the motion. There was no discussion. The roll was called and all were in favor; the motion carried.

**For Approval**

- A. Executive Summary, Board Report #15-110
- B. Financial Statements
  - 1. Treasurer's Report, Board Report #15-111
  - 2. Ratification for Accounts Payable Check Register, Board Report #15-112
- C. Academic Calendar for 2016-2017, Board Report #15-113
- D. Certificate in Paralegal Studies, Board Report #15-114
- E. Destruction of Closed Session Recordings, Board Report #15-115
- F. Fiscal Year 2015 Audit, Board Report #15-116
- G. Out-of-District and Out-of-State Tuition and Fees, Board Report #15-117

ACTION ON ITEMS REMOVED FROM CONSENT AGENDA

Mr. Memmen moved to approve Board Report #15-117, Out-of-District and Out-of-State Tuition and Fees, and Ms. Walsh seconded the motion. During discussion, Ms. Liddell asked why out-of-district audit fee was being reduced; Dr. Smith replied that an Illinois Community College Board formula drives this figure. Mr. Tenuta added that the College has no control over this formula. He noted that the state has not provided the Out of District residents rate; once that is provided he will be updating that rate. The roll was called and all were in favor; the motion carried.

DISCUSSION OF REFINANCING EXISTING 2008 DEBT CERTIFICATES

Mr. Tenuta stated that in the interest of full transparency and to give the Board ample time to contemplate and consider the College's debt, the College's debt certificates are up for renewal, which allows additional savings. He added that when market conditions provide the ideal environment, lower interest rates can be obtained than when the certificates were first issued. Mr. Tenuta explained two methods of refunding were possible; he provided a chart showing estimated savings. Current debt plus interest is \$3.37 million; refunding would total \$3.149 million, or a net savings of \$187,000.00. The cash flow savings in present value back to today's dollars would be \$160,000.00. Mr. Tenuta estimated that now is the ideal time to refund the certificates and outlined next steps. The Board would approve a

resolution for refunding at the November Board meeting, PMA offered the lowest cost of handling the refunding process. Once approved, the certificates would be refunded December 15. Chair Smith asked the Trustees to provide direction for Mr. Tenuta to move forward; all were in favor of this proposal.

#### DISCUSSION ON TAX LEVY

Mr. Tenuta noted that his presentation tonight is the ground floor of the budgeting process. He noted that he will cover items that impact the College's budget, and go over trending, historical operating revenue information, the composite financial index (CFI), and budget forecasts. He stated he will briefly talk about the Comprehensive Annual Financial Report, which was presented by Mr. Fred Lantz, and then talk about the levy, finally opening the floor for discussion and direction by the Board.

Mr. Tenuta began discussion with a chart showing historical five-year operating fund revenue; he noted that revenue has remained flat. He then discussed the Composite Financial Index (CFI) which is a combination of four ratios used by the United States Department of Education and the Higher Learning Commission to compute the financial health of an institution. The CFI should not fall below 3, which shows an unstable financial position and would negatively affect the College's credit rating. Mr. Tenuta stated the College's CFI is 5.78, and is showing a negative trend.

Mr. Tenuta stated that his original forecast projected a deficit in FY15; the College finished up positively, \$1.3 million. When the forecast was created, the College was going forward with capital projects, which were halted when the DKA study began. He noted that the forecast was within \$11,000 of the final figure. He expects that the negative downward trend will continue unless this path is altered.

Mr. Tenuta then spoke about the FY15 calculated fund balance. Per the fund balance policy, the College should be \$1.7 million above necessary reserves. He noted that contingency funds are \$1.5 million, which he hopes are never used.

Mr. Tenuta noted that the Board approves the levy; administration only recommends a levy amount to the Board. Starting in 2013, multiple recommendations were made for the Board to approve a flat levy, or one that included PTELL. Mr. Tenuta noted that the levy was flat during 2013-2014; the CPI increased

3.2% over that time, which resulted, in essence, a mandatory budget cut; the College lost 3.2%.

