Highland Community College
Board Retreat
September 5, 2012
Highland Community College Student/Conference Center
Room H-206
Freeport, Illinois

ROLL CALL/CALL TO ORDER

Mr. David Shockey, Board Chair, called the meeting to order at 8:01 a.m.

Members Present: Mrs. Diane Gallagher, Mr. David Shockey (departed 12:50 p.m.), Mr. Rob Urish, Mr. Doug Block, Mr. Jim Endress, Dr. Steve Jennings, Ms. Whitney Zumdahl and Ms. Jenny Farmer (departed 9:45 a.m.; returned 11:43 a.m.)

Members Absent: None

Guests Present: Mr. Alan Wenzel, Faculty (arrived 9:02 a.m.; departed 11:00 a.m.); Mr. Mike Sopcic, Custodian (arrived 9:02 a.m.; departed 11:00 a.m.); Mr. Clint Stansbury, Custodian (arrived 9:02 a.m.; departed 11:00 a.m.); Mr. Kurt Simpson, Director, Physical Plant & Maintenance (arrived 9:02 a.m.; departed 11:00 a.m.); Mr. Bob Wiederholtz, Manager, Custodial Services (arrived 9:02 a.m.; departed 11:00 a.m.); Mr. Jim Phillips, Faculty (arrived 9:02 a.m.; departed 11:00 a.m.); Ms. Chrislyn Senneff, Faculty (arrived 9:02 a.m.; departed 11:00 a.m.); Mr. Ken Rausch, Maintenance Mechanic (arrived 9:02 a.m.; departed 11:00 a.m.); Mr. Brian Lang, Groundsperson Assistant (arrived 9:02 a.m.; departed 11:00 a.m.); Mr. Rich Jacobs, Faculty (arrived 9:02 a.m.; departed 11:00 a.m.); Ms. Karla Giuffre, Faculty (arrived 9:02 a.m.; departed 11:00 a.m.); Mr. Tom Bruehler, Manager, Maintenance Services (arrived 9:02 a.m.; departed 11:00 a.m.); Mr. Rex Blomberg, Custodian (arrived 9:02 a.m.; departed 11:00 a.m.); Mr. Chuck Barker, Consultant (arrived 9:02 a.m.; departed 11:00 a.m.); and Ms. Tammie Beckwith Schallmo, PMA Securities, Inc. (arrived 11:09 a.m.; departed 11:59 a.m.)

Also Present: Dr. Joe Kanosky, President; Mr. Tim Hood, Vice President, Academic Services; Ms. Jill Janssen, Vice President, Administrative Services; Ms. Rose Ferguson, Associate Vice President, Human Resources; Ms. Liz Gerber, Associate Vice President, Student Services; and Ms. Terri Grimes, Board Secretary
OPENING REMARKS

Dr. Kanosky announced that Mr. Chuck Barker, a resident of the College district for almost 20 years and an expert on “Getting to Yes” negotiations, will join trustees along with representatives of the custodial/maintenance and faculty unions to provide an overview of the “Getting to Yes” process. Mr. Endress also passed around some promotional materials from John Wood Community College, which he received during a recent ICCTA Executive Committee meeting.

PUBLIC COMMENTS

There were no public comments.

ADMINISTRATIVE UPDATES

FY’13 Budget

Ms. Janssen reported that the Board must adopt the permanent budget at the September 18th regular meeting, prior to submission of the audit to the Illinois Community College Board (ICCB). The budget can be amended later, if the need arises, by following certain steps outlined by the ICCB. Ms. Janssen reported that the College can plan on a reduction in equalized assessed valuations (EAVs) of between 3 and 3.5 percent for tax year 2011 and an estimated decrease of 2.5 percent for tax year 2012. The tentative budget also estimated unrestricted certified credit hours at 46,600, but due the latest enrollment projections, Ms. Janssen is now estimating unrestricted certified credit hours to come in at around 44,000. Overall, projected revenues are approximately $150,000 less than in the tentative budget due to a reduction in estimated EAVs and credit hours. At this time, the open Nursing Lab Coordinator position will not be filled, and Ms. Janssen reported that additional expenses are included in the proposed budget for ADA services that will be necessary for several students. Overall, the projected budget includes a deficit of $615,000, up from a $437,000 projected deficit in the tentative budget.

