

MINUTES OF THE JOINT MEETING
OF THE
BOARD OF TRUSTEES OF SPOON RIVER COLLEGE
AND THE SPOON RIVER COLLEGE FOUNDATION BOARD

Wednesday, September 27, 2017
3:45 p.m.

The Spoon River College Board of Trustees convened at 3:45 p.m. in The Villas Clubhouse for a meeting with the members of the Spoon River College Foundation. Those present included: Curt Oldfield, Brett Stoller, Lori Murphy, Julie Hampton, Missy Wilkinson, Holly Norton, Brad O'Brien, Sarah Gray, Michelle Bugos, Katey Kohler, John Bassett, Colin Davis, Kent Schleich, Phil Murphy, Jerry Cremer, Gayle Blodgett, Dave Maguire, Kevin Meade, Resham Singh, Jr., Bruce Beal, Daryle Coleman, Steve Hopper, Zach Maher, Stacey Mayall, and Dr. Sarah Phipps.

Also present: Kelly Young, Bluffstone; Seth Klinedinst, The Villas.

Colin Davis thanked everyone for coming to the meeting, and he said he appreciates the opportunity to meet with the Board of Trustees in The Villas Clubhouse. This is a good opportunity for the two boards to meet, get to know each other, and discuss the focus of the College. Colin introduced Kelly Young.

The discussion is summarized as follows:

- Snapper Villas Update (Kelly Young)

Kelly welcomed everyone in attendance. Last year this time, we were very far away from actually being real. This is the first time this group has been together at The Villas. She thanked everyone for the hard work and collaboration. We have 42 students living in the Villas. We can meet the needs of 84 students. We have an onsite manager who lives in the building, Seth Klinedinst. He is a perfect fit for The Villas and also with working with students. Kelly said they also have 3 RA's. The RA's work closely with Seth to address and resolve any issues, when needed. Kelly said it is great to finally have everything here, and she said tours are available today for everyone involved as well. She also said that Seth is here to promote college events and activities for the residents and students. We want to see the participation of the students. She thanked the Boards. President Oldfield said last night we had our Diesel Advisory Board meeting, and the board members expressed their appreciation for The Villas and the important role that The Villas plays in support of their program. Brad O'Brien said the members were very positive and spoke highly of Seth Klinedinst. Seth said we are at 50% and receive applications every day. New residents are also new students at the College. President Oldfield said the Villas has been very supportive of various lease terms to meet the needs of the students. Kelly said The Villas is a recruiting tool for the College, and they are looking at the Spring semester as well as Fall of 2018. Steve Hopper asked Kelly if it is typical to be at 50%. Kelly said no, most are at 90%, but it is hard to market the apartments this last spring when there wasn't an actual facility. She believes that they will get through this period and expects some enrollment improvements. Mr. Murphy asked at other facilities, what percentage of rooms are taken by athletes. Kelly said all facilities are different. Black Hawk may be 75%; Sandburg may be 60%. Seth said about 1/3 of the occupants are athletes. Kelly said the specialty programs are also a driving force. Steve Hopper said the facilities are very nice.

- Athletics Fundraising Campaign (Colin Davis)

Colin Davis provided the Boards with "The Snapper Spawn" – 2017-1018 campaign. The reason for the campaign is to raise funds for men's and women's basketball and women's volleyball, which would allow SRC to most efficiently utilize the new multi-purpose facility. SRC can also offer more opportunities for athletics, student life, and connection with the communities. The overall goal is \$200,000 with \$100,000 held by the Foundation until needed to cover costs associated with starting

new athletic programs; \$50,000 held by the Foundation in support of new/existing programs future program start up, multipurpose facility support; \$50,000 unrestricted funds with the Foundation to pay the costs associated with Year 1 of campaign. Any funds in excess of \$200,000 will be unrestricted to cover costs associated with the campaign.

An approximate timeline will be extremely aggressive and ambitious. A campaign of this size typically would take an institution of our size two years. Colin said we are talking a quiet phase beginning Fall 2017 with a goal of \$100,000. During the winter and spring 2018, the campaign would transition to a semi-quiet phase. Letters to former athletes and SRC athletic supports would be contacted. The individual goal gifts would be \$1,000. The basketball court would be named after Ed and Betty Georgieff and that would be explained in letters to potential donors in order to solicit donations. During the Spring/Summer 2018, the campaign would transition to a public phase and be close to or at the overall goal. The goal gift during the Public Phase would be \$500. He reviewed a possible campaign “pyramid” with a breakdown of possible gifts and the structure of the campaign. President Oldfield said this campaign would be in addition to the normal fundraising for scholarships with the Foundation.

Daryl Coleman asked about the status of the alumni database. Colin said we have not done anything with that list yet because of the expense. An annual campaign with alumni is very costly and time consuming. The option of hiring a consultant was considered, but it is also a very large expense. This campaign will help to update the records that we have and help cultivate those relationships over time for larger gifts down the road.

- Overview/Refresher of Relationship Between College and Foundation

Colin reviewed the relationship between the Foundation and the College and explained that Steve Hopper and Linda Butler worked with Colin and President Oldfield to review the Memorandum of Understanding. Colin asked Bruce Beal to review a recent court case and what might be coming down the line.

- Presentation/Discussion on Implications of *Chicago Tribune v College of DuPage/College of DuPage Foundation* (Bruce Beal)
 - Bruce provided a background of the case. The case has to do with three separate FOIA requests to the College and Foundation. The Foundation of the College of DuPage said they were not subject to FOIA because they are not a public body. The Tribune filed an appeal and everything requested was produced. Bruce reviewed the case. The Tribune argued that the Foundation was a “subsidiary public body” and must comply. The circuit court found the Foundation was not a “subsidiary public body.” The issue was the Foundation was contracted to do things the College could have done and should have done. The Foundation was performing a governmental function on behalf of the College of DuPage by way of the MOU they entered into. Bruce said the Foundation needs to be ready to comply or ready to argue under one of the exemptions.
- Memorandum of Understanding Between College and Foundation (President Oldfield & Colin Davis) – President Oldfield said the College and the Foundation can proceed with the review of the MOU. Both boards will review and approve the MOU.

