CALL TO ORDER/ROLL CALL

Mr. Doug Block, Board Chair, called the meeting to order at 8:30 a.m.

Members Present:  Mrs. Diane Gallagher, Mr. David Shockey, Mr. Rob Urish, Mr. Doug Block, Mr. Jim Endress, Dr. Steve Jennings, Ms. Whitney Zumdahl, and Mr. Matt Bordner

Members Absent:  None

Guests Present:  Mr. Steve Kroeger, Union Savings Bank (arrived 8:58 a.m.; departed 9:50 a.m.); Ms. Kim Rampenthal, Director of Fundraising, HCC Foundation (arrived 10:03 a.m.; departed 10:31 a.m.)

Also Present:  Dr. Joe Kanosky, President (departed 12:45 p.m.; returned 12:54 p.m.); Mr. Tim Hood, Vice President, Academic Services (departed 11:56 a.m.); Ms. Jill Janssen, Vice President, Administrative Services (departed 11:56 a.m.); Ms. Rose Ferguson, Associate Vice President, Human Resources (departed 11:56 a.m.); Ms. Liz Gerber, Associate Vice President, Student Services (departed 11:56 a.m.); and Ms. Terri Grimes, Board Secretary

PUBLIC COMMENTS

There were no public comments.

ADMINISTRATIVE UPDATES

Dr. Kanosky reported that there is a lot of uncertainty with the State. If legislators are called into a special session, it takes a three-fifths majority to approve legislation. At this point pension reform is still uncertain.

FY'13 and FY'14 Budgets  (Handouts #1, #2, #3)

Ms. Janssen reported that currently FY'13 revenues are at about 97.5 percent of what was budgeted due to a number of factors including a 3.4 percent decrease in equalized assessed valuations (EAVs), and tuition revenue coming in less than budgeted. Overall projected revenues are $340,000 less than what was budgeted. Currently expenditures are at about 96 percent of what was budgeted, due in part to positions remaining open or filled later than anticipated, better scheduling
of heating and cooling of buildings, and budget managers doing a good job of watching expenditures. Overall Ms. Janssen is projecting an overall deficit for FY’13 of between $200,000 and $250,000, however, numbers may change once the audit is complete. The Health Insurance Fund was budgeted to decrease by approximately $650,000, although at this point it looks as though it could decrease by $570,000, depending on end-of-the-year claims.

Ms. Janssen reviewed tentative budget numbers for FY’14, noting that ICCB will not provide colleges with the State funding amounts until after Governor Quinn signs the budget. The FY’14 budget assumes flat enrollment, the $120,000 loss of the administrative allowance for Partners for Employment, no salary increases except the faculty step, and the cost of veterans’ tuition of approximately $100,000, which is an unfunded State mandate. She also noted that potential transfers to the Auxiliary Fund are not included in the current budget. The Auxiliary Fund includes areas such as athletics and the theater. If these areas overspend, a transfer would need to be made to the Auxiliary Fund to cover the deficit.

Mr. Endress reported that a small group of representatives of the Foundation, including Mr. Jim Berberet, Mr. Todd Weegens and Mr. Fritz Kuhlmeier, met to discuss the debt certificate payments. They understand that the Foundation needs to “step up” and help the College since State and local funding continues to decline.

Mr. Steve Kroeger of Union Savings Bank joined the meeting to discuss the matching grant fund. He relayed his belief that the matching grant fund should be distributed among three “buckets”: one for immediate needs (6 to 24 months), one for intermediate needs (2 to 7 years), and one for long-term needs. He suggested that if the College wants to use some of the matching grant funds in the next couple years, it would be best to reduce the exposure to the bond funds. He also suggested that the Foundation should be meeting with the fund managers at least three times per year.