Ms. Janssen reported that the Leadership Team has looked at several scenarios in considering salary increases for eligible non-union classified, professional and administrative employees. Trustees discussed the options and a recommendation will be presented to trustees at a future Board meeting.

There are several budget challenges which will continue in future years. Property values are expected to decrease at least the next two years. In addition, the College will lose the administrative allowance for Partners for Employment, because WIA #4 may be merging with WIA #12, which includes the Illinois Valley Community College and Quad Cities areas. Dr. Kanosky stated that, as he understands it, employees of Partners for Employment would keep their jobs, but they would not be Highland employees.
Ms. Janssen reported that the Leadership Team has been looking at ways to increase revenue and decrease expenses, and Ms. Janssen will compile the information and forward it to trustees in the next couple days. Mr. Block asked if there were areas where the College could look to for more credit hours. Dr. Kanosky responded that the tricky part is that we must have the cash to operate, and we get money for credit hours through cash and financial aid. We receive reimbursement from the State two years later. Currently, the State reimburses $13 per credit hour for general education classes. Increasing credit hours without bringing in additional money does not help at the current time. Ms. Janssen stated that currently students can sign up for a payment plan and pay their tuition in installments. Mr. Block asked if there is a need to revisit the payment plan, and Dr. Kanosky responded that the payment dates could be loosened a bit to help students. Dr. Jennings suggested contacting the engineering companies in the district and asking them for money to support the engineering program. Mr. Endress stated that the College is battling the stigma of community colleges and we need to figure out how to convince students who want to go away to College to come here. Dr. Kanosky noted that high school counselors pride themselves in being able to say that their students went away to schools such as Yale and Harvard. Mr. Endress stated that we must be sure to follow our Highland grads to show their successes and let people know they went to Highland. He also suggested that perhaps we begin to work with students and parents at eighth grade orientation to “plant the seed” about Highland. Ms. Zumdahl suggested that we highlight students who graduated from a particular high school, find out where they are now, and put together a presentation tailored for students at their former high school to assist in recruitment.

Ms. Gerber and Mr. Hood are currently working with Black Hawk Tech in Wisconsin and other schools to develop a cooperative agreement to help increase enrollments. Another idea to increase enrollments is to bring in additional international students. Ms. Gerber reported that the district high school population has now dipped below 1,000 and this is a major concern.

Another issue the College is facing is that the adult population, who used to come back for training when times were bad, may not be returning to the classroom as they did before; for example, Dr. Kanosky is unsure how many Sensata workers are coming back to Highland for training.

**Interfund Transfer from Operating Funds to Health Insurance Fund**

Ms. Janssen reported that, using our rule of thumb of six months’ of expense in the fund balance, we should have $1.2 million in the Health Insurance fund in order to ensure that there is enough money to cover claims. With this rule of thumb in mind, she is proposing that trustees consider an interfund loan. A transfer from the Operating funds to the Health Insurance fund would require Board approval. Trustees discussed that another alternative would be to go to employees mid-year and ask to raise the health insurance rates.

Trustees expressed a concern that, if the $75,000 interfund transfer were to be approved, the College would be paying an additional $75,000 that employees are not going to match. Mr. Endress asked if the $75,000 could be considered a prepayment towards what the College
would pay in FY'14, and Ms. Janssen stated that she would need to look into that possibility. Dr. Kanosky reminded trustees that a number of health insurance claims for FY'12 came in after the health insurance premiums for FY'13 were set, prior to the end of FY'12. In addition, the plan design is not sustainable as it is currently written. Ms. Ferguson reported that, in 2018, under the Health Care Reform Act, our plan will be considered a “Cadillac plan” and the College would be taxed accordingly. Ms. Janssen stated that the Health Insurance Committee is looking at the plan and will look for cost-savings measures.

ACTION, IF NECESSARY

No action was taken and the recommendation will be presented to trustees for approval at the September regular Board meeting.

At 8:59 a.m., the Chairperson declared a recess; the meeting resumed at 9:02 a.m.