Colin explained that the current MOU has been handout out and is available to all this evening. Suggested changes are included in the handout. Colin will also send it to the Foundation Board members electronically. President Oldfield said it is available in the Board’s shared file space.

- Goals for College (that could involve Foundation) over next 3 years, as well as 5-10 years

Colin Davis asked for input on goals discussions for the next three years. President Oldfield offered where he sees the College heading and the College’s needs. Higher education is in a unique era, and we are moving away from a faculty centered delivery of higher education. Faculty are more of a discussion leader and less about standing up and lecturing and more about learning how to apply knowledge.

Skills being taught are less about memorization and more about application. Our faculty will need support for professional development for how to teach differently. Our current freshman have been in the 1:1 setting. The first need we will have is in the area of supporting the professional development of faculty. President Oldfield said we will have needs in areas of support for classes, i.e., labs. Our Diesel Tractor program, with the amount of electronic and computer controlled components, the need for our labs are increasing in terms of having those students using computers to diagnose. Some of our programs are going to be eventually outsourced by automation. The programs that we have that make us unique that are not going to be automated are what we need to look out. Nursing is an example of that. The other component that he said is important is that all do require specific trainings in order to make those automations happen and how do we expand our programs to address that.

Faculty professional development
Support of the labs
Financial need that our students come to us with today

Steve Hopper asked about partnerships. Curt said he, Velvet Brad Colin have been contacting lead businesses that we serve to address their current and future needs as well as any gaps and how can we develop curriculum or provide contract training for those businesses.

Kevin Meade asked about limitations for online classes. Curt said we are part of a statewide authorization that allows us to provide online education to anyone in any of the 50 states.

Jerry Cremer asked about the future online growth and the impact on facilities. Curt said he thinks we will see community colleges do well because of the hands on components and requirements of classes and programs. Steve Hopper asked how that fits with the shell space at the Macomb Outreach building. Curt said he sees many options for that space, including a workforce center for short term training. Or you could take the campus as it is now and move it in there and still have some flexibility.

The joint meeting of SRC Board of Trustees and SRC Foundation Board of Directors concluded at 5:09 p.m.

**MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF TRUSTEES OF SPOON RIVER COLLEGE**

**Wednesday, September 27, 2017
6:00 p.m.**

The Regular Meeting of the Board of Trustees of Spoon River College was held on Wednesday, September 27, 2017, at 6:00 p.m. at in the Spoon River College Conference Center, Canton Campus, Canton, Illinois.

1.0 GENERAL FUNCTIONS

1.1 Call to Order

Mr. Kent Schleich, Chair, called the meeting to order at 6:00 p.m.

1.2 Roll Call

Members Present: Ms. Gayle Strode Blodgett
Ms. Linda Butler
Mr. Jerry Cremer
Mr. Dave Maguire
Mr. Kevin Meade

Mr. Phil Murphy
Mr. Kent Schleich
Mr. Resham Singh, Jr.

Also present were Mr. Curt Oldfield, President; Mr. Brett Stoller, Vice President, Administrative Services; Ms. Missy Wilkinson, Dean, Student Services; Mr. Brad O'Brien, Dean, Career and Workforce Education; Ms. Holly Norton, Dean, Transfer Education; Ms. Sarah Gray, Director, Business and Auxiliary Services, Ms. Michelle Bugos, Director, Human Resources; Mr. Colin Davis, Director, Foundation; Mrs. Sarah Dalpiaz, Mathematics Faculty; Ms. Becky Leverette, Psychology Faculty; and Ms. Julie Hampton, Executive Assistant to the President/Recorder.

Also present: Mr. Dick Wells and Ms. Sara McKenna, Wipfli, LLP; Mr. Larry Eskridge.

1.3 Invocation

Mr. Murphy gave the invocation.

1.4 Welcome of Guests

Mr. Schleich welcomed the guests who were in attendance.

Mr. Schleich asked if there were any issues with moving the audit up on the agenda for consideration. There were none, and Kent said he would move the audit to follow the minutes approval.

1.5 Public Comment

Mr. Schleich asked if there were any comments from the audience. There were no requests for public comment.

1.6 Approval of Minutes

1.6.1 August 14, 2017 Closed Session Review Committee Meeting Minutes

Following a motion by Mr. Murphy, seconded by Mr. Cremer, and a roll call vote of unanimous approval, it was,

RESOLVED, That the Board of Trustees approved the August 14, 2017 Closed Session Review Committee Meeting Minutes.

1.6.2 August 23, 2017 Regular Meeting Minutes

Following a motion by Mr. Maguire, seconded by Mr. Cremer, and a roll call vote of unanimous approval, it was,

RESOLVED, That the Board of Trustees approved the August 23, 2017 Regular Meeting Minutes.

2.2.3 Accept the General Audit report as prepared by Wipfli, LLP, for FY17.

President Oldfield introduced Sarah Gray who coordinated our audit. Sarah Gray introduced and Dick Well and Sara McKenna from Wipfli to present the audit.

Mr. Well reviewed the audit report and asked that the Trustees stop him at any time with questions. He reviewed page 1 with the Auditor's Opinion. All opinions in the audit are

unqualified with no findings throughout. Pages 4-11 are completed by management and Sarah Gray coordinated. A lot of good information is included in that section.

