

Highland Community College
Board Retreat
June 1, 2011
Highland Community College Student/Conference Center
Room H-206
Freeport, Illinois

ROLL CALL/CALL TO ORDER

Mr. Shockey called the meeting to order at 8:31 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 Ms. Chelsey Kaiser

Members Absent: None

Guests Present: Mr. Nathan Hensal, Director of Information Technology for Network, Desktop and AV Support (departed 9:03 a.m.); and Mr. Kurt Simpson, Director of Physical Plant & Maintenance (arrived 10:05 a.m.; departed 11:20 a.m.)

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

OPENING REMARKS

Mr. Shockey reminded trustees that the Audit Committee will meet later this afternoon. Dr. Kanosky announced that pension reform has been postponed until the fall veto session.

PUBLIC COMMENTS

There were no public comments.

ADMINISTRATIVE UPDATES

SURS

Ms. Ferguson reported that the SURS 6% exemption has not been extended at this point and is set to be eliminated next month. This affects certain types of salary increases that previously could be excluded from the calculation of the employee's final rate of earnings, including promotions, which means that the College must pay anything over 6% unless there is a union agreement in place.

Information Technology

Mr. Nathan Hensal, Director of Information Technology for Network, Desktop and AV Support, reported that Northern Illinois University applied for and was awarded federal stimulus funds, which included several regional fiber projects. The project would provide high-speed bandwidth between Highland's main campus and HCC West, which are considered anchor institutions. Our fiber installation costs are included as a part of the grant, and there is no capital outlay for this project by Highland for either HCC location. Dr. Kanosky noted that all high schools, with the exception of Dakota, are included in the plan. Mrs. Gallagher reported that Jo Daviess County has talked a lot about how economic development in the area is dependent on fiber optic capabilities. Mr. Hensal also reported that the College has an effective tool to manage bandwidth to make sure that we have bandwidth available for critical applications such as Moodle.

Budget (Handouts #1, #2, and #3)

Ms. Janssen reported that the FY'11 budgeted revenue will come in at about 98% of the budget. EAVs in the four counties came in about one-half of a percent lower overall than budgeted. Tuition looks to be about two percent less than budgeted. Expenses are also less than budgeted due to reduced spending in part-time instruction, contractual services, conferences and meetings, and materials and supplies. At this point Ms. Janssen is assuming we will not need the \$87,000 budgeted for contingency. The State still owes us \$387,000 in unrestricted funds, and Ms. Janssen noted that we will need to see how the auditors and ICCB want that recorded. Expenses are currently about \$437,000 less than budgeted resulting in a \$176,000 surplus.

HB 3700 passed by the House and Senate and included no reduction in funding from what we were funded in FY'11. The Governor is expected to sign the bill. This is positive for Highland because we have received a decrease in funding in past years. The Student Success grant will not be funded again next year. At the June or July regular meeting the Board will be asked to consider salary increases for administrative, professional, and nonunion classified staff. Salary increases for part-time instructors will also be considered. Ms. Janssen will present a preliminary budget to the Board at the July budget work session and will review the final budget at the September budget work session. Employees have requested additional information on how the budgeting process works so several informational sessions will also be scheduled.

Dr. Kanosky reminded trustees that the College has lost \$700,000 in equalization funding since 2003 because Highland is considered a wealthy district. He also reminded trustees that we were receiving \$500,000 from the Foundation in 2003.

Mrs. Gallagher asked how we get more students to finish classes and get jobs that pay a living wage. Our budget priority must be to fund those areas that help students be successful.

Dr. Kanosky noted that the College must address the remedial issue because if we cannot get students past the math and English classes, they will not be successful. Mr. Block stated that there are many factors we have no control over. We need to have students prepared to be out there, and they will find a job if they are prepared. Dr. Kanosky noted that there are a lot of people who have no skills and are underprepared. We must help people be successful, and then

we will be successful. Mr. Hood noted that there will always be students who just need one or two classes, which lowers our percentage of completion, but we do need to serve those students as well.

Dr. Kanosky and Mr. Hood will attend a meeting in Springfield on June 24 where the “High School to College Success Report” will be presented. Once we receive the information, it will be shared with trustees and school districts. Mr. Hood distributed several internal reports that include information on the success of our students.