“GETTING TO YES” OVERVIEW AND DISCUSSION

Dr. Kanosky introduced Mr. Chuck Barker, who presented a brief overview of “Getting to Yes,” a different approach to contract negotiations. He explained that “Getting to Yes” uses the Best Alternative to a Negotiated Agreement (BATNA), and asks, “What is the best thing we can do?” He discussed the mechanics of the process, contrasting the “positional” negotiating process with the “principled” process. He explained that the “positional” process begins by clarifying the positions of the parties, asking for concessions, seeking to discover the other side’s “bottom lines”, asking the parties what they want to do, manipulating the conversations, seeking early commitments, and ignoring relationship issues. The “principled” process begins by clarifying interests, generating and exploring options, clarifying BATNAs, asking why the proposals are fair, facilitating mutual listening, crafting wise commitments, and improving the working relationship. Mr. Barker concluded his presentation by answering questions from trustees and representatives of the custodial/maintenance union and faculty senate.

At 11:00 a.m., the Chairperson declared a recess; the meeting resumed at 11:09 a.m.

ADMINISTRATIVE UPDATES – Continued

Working Cash Bonds and Debt Certificates

Ms. Janssen introduced Ms. Tammie Beckwith Schallmo of PMA Securities, who presented options for restructuring the debt certificates. Ms. Beckwith Schallmo explained that the College has three options for the debt certificates: do nothing, refinance at a lower interest rate and keep the same term, or refinance and stretch the debt certificates out to 2032, which would lower the payments. She also discussed the possibility of the College issuing working cash bonds. She explained that many community colleges and school districts are issuing working cash bonds, due to the delay in State payments. Ms. Beckwith Schallmo also explained that, by issuing the working cash bonds and restructuring the debt certificates at the same time, the College could
save approximately $14,000 in costs. In order to issue the working cash bonds, the Board would need to adopt a Resolution at the September 18, 2012 regular meeting, with a public hearing on the bonds being held during the October 23, 2012 Board meeting.

At 11:59 a.m., the Chairperson declared a recess for lunch; the meeting resumed at 12:29 p.m.

CLOSED SESSION

Mr. Block moved and Mrs. Gallagher 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, Farmer
     NAYS:    None

At 12:31 p.m., the Chairperson declared the motion carried and the meeting in Closed Session.

Mrs. Gallagher moved and Dr. Jennings seconded the motion to end the Closed Session. The roll call on the motion was as follows:

     AYES:    Urish, Block, Endress, Jennings, Zumdahl, Gallagher, Farmer
     NAYS:    None

At 1:21 p.m., the Vice Chairperson declared the motion carried and the Closed Session ended.

ACTION, IF NECESSARY

No action was necessary.

BOARD UPDATES

Dr. Kanosky reminded trustees of the Founders Day dinner this Saturday, September 8, in recognition of the College’s 50th anniversary. Tours will be available beginning at 3:00 p.m. Ms. Gerber reported that Highland faculty and staff will participate in the Lena Fall Festival parade, and that Mr. Dave Vrtol, wind turbine technology instructor, will have the nacelle in the parade. Mrs. Gallagher stated that she would also like the College to participate in the Galena Halloween parade in October. Ms. Gerber stated that many Student Services staff are taking the lead to coordinate Highland’s participation in many of the area parades. One thousand yard signs have been purchased for the 50th anniversary, and banners are up at the main entrances to the College. The upcoming issue of CareerFocus has been changed to CollegeFocus and features the 50th anniversary. Bed races and a community appreciation picnic will be held on October 6.
Ms. Farmer announced that Student Senate elections will be held in September, and Phi Theta Kappa has been discussing the possibility of a fall induction ceremony.

Mr. Endress reported that he is hopeful that Rock Valley College will host the next ICCTA Northwest Region meeting.

NEW BUSINESS

- Ms. Ferguson announced that the Foundation’s fundraising position has been reposted. Dr. Kanosky stated that the Foundation Board is going ahead with the position even though the College will not be contributing to the position.

- Employees who are required to carry a cell phone for College access will be switching from BlackBerries to Androids or iPhones, which will save the College considerably due to cost savings of not needing the dedicated BlackBerry server.

- Trustees and Dr. Kanosky have been invited to attend Monroe Clinic’s “Dining with the Docs” event later this month.

- FHN and Monroe Clinic have been approached to create a scholarship for the first baby born at their facility on September 6, the anniversary of the first day classes were held at Highland. Monroe Clinic will make a donation to the Foundation in recognition of the College’s 50th anniversary, while FHN will offer the scholarship.

ADJOURNMENT

Dr. Jennings moved and Ms. Zundahl seconded the motion to adjourn the meeting. At 1:40 p.m., there being no further business, the Chairperson declared the meeting adjourned.

Respectfully submitted,

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