Page 12 is the Statement of Net Position of the College and shows the total assets and deferred outflows of the College. The College had a very nice growth year. Page 13 shows the change in net position of the College. There was a nice turnaround. Pages 14 and 15 shows the Statement of Cash Flows. Mr. Wells reviewed the Statement with the Trustees. Pages 16 and 17 cover a new area. Mr. Wills said this year we have included the Foundation in the financial report as a component unit of the College. The Foundation has grown to be a material piece of the college and the auditors felt it necessary to include that. Net assets of the Foundation \$3.7 million. Pages 24-26 footnotes pages were reviewed by Mr. Well. Page 27 includes capital assets and shows the changes in the beginning and ending with the increases. Footnote 4 on page 31 refers to the legal debt margin. Mr. Well reviewed the College's total debt capacity. Pages 63-66 shows the fund balance totals before and after the GASB adjustments. Pages 68-70 show the changes in fund balances by fund. Pages 71 and 72 Auxiliary Enterprise Fund was reviewed by Mr. Well, and he explained that this includes the Bookstore and Print Shop. Sara McKenna reviewed the compliance section on page 87. This section includes two opinions. One is a governmental auditing standards opinion. There are no findings this year. The finding from last year was cleared. Page 89 is the opinion on Federal programs, and the major program tested this year was Financial Aid. Page 91 is the schedule of federal expenditures. Page 93 is their schedule of findings, and there were no weaknesses or deficiencies. Page 95 shows the prior year finding, and it is marked as corrected.

Mr. Well thanked the staff and the Board and Sarah Gray and her staff for all of the assistance during the audit. Everything went very smoothly. Sara McKenna said everything went very well.

Mrs. Butler commended the staff on a job well done.

Following a motion by Mr. Maguire, seconded by Mrs. Butler, and a roll call vote of unanimous approval, it was,

RESOLVED, That the Board of Trustees accepted the General Audit report as prepared by Wipfli, LLP, for FY17.

1.7 Report – ICCTA Representative

Mrs. Blodgett presented the following report:

Highlights of the ICCTA September 8 Meeting:

The ICCTA Board of Representatives took the following actions at its September 8, 2017 meetings at Heartland Community College in Normal, Illinois:

- Received an update on state legislation, including adoption of a Fiscal Year 2018 state budget and a K- 12 school funding reform package;
- Learned that ICCTA will participate in the September 24-25 National Baccalaureate Summit (in Las Vegas) cosponsored by the Association of Community College Trustees and the Community College Baccalaureate Association;
- Welcomed State Representative Tom Bennett as ICCTA's luncheon speaker. Representative Bennett is a former Parkland College trustee, ICCTA president, and the first Illinois trustee to serve as ACCT board chair;
- Were updated on the association's plans to provide mandatory trustee training as required by Public Act 99-0692. A DVD of ICCTA's June 2 trustee training is now available for purchase;

- Reviewed a draft of ICCTA’s proposed strategic plan. ICCTA representatives were asked to provide feedback by the end of September;
- Received positive feedback on ICCTA’s September 8 seminar on “Mining the Rich Data in the Community College System.” The workshop was presented by the research staff of the Illinois Community College Board;
- Heard that ICCTA’s November 11 “Legal, Legislative, and Ethics Update” will include a presentation by the State Universities Retirement System on the new Tier III pension option for new public employees;
- Learned that the ICCTA Trustee Roundtable discussed possible strategies for reducing enrollment declines;

University Rankings Proposal

The state Board of Higher Education would rank departments at the state's 12 public universities, and the most successful could get more under a plan released Monday by two Republican lawmakers: State Senator Chapin Rose of Mahomet and State Representative Dan Brady of Bloomington.

Rose said schools that don't like the rankings can find positives elsewhere in the proposal, including multiyear budgeting, which would give them needed stability. Rose said the plan is meant to cut back on wasteful spending like the University of Illinois' new \$82.6 million science, technology, engineering and math (STEM) facility in Springfield — a short drive from the Urbana-Champaign campus, which has a world-renowned engineering program. The plan, to be filed in both the House and Senate, also includes a common application for all 12 universities so students need to apply only once; guaranteed admission to one of those universities for any high school student with a "B" average; financial aid information sent at the same time as an acceptance letter; and a study on increasing merit-based financial aid.

Rose said those changes would help fight brain drain in the state, which loses more college students to out-of-state schools than it brings in. In 2000 alone, the state lost a net 11,814 students across public and private four-year and two-year schools, according to the Illinois Education Research Council.

Brady said the proposal is intended to start a conversation rather than cement changes. Rose said some parts may be passed in the 2018 General Assembly, but the full plan could take years to implement. "I've talked to a number of my colleagues on the Democratic side of the aisle, and, while everybody may have a different idea of the right way to go ... it's clear Illinois needs to seriously reform (higher education)."

Changes to School Code

Governor Rauner signed legislation that eliminates the diploma age cap. Currently, state law prevents schools from awarding high school diplomas to students who are 21 or older. Adult learners instead have the option of earning a General Educational Development certificate or some other type of diploma equivalency.

Illinois House Bill 2527 allows a nonprofit agency (such as Goodwill), in partnership with the state Board of Education, to establish a school for adult learners that would issue high school diplomas and additional vocational credentials so that graduates have a certified job skill upon graduation. “This is good progress,” Rauner said. “Really, there’s no good reason we cut off access to a high school diploma at age 21. ...You can look at the data — the students who get a diploma versus those that get a GED earn more income over their careers.”

The new legislation allows Goodwill President Sam Schmitz to pursue what the Goodwill chapter in Indianapolis, Indiana, did in 2010: Establish an Excel Center school to combat low educational attainment. The Excel Center model has since spread to 12 sites in central and southern Indiana and locations in Memphis, Tennessee; Austin, Texas; Washington, D.C., and elsewhere. The tuition-free school offers day and evening classes, on-site child care, and

intense academic and personal counseling. It provides vocational certifications or college coursework. In Indiana, Excel Center schools have provided high school diplomas to 2,392 graduates and awarded more than 3,500 industry-recognized certificates.

Rock Valley College could provide the vocational coursework for a local Excel Center, though how to pay for such a school here is unclear. It would cost at least \$250,000 to establish a Rockford Excel Center and up to \$2 million a year to operate it, Schmitz said. Federal funding and grants from private foundations are possibilities, he said. It won't happen without community partnerships, said Rock Valley President Doug Jensen.

School Funding Bill Signed for K-12

The Illinois Senate passed an "historic" school funding reform deal that was hammered out through a series of closed-door meetings of the four top legislative leaders. Both Democrats and Republicans agreed that the plan was not perfect and neither side got everything it wanted.