Mr. Tenuta provided a definition of purchasing power, and reviewed a chart factoring in inflationary costs. He noted that the College's purchasing power showed a net decline.

Mr. Tenuta stated that the College Administration recommends a 2015 levy of \$28,359,379.00, a 1.39% increase over the previous year. Current property owners would see a .8% increase, and new property owners would see an increase of 1.39% in the percentage of actual tax revenue the College receives. The cost to the owner of a \$250,000 home would be 98 cents per month, or \$11.79 per year.

Extensive discussion followed; this item will be placed on the November 10 agenda for the Committee of the Whole meeting for discussion. Attorney Rogers emphasized that if the levy is not filed, there will be no levy, not a flat levy. Ms. Kisser added that there cannot be a split vote on the levy.

Ms. Walsh asked if there could be one flat levy, and another levy for new property owners; Mr. Tenuta replied that cannot be done. He noted that the levy could be approved with PTELL; if the Board only wanted to capture new growth, the PTELL portion of the levy could be abated, estimated at \$223,000.00.

Mr. Memmen noted that tuition has been increased the last two years; he felt the image projected was that costs would be placed on the students, rather than the taxpayers. Mr. Smith stated that students derive the benefit of a good education; many county residents do not experience any direct value from MCC. Mr. Smith felt that those who derive benefits should pay a larger part of the cost. Mr. Tenuta stated that in regard to raising tuition, demand has been inelastic except for the past two years, when unemployment fell drastically and affected enrollment. Ms. Kisser added that it is a duty of taxpayers to make sure that society functions and support county services including education, police, fire, and courts. Ms. Liddell noted that the College district represents 1% of her tax bill; Ms. Walsh added that the K-12 districts' only source of revenue is property tax. Mr. Smith pointed out that the College has the capability of raising private funds, which other taxing bodies do not have.

Mr. Tenuta's presentation can be viewed at

[http://www.mchenry.edu/board/15\\_16/presentations/FY15LevyRecommendationBoard.pdf](http://www.mchenry.edu/board/15_16/presentations/FY15LevyRecommendationBoard.pdf).

UPDATE ON PRESIDENTIAL SEARCH

Chair Smith reported that there were sixty-six applications for MCC's next president, adding that interest in the position was exciting and humbling. He thanked the Presidential Search Committee for the work done to date. The Search Committee will meet October 28 to select semi-finalists. A date will be then set for semi-finalists to be interviewed, resulting in three to five candidates recommended for campus meetings with College constituents, leading donors, and ultimately the Board, to arrive at a final decision.

Chair Smith stated that any member of the Board is welcome to call Ms. Liz Rocklin or Mr. Jesse Thompson from R. H. Perry & Associates with questions, comments, or feedback on the search. He thanked Ms. Rocklin and Mr. Thompson for their work.

McHENRY COUNTY COLLEGE'S PARTICIPATION IN TAX INCREMENT FINANCING DISTRICTS

Mr. Jenner expressed his thanks for placing this on the agenda for discussion. He asked what procedure the College uses for participating in Tax Increment Financing (TIF) districts, how many of those districts the College participates in, does the College have information about the proposed district in Lake in the Hills, and asked whether there was Board involvement in providing direction.

Dr. Smith replied that TIF invitations are received by the President's Office, and she attends meetings for all TIFs that send an invitation: two in Cary, and two in Marengo. She is not aware of any other TIFs. Mr. Jenner was aware of others, one in Woodstock and one or two in Crystal Lake. Mr. Jenner stated that the Board should provide oversight. Ms. Kissler suggested contacting legislators' offices for more information and discuss this in the Evaluation and Policies Committee or the Committee of the Whole. Attorney Rogers offered to seek out a current description of TIFs and how they function, which the Board could review. Dr. Smith will find out the status of the Lake in the Hills TIF.