Mr. Endress discussed with Mr. Fritz Kuhlmeier the idea of a way to take a portion of the growth from the matching grant fund and put it into the College budget. For example, if the fund balance were at $6 million or above, the College could use part of the growth, but if it went below $6 million, no money would be transferred to the College budget. Mr. Block reminded trustees that we cannot continue to see the same type of growth in the matching grant fund if a portion of the growth is transferred to the College budget. It was also expressed that the College needs to provide more oversight of the goals on the matching grant funds. Dr. Kanosky reminded trustees that the matching grant fund was earmarked as the “fail safe” if the Foundation could not meet the debt certificate payments and reminded trustees that some debt certificates are callable in FY’16.

Following discussion, it was determined that Dr. Kanosky and Ms. Janssen will put together a proposal for use of the matching grant funds. Mrs. Gallagher reminded trustees that our goal is education, not to be a banker, and that the original intent of the matching grant was to be used for education. Mr. Urish also expressed a concern that, to his knowledge, the Foundation Investment Committee has not met for two years. Dr. Kanosky also reported that the Foundation’s audit shows
that there continues to be a Ferguson Endowed Nursing Fund, however, it has been put in the unrestricted Foundation board designated fund.

At 9:50 a.m., the Chairperson declared a recess; the meeting resumed at 10:03 a.m.

**FOUNDATION UPDATE**

*Proposal for Naming Opportunities (Handouts #4 and #5)*

Ms. Kim Rampenthal, HCC Foundation Director of Fundraising, joined the meeting to provide trustees with information on naming opportunities. She noted that the Board already approved a “Naming of the Buildings Philosophy” in February 2006 and she is not suggesting that should be changed. She explained that money provided by donors for naming opportunities will be designated to either the major gift campaign or the College’s “area of greatest need”, with the College determining where the money would be used. She noted that the amount of the donation determines the room to be named and does not include the matching “Double Play”. Naming opportunities would continue to come to the Board for approval and, once approved, the Foundation would handle the logistics of the donation. She suggested that namings remain in place for 20 years. Ms. Rampenthal reviewed a list of potential naming opportunities and suggested donation amounts. Mr. Block asked if there were people identified for possible naming opportunities, and Ms. Rampenthal responded that as soon as the list is finalized, she will move forward with contacting potential donors. Mr. Shockey reminded trustees that any gift to the Foundation is tax deductible. Dr. Jennings suggested that the Summerset naming opportunity be set at the amount that Summerset goes over budget each year. Trustees were reminded that Shindig III will be held at the Fortney home in Red Oak in August.

**ADMINISTRATIVE UPDATES (Continued)**

*College Organization Review (Handout #6)*

Mr. Urish presented a handout regarding his thoughts on a process for a College organization review. He stated the goal is to make sure the organization is properly shaped with the correct people in the correct positions.

Dr. Kanosky reported that Ms. Janssen and Ms. Ferguson have looked at a staffing matrix to evaluate jobs based on a number of factors, including the position’s impact on students, strategic plan, and College goals. Mr. Block stated that this organization review is Board directed and a “Getting to Yes” type of discussion. Ms. Ferguson stated that she believes it is important to look at where we want to be in three to five years, and if there are redundant processes throughout the College. Supervisors also review positions on an annual basis. Ms. Gerber reported that Student Services has lost 40 staff hours and has been discussing how to share staff across department lines and cross-training of staff. Dr. Jennings stated that he would like to interview staff to see what they are doing, and Dr. Kanosky cautioned that if the Board does the interviewing, there would be different results than if staff did the interviews. Ms. Janssen and Ms. Ferguson also noted the need to look at positions and not the people who are in those positions. Mr. Block also stated that if a
Board member goes to individuals or students, it is seen as representing the entire Board. Mr. Urish also expressed a need that the group that directs the process also include stakeholders, and Dr. Jennings noted that he believes Mr. Eric Welch has the trust of faculty and staff. Mr. Urish stated that in his experience, someone from Human Resources is usually included in the process, but does not necessarily head the process. Dr. Kanosky will meet with Mr. Urish and Dr. Jennings to come up with a preliminary agenda. An update will be provided at a future Board meeting.