Governor Bruce Rauner signed the bill, which will moves Illinois to an "evidence-based model" of education funding, taking into account each district's individual needs, as well as its local revenue sources, when appropriating state aid – prioritizing districts that are furthest from being fully-funded.

Without an evidence-based model in place, no state funding could be disbursed to K-12 schools across Illinois at all, due to a provision in the budget passed in July that made aid contingent on an overhaul of the funding formula. As a result, the state missed its deadline to make general state aid payments to schools for the first time in history last month, according to Illinois State Comptroller Susana Mendoza, leaving many districts facing uncertainty amid preparations for the beginning of the school year.

One of the more controversial components of the bill is a provision to earmark up to \$75 million for scholarship tax credits. Lawmakers said those credits will go to low- and middle-income parents, impacting roughly 6,000 private school students whose families make less than \$73,000 per year. Some progressive Democrats, as well as several other unions like the Illinois Education Association, positioned themselves against the bill, denouncing it as an effort to create a statewide voucher program.

Mr. Schleich asked if there was discussion about enrollment and if this issue is a trend. Mrs. Blodgett said the discussion was about a trend and many of the issues presented were the very same issues that Missy has been reporting to this Board. Marketing to individual groups through use of alumni was discussed and we have already been doing here. There are some who have started new programs as a result of discussions with people in their community. Gayle said there was discussion about how to get nontraditional students back on campuses to complete degrees.

1.8 Report – Student Government Representative

The Agriculture Department hosted the Section XII FFA Forestry Competition on September 19 at the SRC Arboretum. 60 high school students participated. Midwest Central placed 1st and Cuba placed 2nd overall.

Post-secondary Agricultural Students are selling pumpkins to raise money for Hurricane Harvey Relief. Profits will go to a Texas ranch that was impacted by the hurricane.

Students were encouraged to not be STRESSED (“desserts” spelled backwards) and to utilize the Learning Resource Center services, as they enjoyed ice cream sundaes, pumpkin bars, and cupcakes. Handouts with LRC services were available to all students.

The Macomb Campus SGA sponsored a fall blood drive with Mississippi Valley Regional Blood Center with 21 student donors. Canton SGA will host a blood drive on October 25.

A number of student clubs and organizations in Canton and Macomb sponsored a lollipop drive which resulted in \$260.54 for the United Way Hurricane Harvey relief fund.

At the Rushville Center this month students are working to solve a large crossword puzzle. The first to solve the puzzle will win a prize. Students are also being treated to pumpkin bars this week to celebrate the start of the fall season.

TRIO students participated in the Discover Western campus visit on September 16 and a cultural trip to Nauvoo on September 22. Workshops this month include, college survival skills, stress management, procrastination/time management, couponing to save money, and basics of responsible student loan borrowing.

SRC Theatre held the first meeting and dinner for the company of the fall 2017 production, *The Importance of Being Earnest*, on September 18. Student cast and crew along with contract staff gathered in the Taylor Hall Theatre for a first read-through of the full script and discussions of the upcoming work. The play will be presented November 10-12. Students selected for roles and responsibilities in the production include: Cole Brodbeck, Canton High School; Jess Dowell, Spoon River Valley; Jayden Ellis, Canton; Erica Faler, Bushnell-Prairie City; Nicky Gerber, Lewistown; Jenna Haile, Canton; Brianna Lawson, V.I.T.; Breanne Link, Canton; Tyree Mack, Canton; Maegan McCoy, Lewistown; Shelbi Sale, Canton; Kiley Sappington, Lewistown; and Paige Thompson, Canton.

Phi Theta Kappa in Macomb held their first meeting and elected officers. Congratulations to Ellie Nolan, President; Traynea Smith, Vice-President; Danielle Burlingame, Secretary, and Stephanie Ackerman, Treasurer.

Student Government Association officers have been elected for 2017-18.

Canton Campus: President-Amy Toothacker; Vice-President-Shelby Postin; and Secretary-Paige Thompson

Macomb Campus: President-Lauren Mueller; Vice President-Josiah Buswell; and Secretary-Cicely Flynn.

The baseball team will volunteer at the Macomb Food Pantry this Friday. The team will also hold a youth baseball camp in Canton on October 15.

Softball will play a home game this Friday and then the team will host a free youth clinic at the Canton High School varsity field.

ICCB-SAC 9/8/17

During the SAC meeting, student leaders met and elected officers and selected appointments. I received the MIS/Research representative appointment. During the meeting we all discussed issues faced by colleges statewide. Topics included free college/promise programs/scholarships, competition from for-profit options, college readiness, value of degrees, the implications of decisions regarding DACA, student food insecurity, mentorship programs, transportation and flexible program offerings, as well as competency based instructional models and co-requisite offerings.

1.9 Report – Spoon River College Foundation

Mr. Phil Murphy presented the following report:

- Financial
 - Revenues: \$33,660.43

- Since the Foundation did not meet this month due to too many work commitments and the Foundation and Board of Trustees joint meeting took place shortly before this meeting, tonight’s report is brief.
- The annual Alumni Awards Reception and Athletic Hall of Fame Dinner will take place on Saturday, November 4 in the Conference Center on the Canton Campus. A dinner/social hour will begin at 5, with the reception to begin at 6. Award recipients have been announced to the media. The event is free and open to the public, but RSVPs and donations are appreciated. Please plan to attend!
- SRC Community Chorus rehearsals for “Songs and Snowflakes,” the annual holiday concert taking place on December 2 and 3, begin tomorrow night and continue each Thursday until the performances. If you know of anyone who would be interested in joining, there are no auditions required, so send them to the Canton Church of the Brethren at 6:30 tomorrow night.

Mr. Colin Davis presented the following report:

- A special thank you to all who helped with SRC week at Helping Hands Resale Shoppe. I had the opportunity to spend some time working at the shop and saw just how hard everyone works for the betterment of themselves and for the betterment of the community there. They do incredible work, and it’s an organization worth your support all year, not just during SRC’s week. Mr. Murphy said that all of the profits go back to the community.
- Fellheimer Scholarship applications are available to students of the Macomb Campus, due October 6, and West Central FS Scholarship applications are due this Friday, September 29, for students taking agriculture classes at SRC. Candidates for the WCFS Scholarships will be interviewed in October, and recipients will be informed around the end of October.
- Colin thanked the Murphy family for remembering the Foundation at the time of Vicki’s passing.