## BOARD COMMITTEE REPORTS

### A. Finance and Audit Committee

Ms. Kissler reported on the October 6, 2015 committee meeting. Topics discussed included a presentation on what to look for in the audit, and a presentation on the budget and levy. The January meeting will discuss College spending and the budget process, as well as the RAMP document.

### B. Evaluation and Policies Committee

Mr. Jenner reported on the October 12, 2015 committee meeting. Topics discussed included Board self-evaluation, and review of Section 1 of the Board Policy Manual.

The Board self-evaluation instrument was then reviewed. Trustees will complete the evaluation by November 4, 2015, for discussion at the November Board meeting. Mr. Jenner and Ms. Kissler will conduct the semiannual review of closed session minutes.

### B. Committee of the Whole

Ms. Liddell reported on the October 13, 2015 meeting. Topics included the usual agenda items, with a lengthy discussion on space utilization as well as the audit report. The meeting may be viewed at [www.mchenry.edu/board](http://www.mchenry.edu/board).

## ICCTA REPORT

Ms. Liddell presented a brief report and spoke about the successful presentations made at the ACCT Leadership Congress. She encouraged the Trustees to attend the state meetings.

## FRIENDS OF MCC FOUNDATION REPORT

Ms. Walsh announced that the deadline to apply for spring scholarships is October 30. She noted the upcoming Education to Empowerment breakfast. She stated that the Foundation Board is interested in a presentation from the Board regarding future plans after the space utilization study was discussed at the Committee of the Whole.

FOR INFORMATION

- A. New Employees
- B. Resignation
- C. Office of Marketing and Public Relations Update
- D. Office of Resource Development Fiscal Year 2015 Year End Report
- E. Office of Resource Development Update
- F. Office of Sustainability Center Update
- G. Upcoming Events

Mr. Memmen announced that the women's volleyball team are Skyway Conference champions, ranked fifth overall in the NJCAA, are the fifth best team in the nation, second in points, and fifth in digs. MCC will host the first round of the tournament, followed by a regional crossover and final at College of Lake County. Mr. Memmen noted the fall Job Fair is October 30, also noting the Veterans' Day celebration coming up, as well as MCC Night.

SUMMARY COMMENTS BY BOARD MEMBERS

Mr. Memmen applauded the MCC Sustainability department, has received an update on notifying students when an adjunct instructor is removed from classes, spoke about the American Association for Women in Community Colleges presentation, and asked about an update on the message to students regarding the roof project.

FUTURE AGENDA ITEMS

November agenda items include refunding debt certificates, student communication process management, and space for veterans.

CLOSED SESSION

At 10:11 p.m., Mr. Memmen moved to go into Closed Session to discuss matters covered under the Illinois Open Meetings Act, 120/2(c), Exception #8, *Security procedures and the use of personnel and equipment to respond to an actual, a threatened, or a reasonably potential danger to the safety of employees, students, staff, the public, or public property*, 120/2(c) #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 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.* Ms. Liddell seconded the motion. There was no discussion. The roll was called and all were in favor; the motion carried. A break was taken at 10:12 p.m. and Closed Session began at 10:17 p.m.

At 11:01 p.m., Ms. Kisser moved to come out of Closed Session and Ms. Liddell seconded the motion.

There was no discussion. A voice vote was taken and all were in favor; the motion carried. Closed Session ended at 11:02 p.m.

ACCEPTANCE OF CLOSED SESSION MINUTES, Regular Board Meeting, September 23, 2015

Ms. Liddell moved to accept the closed session minutes and Ms. Tirio seconded the motion. There was no discussion. The roll was called and all were in favor; the motion carried.

ADJOURNMENT

Hearing no further business, the meeting was adjourned at 11:02 p.m.

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Patricia Kriegermeier, Recording Secretary

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Chris Jenner, Board Secretary