Dr. Jennings stated that he had a conversation with someone from Lena-Winslow High School who expressed a concern about students from Lena-Winslow attending Highland and placing into developmental classes. Mr. Hood reported that the College will offer a pilot program in math this summer, which will address some of these issues. Dr. Kanosky noted that statewide numbers show that 70% of students place into remedial classes. Dr. Kanosky and Mr. Hood met with regional superintendents recently and showed them what classes students had to place into in order to not be considered remedial. Many students have difficulty with fractions or decimals.

At 9:55 a.m., the Chairperson declared a recess; the meeting resumed at 10:05 a.m.

Health Insurance Rates

Ms. Janssen reported that the College is self-funded for health insurance, and money is set aside from employee premiums to pay the claims as they come in. About 81% of the total cost of insurance goes to pay the claims, which were \$1.9 million this past year. Rose reviewed several of the health insurance changes that are effective July 1, 2011, including elimination of the overall lifetime maximum limit, elimination of annual limits unless the services are considered nonessential, as defined by the Department of Health and Human Services, and a change in the maximum for chiropractic care from \$1,000 per year to 24 visits per year. Dependents are covered to age 26, if the dependent does not have any other source of insurance. The health insurance fund balance insulates the College in years where there are drastic increases in claims or premiums. The current recommendation is to have six months of expenditures, which is \$1.2 million, or 50% of the maximum risk, which is \$1.5 million. Ms. Janssen will do a survey to see what other self-insured colleges have for a health insurance fund balance and will report back to the Board.

Ms. Ferguson reviewed the impact of health care reform, and Mr. Urish asked if Cottingham and Butler might be asked to help figure the costs the College will need to cover once health care reform takes effect.

Ms. Janssen stated that the trustees may want to consider reducing the health insurance premiums by three percent. This would save \$45,000 annually in the operating funds and would save an employee with single coverage \$30 per year and an employee with family coverage \$70 per year. Mr. Endress expressed his concern that if we decrease the premiums, at some point in time we

will need to raise the premiums. It seems that maintaining premiums makes more sense than decreasing now and increasing later. Mr. Block stated that the benefit of the wellness program could easily be \$75,000, and believes it is better to reduce the premium by three percent now.

Ms. Ferguson noted that retirees who continue with health insurance must take Medicare, but we do not require current employees or spouses who are 65 to take Medicare. She also noted that eligible employees who take part in the wellness program and maintain a set score receive a \$25 per month discount on health insurance premiums.

Dr. Kanosky will prepare a recommendation to the Board at the June regular meeting to decrease health insurance rates by three percent with the understanding that the Board could change the recommendation at the meeting.

Phone System

Mr. Kurt Simpson provided an update on the new phone system. Last August a decision was made to do a campus-wide phone replacement because the old system was no longer technically supported by the manufacturer. The phone system qualified as a Protection, Health or Safety project. Physical Plant and ITS met with two companies and chose ATI, which is the same company that installed our last system. A voice over internet protocol (VOIP) system was chosen, which runs on a parallel system to the data network. Initial estimates for the system were \$446,000; however, quotes came in at around \$363,000 due to factory direct pricing. Mr. Simpson expects that the final cost will likely be \$25,000 less. Installation of the new system began May 9, with replacement of phones completed between May 16 and May 19. Training was held last week and will also take place during Opening Days. With the new system, phones can be moved from one office to another with no problem, as opposed to the last system, which cost \$500 each time the phone was moved because of the necessity to update the 911 database.

August 6, 2011 Emergency Drill

Mr. Simpson reported that FHN is doing an emergency preparedness drill on campus on August 6, which allows us to practice our emergency operations plan. In addition to HCC and FHN, the drill will include Freeport Rural, Freeport Fire, Freeport Police, helicopters, outlying fire and ambulance districts, the Sheriff's Department, and MAVIS. There will be simulated mass casualties and diversionary tactics. All adjacent property owners will be notified, as will the general public. Mr. Endress also suggested placing portable signs on Pearl City Road mentioning the incident.

Mrs. Gallagher asked if the College offers voluntary CPR training for faculty and staff. Ms. Ferguson reported that the College does not offer training but she could look into it.