1.10 Report – Board Member Comment

Mr. Maguire said that he and President Oldfield had the pleasure of attending the Illinois Board of Higher Education Meeting at WIU. President Oldfield said the challenge is one that all of Illinois higher education is facing and that is the State being responsive rather than being proactive. The role that community colleges play, specifically in the organizational structure, as we get programs approved by the ICCB they also need to be approved again by IBHE which creates challenges because public and privates are making decisions. ICCB should have a separate board and does but the authority is only at about 80%. We are starting to see, because enrollments are declining at four years, they are now starting to look at community colleges and out of state for profits as competition. There seems to be a push now to have a statewide flagship model where all of the schools are the same four year school and the community colleges function more as a technical college. Illinois seems to be kind of shaping itself to move that direction, but President Oldfield said he has issue with that. We need to keep our eye on this on the horizon. The Board discussed the models in Wisconsin and Iowa as comparisons.

1.11 Board Policies Revisions

- 1.11.1 POLICY TYPE: GOVERNANCE PROCESS
 POLICY TITLE: ANNUAL BOARD PLANNING CYCLE
 This revision removes “**Canvass election results in election years (odd)**” from the month of April.

Following a motion by Mrs. Butler, seconded by Mr. Singh, and a roll call vote of unanimous approval, it was,

RESOLVED, That the Board of Trustees approved:

POLICY TYPE: GOVERNANCE PROCESS
POLICY TITLE: ANNUAL BOARD PLANNING CYCLE
This revision removes “**Canvass election results in election years (odd)**” from the month of April.

1.11.2 POLICY TYPE: GOVERNANCE PROCESS
POLICY TITLE: MEETINGS
This revision is for item 6. And outlines the order of the Board’s regular/special board meeting agendas. It adds the following to section
1.0 General Functions:
1.10 Report – Board of Trustees Committees
1.10.1 Committee Minutes Approval

Following a motion by Mr. Maguire, seconded by Mrs. Butler, and a roll call vote of unanimous approval, it was,

RESOLVED, That the Board of Trustees approved:

POLICY TYPE: GOVERNANCE PROCESS
POLICY TITLE: MEETINGS
This revision is for item 6. And outlines the order of the Board’s regular/special board meeting agendas. It adds the following to section
1.0 General Functions:
1.10 Report – Board of Trustees Committees
1.10.1 Committee Minutes Approval

2.0 PRESIDENT’S REPORT

2.1 Communications

President Oldfield shared his appreciation to Brett Stoller, Sarah Gray, and all of the staff in the business office. He explained that they hosted the auditors, and Sarah and her staff have done an outstanding job working with the auditors. He expressed his gratitude for a clean audit.

President Oldfield reported that he attended a reunion of graduates on Saturday. There were graduates from 1966-1975. It was a great evening and there were also former staff members there as well. It was a very nice evening, and President Oldfield said he enjoyed hearing the stories of success as well. Wayne Demott was one of the organizers along with Dick Harris. They scheduled and planned the event. There was a lot of support for the College and some who had not attended this campus.

President Oldfield recognized our Financial Aid Department. Every year we get an update on our student loan default rate. What is measured is a three year default rate which occurs when the students start the borrowing. FY09 borrowing would be reported in FY12. 2009 (starting in default in 2012) the SRC rate was 29.6%. Today FY14 – 14.2% are in default. This represents a 50% reduction, and President Oldfield commends Jo Branson and her staff for their hard work.

President Oldfield reported that we hired Melissa Miller as our Coordinator, Allied Health. Brad O’Brien will be the supervisor. The information on the hire is below:

2.1.1 Melissa Miller, Coordinator, Allied Health: annual salary \$35,000; effective September 13, 2017. Full-time, Professional Support position.

President Oldfield also reported that we hired Shana Rudd as our Coordinator, Academic Services. Brett Stoller will be the supervisor. The information on the hire is below:

2.1.2 Shana Rudd, Coordinator, Academic Services: annual salary \$35,000, effective September 18, 2017. Full-time, Professional Support position.

2.2 Business and Finance Report

2.2.1 Authorize the following payments for the month of September 2017:

Payroll	\$ 488,070.08
Accounts Payable (excluding Travel)	1,073,666.17
Accounts Payable Travel Expenses	6,671.92
Accounts Payable BOT Travel Expenses	38.70
Student Refunds	<u>336,226.52</u>
TOTAL:	\$1,904,673.39

Following a motion by Mr. Maguire, seconded by Mr. Cremer, and a roll call vote of unanimous approval, it was,

RESOLVED, That the Board of Trustees authorized the following payments for the month of September 2017:

Payroll	\$ 488,070.08
Accounts Payable (excluding Travel)	1,073,666.17
Accounts Payable Travel Expenses	6,671.92
Accounts Payable BOT Travel Expenses	38.70
Student Refunds	<u>336,226.52</u>
TOTAL:	\$1,904,673.39

2.2.2 Select First Midstate, Inc., as Underwriter/Placement Agent and Chapman and Cutler, LLP as bond/disclosure counsel to the Underwriter/Placement Agent with respect to the District's upcoming bond issue.

President Oldfield said this is an agreement with First Midstate and Chapman and Cutler for any upcoming bond refinance and bond issue.

Mr. Maguire asked about the open dollar figure. Brett Stoller said that will depend on what the actual decision is and up to the actual date. Mrs. Butler said this vote just authorizes administration to enter into an agreement. President Oldfield said yes.

Following a motion by Mr. Murphy, seconded by Mr. Meade, and a roll call vote of unanimous approval, it was,

RESOLVED, That the Board of Trustees approved the selection of First Midstate, Inc., as Underwriter/Placement Agent and Chapman and Cutler, LLP as bond/disclosure counsel to the Underwriter/Placement Agent with respect to the District's upcoming bond issue.