**Security Contract**

Ms. Janssen reviewed the process that was used last year when instituting the new one-year agreement. She explained that the current agreement with the Stephenson County Sheriff’s Department expires on June 30, 2013. She explained that the College is pleased with the current arrangement with the Sheriff’s Department, and improvements have been made over the past year. She proposed bringing a three-year agreement to trustees at the June regular meeting. Mr. Bordner stated he believes students feel safe with the deputies and are not intimidated by them. Mr. Block asked what services the College would receive without the security contract, and Ms. Janssen stated that deputies would basically be called when an incident occurred. She also noted that the Sheriff’s Department now reimburses the College if a deputy is on extended leave or training and we do not have the normal coverage.

**CLOSED SESSION**

Mr. Endress moved and Dr. Jennings seconded the motion to move into Closed Session for the purposes of discussing the appointment, employment, compensation, discipline, performance, or dismissal of specific employees, and collective negotiating matters between the public body and its employees or their representatives, pursuant to the Open Meetings Act, and to return to open session for possible action. The roll call on the motion was as follows:

**AYES:** Shockey, Urish, Block, Endress, Jennings, Zumdahl, Gallagher, Bordner

**NAYS:** None

At 11:17 a.m., the Chairperson declared the motion carried and the meeting in Closed Session.

At 11:56 a.m., the Chairperson declared a recess for lunch; the meeting resumed at 12:41 p.m.

Mr. Urish moved and Mr. Endress seconded the motion to end the Closed Session. The roll call on the motion was as follows:

**AYES:** Urish, Block, Endress, Jennings, Zumdahl, Gallagher, Shockey, Bordner

**NAYS:** None

At 12:59 p.m., the Chairperson declared the motion carried, the Closed Session ended.
ACTION, IF NECESSARY

No action was necessary following the Closed Session.

BOARD UPDATES

Board Self-Evaluation
Mr. Block announced that Kim Villanueva of the Illinois Community College Trustees Association will conduct the Board’s self-evaluation, tentatively scheduled for the September Board retreat. If trustees have any questions or ideas, they should contact Mr. Block. Following discussion it was determined that the date will be rescheduled, since two trustees will not be able to attend the September retreat. Ms. Grimes will work with Ms. Villanueva on a new date.

NEW BUSINESS

- *Northwest Illinois Development Alliance (NIDA)* – Mr. Block reported that he has been asked by NIDA representatives to sit on the NIDA board. Currently there is no representative from education on the NIDA board, and they would also like to have a representative from CareerTEC on the board. The goal of NIDA is to encourage economic development in the community, and Mr. Block believes being on the NIDA board will help open communication about the need for technical skills and other training in the area. He noted that this cannot be construed as political in any way, and reminded trustees that the Stephenson County Board no longer supports NIDA financially. The College currently pays membership dues of $500 per year to NIDA but does not have voting rights. Dr. Kanosky also reported that the College pays $500 to the Tri-County Economic Development Alliance (TCEDA) that is based in Jo Daviess County.

- *Roundabout* – Dr. Kanosky met with Adam Holder of Fehr-Graham regarding a request for a temporary easement for construction of a roundabout at the intersection of Kiwanis Drive and Pearl City Road. An action item will be placed on the June Board agenda regarding the request for the easement. They are also requesting a donation of eight one-hundredths of an acre of land to make a different right of way line. Dr. Kanosky has suggested to Mr. Holder that the College would include the donation of the bike path in the deal for the donation of land.

- *Foundation 70 Acres* – Mr. Endress had a conversation with Mr. Keith Heinrichs regarding the Foundation’s 70 acres and reported that Mr. Heinrichs is clearing the lot line near the softball and baseball diamonds at his own expense. Mr. Endress also stated that he personally is against the Foundation selling the 70 acres of land.

- *Meeting with Foundation* – Dr. Kanosky and Mr. Block will meet with Mr. Jim Berberet and Mr. Todd Weegens regarding the matching grant fund.
ADJOURNMENT

Mr. Urish moved and Mrs. Gallagher seconded the motion to adjourn the meeting. At 1:25 p.m., there being no further business, the Chairperson declared the motion carried and the meeting adjourned.

Respectfully submitted,

[Signature]

Terri A. Grimes, Board Secretary
Illinois Community College District No. 519