Partnership with University of Wisconsin – Platteville and Southwest Tech (Handout #4)

Mr. Hood reported that the College has a grant opportunity to serve northwest Illinois and southwest Wisconsin to create a regional economic center to stimulate entrepreneurship in our

region. There is \$1.1 million in funding available for the Chicago regional office, and each center could expect \$80,000 to \$200,000 annually for five years to provide training for entrepreneurs and allow us to develop certificates and degrees in areas such as marketing. If funded, Southwest Tech would be the flagship community college in Wisconsin, the University of Wisconsin – Platteville would be the flagship university, and Highland would be the flagship community college in Illinois. The grants cannot fund space, but there would be space available at HCC West. Mr. Hood expects to hear whether the grant was funded within 60 days of application. Dr. Jennings suggested that the College might want to consider running an incubator like we had before.

“Shindig at the Stable” Auction Committee

Ms. Gerber is serving on the auction committee for the Foundation fundraiser in August. She explained that some departments have come up with creative ideas for items that could be auctioned off, including a wind turbine climb, and she asked the Board to consider donating a basket. She encouraged trustees to send ideas to Ms. Grimes prior to the next Board meeting.

Strategic Planning Progress (Handout #5)

Ms. Gerber explained that the Strategic Planning Council and co-chairs handed off the Strategic Plan to make the plan actionable. College Council identified processes to have objectives expanded on or created in each of three goal areas. The objectives were brought back to Council, and Council members participated in a roundtable discussion to gather input. Council members then took the information back to their departments to gather additional input. There were some suggestions about internship opportunities, the importance of student activities, and the importance of faculty/staff diversity. Many objectives are already underway and are reflected in our five-year plans. The goals and objectives also seem to fit well with ICCB’s Public Agenda for College and Career Success. Mrs. Gallagher stated that we will always need to report information based on what the State is asking.

All objectives include use of data/assessment, and an evaluation component. An annual update will be presented to the Board, and Dr. Kanosky will also give a mid-point update to the Strategic Planning Council.

At 11:54 a.m., the Chairperson declared a recess for lunch; the meeting resumed at 12:28 p.m.

CLOSED SESSION

Mr. Block moved and Mr. Endress 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, probable, imminent or pending litigation, 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: Gallagher, Shockey, Urish, Block, Endress, Jennings, Zumdahl, Kaiser
NAYS: None

At 12:28 p.m., the Chairperson declared the motion carried and the meeting in Closed Session.

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

AYES: Shockey, Urish, Block, Endress, Jennings, Zumdahl, Gallagher, Kaiser
NAYS: None

At 1:01 p.m., the Chairperson declared the motion carried and the Closed Session ended.

ACTION, IF NECESSARY

Personnel

Mr. Block moved and Dr. Jennings seconded the motion to change the Writing Center differential from one-half hour of overload pay per semester to three-fourths hour of overload pay per semester. The roll call on the motion was as follows:

AYES: Urish, Block, Endress, Jennings, Zumdahl, Gallagher, Shockey, Kaiser
NAYS: None

Whereupon the Chairperson declared the motion carried.

BOARD UPDATES

Student Success Completion (Handout #6)

Mrs. Gallagher distributed a copy of the Illinois Public Agenda for College and Career Success.

Foundation Fundraising Opportunities

Dr. Kanosky reported that we are trying to find other opportunities for people to participate in fundraising activities.

NEW BUSINESS

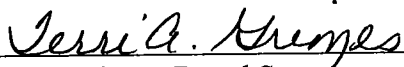
- 50th Anniversary
Highland's 50th anniversary celebration will be held on September 6, 2012. Former trustees Mr. Frank Walker and Mr. Del Scheider have been asked to co-chair the committee. Dr. Kanosky would like to have a series of events throughout 2012 to celebrate the 50th anniversary. Mr. Jim Phillips has also recommended to Dr. Kanosky that the College hold an annual founders' dinner each year. We will also recognize Mr. Del Scheider on October 25, 2011 following the regular meeting when former and

current trustees will have dinner and hear a performance by the Madrigal Dinner performers.

- Board Retreat
We are considering the possibility of holding the September 7 Board retreat at the Lake Carroll Clubhouse.

ADJOURNMENT

Mr. Endress moved and Mrs. Gallagher seconded the motion to adjourn the meeting. At 1:04 p.m., there being no further business, the Chairperson declared the motion carried and the meeting adjourned.



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