2.2.4 OPENING OF THE 2017-2018 BUDGET HEARING

Following a motion by Mrs. Butler, seconded by Mr. Singh, Jr., and a roll call vote of unanimous approval, it was,

RESOLVED, That the Board of Trustees opened the 2017-2018 Budget Hearing.

Mr. Stoller presented the specifics of the proposed FY18 Budget and reviewed the FY2018 Operating Revenue Sources which total \$9.36 million: State of Illinois, Tax Levy/PPRT, and Tuition and Fees. Brett noted that Tuition and Fees is just over 50%. He reviewed the Assumptions as follows:

- 7% decrease in Enrollment
- 4% increase in Taxes
- 5% increase in State funding
- 2.5% increase in Salaries
- 10% increase in Health Insurance.

Brett presented the FY2018 Expenditures (Salaries, Benefits, and Maintenance and Operations) which total \$9.6 million. He explained that all other funds are balanced except Restricted Maintenance Fund, which we use to complete Life/Health/Safety facility projects, where we are spending down funds that we received in prior fiscal years.

Mrs. Butler asked what Henry Dare would say. Brett said he'd shoot me. Mr. Murphy hopes for good news and by the end of the year those are all just numbers. Mrs. Blodgett said realistically you could change the Assumptions to make the numbers black. Mr. Maguire said it is confusing because you do tuition in the spring and tax levy in December and you don't get State dollars until who knows, and what we are showing here is the State's lack of support for community colleges. Unfortunately students are paying a higher and higher percentage of the cost.

2.2.5 CLOSING OF THE 2017-2018 BUDGET HEARING

Mr. Schleich asked if there was public comment. There were no additional comments.

Following a motion by Mrs. Butler, seconded by Mr. Cremer, and a roll call vote of unanimous approval, it was,

RESOLVED, That the Board of Trustees closed the 2017-2018 Budget Hearing.

2.2.6 Approve the Resolution for Approval of the 2017-2018 Budget.

Following a motion by Mr. Maguire, seconded by Mr. Cremer, and a roll call vote of unanimous approval, it was,

RESOLVED, That the Board of Trustees approved the Resolution for Approval of the 2017-2018 Budget.

2.3 Institutional Planning

* Facilities Update – Brett Stoller presented the following report:

Mr. Stoller reported that the Multipurpose facility is open. We have seen a steadily increasing number of students who are using the facility.

The Laverdiere group was here on campus today to finish the groundwork and details on the stairwell project.

Mr. Stoller presented information to the Trustees on a possible HVAC project at the Canton Campus. He explained the process with regards to bonding options. He said the current available bonding authority is \$16.6 million. Current bonds complete in 2022. He reviewed Option 1 which would total \$1.8 million and would be for the water tower (\$1M) and a Tech Bond (\$800K – four years). Option 2 was reviewed and would total \$9.9 million and would be for the water tower (\$1M), Tech Bond (\$400 K – two years), and \$8.5M for Canton HVAC, Lighting, and Ceiling Replacement. Brett explained that anything over \$10 million is no longer bank qualified. He also said that we would hope to go out for bid on the water tower by the end of October. Brett explained that Option 1 would have little to no effect on the tax levy; extends

the current bond payoff schedule two years; and bonds complete in 2025. Option 2 increases the bond levy by roughly \$0.04. The average taxpayer would see an increase of \$14 per year. Option 2 extends the current bond payoff schedule six years, and bonds would be complete in 2028. Option 2, a \$9.9M issue, leaves us with \$6.7M left. The College would pay off \$1.5M every year, and we are at least two or three years from Macomb East, and we would have over \$10M authority by then. In 2012, BLDD conducted a Facility Assessment and identified 197 projects totaling \$11.7 M. The Canton HVAC replacement was listed as a “B” project with a \$6.3M cost estimate. Other projects are addressed through Life, Health, Safety projects funded through lax levy: Engle Roof; Engle Stairs; Tuck pointing of brick; Votec Roof. Brett summarized the Canton Campus HVAC/Lighting and Ceiling Tile Replacement. He explained that the current roof top units (RTUs) are 25 years old. The normal lifespan is 10-15 years, and the models were discontinued after our purchase, and replacement parts are hard to find. One unit controls 12 zones. The units were built for R22 refrigerant, which is no longer available. The RTUs are exposed to weather and temperature extremes. We have been able to “band-aid” fix but that is becoming more difficult. In addition to the age of the roof top units, we also have old fiberglass ductwork. Brett showed the Trustees pictures of the fiberglass ductwork and the failure points or gaps in the ducts. He also reviewed the failure points for the fourteen rooftop units: 2-3 compressors; a condenser; 12 heat exchangers, 12 a/c coils, and control board. Total failure exposure: 36 compressors; 14 condensers, 168 heat exchangers, 168 a/c coils, and 14 control boards. Brett reviewed the failure point replacement costs:

- Compressors - \$7,000 - \$10,000
- Condensers - \$18,000 - \$23,000
- Heat exchangers – can’t – requires new RTU
- A/C coils – can’t – requires new RTU
- Control boards – can’t – possible bypass

Brett reviewed the failure point repair costs:

Repair cost exposure:

- Compressors - \$360,000
 - Condensers - \$322,000
- Items we can repair: \$682,000
- Heat exchangers, AC coils, and control board require a new RTU \$200,000

Brett presented the following issues with the current system:

- 25 year old roof top units (RTU)
- Old fiberglass ductwork
- Multiple points of possible failure
- Inefficient lighting
- Air quality issues
- Inefficient distribution
 - 14 RTUs serving seven floors
 - One unit serving bookstore and part of library
 - One goes down, large part of campus out
 - Conditioned air distributed via vents over lights
 - Cool air is heated by lighting fixture
 - No modification to ducts over the years even though we have made many modifications to the floor plans – causes hot and cold rooms

Brett reviewed the following issues with inefficient lighting:

- Replacing 4,000 fixtures with less than half
- All new lighting will be LED
 - Less electricity usage
 - Less heat generated
 - Better lighting

Brett presented issues with the current system and air quality issues:

- Ductwork is rigid insulation boards
- Cannot effectively clean ducts
- 40+ years of dirt
- Breaks in ducts

Brett explained that there are two options: traditional rooftop units or geothermal complete replacement. He reviewed the pros and cons of traditional rooftop units:

- Pros:
 - Less expensive - \$3.5M - \$4M
 - Less disruptive inside buildings
- Cons:
 - Does not address distribution issues
 - Utilizes same broken ductwork
 - Does not address air quality issues
 - Little energy savings

Geothermal Complete Replacement

- Cons:
 - More expensive - \$8.5M
 - Disruptive inside buildings
- Pros:
 - Completely replaces ducts with metal ducts to place conditioning right where it is needed
 - Smaller locus of control for conditioning
 - Increase patron comfort level
 - Maintenance costs dramatically reduced as units are protected from elements
 - If one unit fails, there is redundancy and other units to make up conditioning
 - Units are much smaller and parts are readily available
 - Huge energy savings – geothermal and LED lighting – Brett said he expected somewhere in the \$125,000 - \$150,000 range annually.

Equipment Placement

- Most of the equipment (fan coils/blowers) will be in the hallways above the ceiling
- Heat pumps and geothermal pumps in new mechanical rooms that will be added to the outside of each building
 - Rooms will be completely protected from the weather and blend into the current building schemes. Brett also showed a map of where the geothermal wells would be on the Canton Campus.

Mrs. Blodgett asked about the Votec building. Brett said all we have in that building is the classrooms with units that are not that old. Eventually you can attach to the field when needed. The classrooms are all that could be a part of the geothermal option and not the open areas of Votec.

Mr. Meade asked about the cost of a traditional replacement but with duct work. Brett said it may be a million dollars difference, but you won't have the efficiency. The geothermal efficiency gains are the smaller units with individual controls. The main rooftops and new duct work will still have one unit controlling as many as 12 zones. Geothermal has multiple systems through the hallway with ductwork for each. The traditional system with new ductwork would not have the individual zones.

Mrs. Blodgett said that in October it would be good to have as an Option 3 for pricing purposes just so we have that as a consideration. The Option 3 would be new rooftop units with new ductwork. President Oldfield said that would need to be provided to the Board ahead of the October meeting. Tonight the ultimate goal of this conversation is for the Board to determine

the maximum amount to bond for so First Midstate can get ready for the October Board Meeting.

Mr. Singh asked about geothermal option lifespan. Brett said wells are 75 years and the units themselves around 20-25 years with minimal costs for replacement. Resham asked how many units we would need. Brett said 120. Mrs. Butler said in theory most geothermal units have not lasted as long as originally projected. Linda said we have the BLDD report, and if the Board is looking at this project, what other projects are needed but would be put off because the Board may choose to do some or all of this. Brett said the main one is tuck pointing the buildings. The HVAC is by far the most dire need. The second inline project would be tuck pointing. Linda said most of the time when the board considers projects, the board looks at the entire needs list.

Mr. Maguire said in 2012 we had BLDD consider the multipurpose building, the facility assessment, and the Macomb East facility. Dave said he knows we are committed to \$1.8 million right now but the real decision is where the Board wants to be with HVAC. Brett said you gain the most efficiency by doing the entire project. The proposal would be to start in the summer with classrooms. Mrs. Blodgett said we would bond for the tech bond in two years. Dave said he understands cost increases, but he said we also have to consider what our facilities will be with the delivery of instruction in 5 years. Brett agrees but you still need heat and air.

Mrs. Blodgett said we don't have any way of knowing how much savings we will see from this system because of the loss of efficiency in the current system. She suspects we will see a greater savings than estimated because of how inefficient the current system is. President Oldfield said the real difficult decision is the "what if." Remember, we are paying off \$1.5 million a year and build up a cushion fairly rapidly without a huge investment in property tax payments. President Oldfield said his bigger concern is how it is all going to happen and doesn't see it possible to get Taylor and Engle done in one summer. We just have to make sure as we go out for bid that we have strong assurances because we do not have the option to not open on time. Linda said a phased project is a consideration as well as phases for tuck pointing. There is nothing that says we have to wait two years to bond again. Is it a better plan to address the HVAC in phases while also addressing some of the other projects on the list?

President Oldfield said the question is the maximum amount. Resham asked if you can refund. Mrs. Butler said if we do this in phases can't we create our own parts pool. Brett said we plan to do that any way. This is a renovation project, and we would get the estimated payback and savings. We can take some parts on ourselves – the well drilling, for example. We could bid that out ourselves. Brett said warranties are also an issue. Linda said she is talking about parts that we currently have. Brett said that is the plan as well.

Mr. Schleich said if the Board agrees that \$8.8 is the maximum, for example, is that enough information to give First Midstate. Between now and the next board meeting, Brett could come up with a couple of additional options as well. Brett said yes, but he is not sure what the other alternative is. Kevin said replace the ductwork, replace the lights, and then if we didn't do lighting and what would it cost to phase in over the next two years. Brett said that isn't an option because the ductwork is a part of the lighting and once you start on it, you can't save part of it. Kevin said for tonight's discussion, if we authorize the \$9.9, next month we could consider other options. Mr. Cremer said if we were to do this in stages, he asked Brett if we have a building go down, would we have enough spare parts to fix what we have. Brett said yes. Dave said the more he thinks about this, three buildings at one time . . . Brett said it is not three at one time. It would be Engle over one summer, Centers over the school year, and finish Taylor the following year. Dave said we would be taking a building out of commission. Brett said floors.

President Oldfield said for tonight, does he hear the Board is comfortable proceeding with the \$9.9. Gayle said she is ok to prepare for that but not set it until next month. Brett said if that's the case, the Board would do refinancing in October and the bonds in November.

Mr. Maguire asked if BLDD is the project manager. Brett said it would be CTS, as our performance contractor, who gives us the savings.

President Oldfield said it is back to the question of the amount. If the Trustees are comfortable, we would only do refinance in October and determine the final dollar figure for the bond process for the issuance of the debt certificates, which shifts from October to November. Brett will provide additional information to the Trustees between now and the October Board Meeting.

President Oldfield urged the Trustees to review the BLDD document on SharePoint. Starting on page 41, there are highlights that includes HVAC as well as building envelope, parking lots, storm sewers, etc.

Mr. Mede asked how large the water tower is. Brett said between 32,000 and 35,000 gallons.

* Enrollment Management Team – Missy Wilkinson presented the following report:

Missy presented Fall 10th Day Enrollment numbers. She said that total headcount is 1,488, which represents a 4.62% decline which equates to 72 students. She also presented total credit hours at 13,754 which represents a 6.87% decrease as compared to last year. This number is actually an improvement over opening day which was just at over 8%. Our full-time headcount shows a 10% decrease. She said that when students were asked for reasons for not enrolling full time for fall, finances was the number one reason. Missy reported that our part-time headcount is actually up by 9 more part time students over last fall. Our dual credit classes are very strong. Our first-time freshman area is showing our largest decline. We are down 13 sophomore students and 15 transfer students. Missy reported that our gender breakdown remains consistent. The age break down shows we are up 42 students in the under 18 age group while we are down 46 students in the 18-21 age group. Our oldest student is a person enrolled in VSK and is 86. Our youngest student is actually two 15 year olds who are enrolled in dual credit at Cuba High School. Lastly, Missy reported that we have students who will start at midterm, and we hope to stay around 6%.

* Career and Workforce Education Report – Brad O’Brien presented the following report:

Brad reported that we had a Diesel Advisory Committee last night, and during that meeting we learned that four students who had full funding from Career Link to pay for their classes, books, and mileage, did not come to school and are working with roofing crews. There is a lot of merit to what Missy is hearing as well.

Brad said he and Holly Norton spoke last month about programs to review, and tonight they wanted to present information on welding and Nursing Assistant.

2017 Program Review – WELDING

	Revenue	Credit Hours	Profit/(Loss)
FY14	\$ 24,920	168	\$ (19,319)
FY15	\$ 42,660	264	\$ (8,174)
FY16	\$ 55,110	351	\$ (8,180)
FY17	\$ 50,580	282	\$ (13,551)
FY18 Projected	\$ 72,200	380	\$ 7,500

Findings: In FY14 and FY15, there was one full time faculty member teaching most of the Welding classes we offered. With an increase in demand for Welding classes, we added one part time faculty member for FY16 and FY17. This Fall we have seen an increased demand and have had to hire a second part time instructor. We currently have night classes in both Canton and

Macomb, dual credit classes in both Canton and Macomb and a day class in Macomb. The welding lab in Macomb has been a great addition to the College as we have seen the biggest growth in the demand for welding classes on that side of the district. Hannah Neuendorf has also done a great job with both Canton and Macomb high schools to fill the dual credit classes on both campuses. We are very encouraged by the trend in demand for our Welding classes and feel, with the addition of the second part time instructor, we can continue to meet that demand and make the Welding discipline at least break even, if not profitable.

2017 Program Review – Nursing Assistant (NA)

	Revenue	Credit Hours	Profit/(Loss)
FY14	\$ 44,485	287	\$ 16,849
FY15	\$ 25,095	175	\$ 9,345
FY16	\$ 32,060	217	\$ (8,670)
FY17	\$ 74,760	462	\$ (23,152)
FY18 Projected	\$ 48,000	252	\$ 10,000

Findings: In FY14 and FY15, the CNA classes were taught exclusively by part time instructors. In FY16 and FY17, the classes were taught by a combination of full time and part time instructors, with more being taught by a full time instructor in FY17. We now have a part time instructor who will be the coordinator for the CNA Program and will be teaching in it also. This Fall we had to have a full time faculty teach one section of the classes but our plan is to have all three classes each semester be taught by part time instructors to hold our instructional costs down. If we can utilize part time instructors to teach all of the CNA classes this also helps our Nursing program as it frees up a full time faculty member to teach three or four Nursing classes instead of two CNA courses. The challenge is that there is a severe shortage of instructors to teach the CNA courses. We are also looking into opportunities for roles that SRC can play in growing that pool of instructors. There is a constant need for CNAs in our district so we believe the demand for these classes will continue to be strong.

2.3.1 Employment Contract, Vice President

President Oldfield presented this item and explained that the contract had been posted in excess of the required amount of time, and the salary increase is the same as what was awarded to Administrators and Professional Support: \$500 to base plus 2%. The contract also reflects one additional year.

Mr. Maguire said there needs to be a correction in the posted contract. Paragraph 3 item A should read July 1, 2017 not 2016.

Following a motion by Mrs. Butler noting the correction in Paragraph 3, item A July 2016 corrected to 2017; seconded by Mr. Cremer, and a roll call vote of unanimous approval, it was,

RESOLVED, That the Board of Trustees approved the Employment Contract, Vice President.

2.3.2 Employment Contract, President

Mr. Schleich said the President’s Contract had been posted in excess of the time requirement, and the contract has the salary increase of \$500 to base plus 2% as well as one additional year and a reduction of 2 days for release dates to work on his Ph.D.

Following a motion by Mr. Maguire, seconded by Mrs. Butler, and a roll call vote of unanimous approval, it was,

RESOLVED, That the Board of Trustees approved the Employment Contract, President.

3.0 ADDITIONAL ITEMS

There were no additional items for the Board's consideration.

4.0 CLOSED SESSION. In accordance with the Illinois Open Meetings Act, the Board of Trustees will adjourn to Closed Session for paragraph 1). The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body, including hearing testimony on a complaint lodged against an employee to determine its validity; and 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.

Mr. Schleich said there was not a call for Closed Session.

5.0 ADJOURNMENT

Following a motion by Mr. Maguire, seconded by Mr. Murphy, and a roll call vote of unanimous approval, the Regular Meeting of the Spoon River College Board of Trustees, September 27, 2017, adjourned at 8:28 p.m.

Mr. Kent Schleich, Chair

Date

Mr. Phillip Murphy, Secretary