

WILLIAM RAINEY HARPER COLLEGE
BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT #512
COUNTIES OF COOK, KANE, LAKE AND MCHENRY, STATE OF ILLINOIS

Minutes of the Regular Board Meeting of Thursday, October 22,
1998

CALL TO ORDER: The regular meeting of the Board of Trustees of Community College District No. 512 was called to order by Chair Kolze on Thursday, October 22, 1998 at 7:01 p.m. in the Student and Administration Center (A-238) of the Administration Building, 1200 W. Algonquin Road, Palatine, Illinois.

ROLL CALL: Present: Members Botterman, Hess, Howard and Kolze; and Student Member Valadez
Absent: Members Barton, Gillette, Shure

Also present: Robert Breuder, President; Ed Dolan, V.P. Academic Affairs; Bonnie Henry, V.P. Student Affairs; David McShane, V.P. Information Technology; Judy Thorson, V.P. Administrative Services; Sharon Alter; Mary Azawi; Catherine Brod; Tom Choice; Lori Danaher; Julie Fleenor; Bob Getz; Ashish Gupta; Amy Hauenstein; Bill Howard; Thea Keshavarzi; Joan Kindle; Roberta Lindenthaler; David Macaulay; Liz McKay; Russ Mills; Elena Pokot; Sharon Szymoniak; Pat Traynor and Joan Young - Harper. Student: Kitty Cowley; Kenneth Gill; Robert Gorlewski.

Guests: Michael Lundeen, Legat Architects; Stuart Miller and Paul Smit, KPMG Peat Marwick; Benjamin Law, Stanley Consultants.

CITIZEN PARTICIPATION There was no citizen participation.

PRESIDENT'S REPORT There was no President's Report.

STUDENT TRUSTEE REPORT Student Member Valadez distributed a copy of his report. He thanked professors Jack Gallagher and Sharon Alter for their help and advice with the candidate debate held on October 15. It was a success.

Student Member Valadez hosted a round table with 30 student leaders from various clubs and organizations. It was very informative for students. He thanked coordinator of

Student Activities Michael Nejman for his help.

A Student Leader E-mail bank has been established to enhance communication throughout campus. The "Suggestion, Idea and Comment Box" has been moved from Building J to Building L in front of the Bookstore.

Student Member Valadez announced that Pamm Prinzivalli and Joanne Crawford resigned from their positions as officers of the Student Senate. He noted that both were instrumental in recruiting and in creating the appointment process in the Senate this year. The first Student Senate meeting was held on October 9 where the two vacant positions were filled. The new vice-president is Desmond Lane and the new treasurer is Craig Ginn. The nine representative positions and three senator positions will be filled at the next meeting.

Student Member Valadez noted that he participated in the Festival of Nations on October 14 where students had the opportunity to experience food, dances and customs from different countries. He thanked all student organizations that participated in the event and especially Juanita Bassler and Multicultural Affairs for their contributions.

Student Member Valadez attended the Faculty Senate meeting where he voiced his concern for minority students. He encouraged the College to diversify by filling the open full-time positions with minority instructors.

Chair Kolze thanked Student Member Valadez for submitting his report in written format. In response to Chair Kolze, Student Member Valadez stated that Pamm Prinzivalli had a baby girl last week.

Member Howard commended Student Member Valadez for the leadership he is providing.

APPROVAL OF AGENDA

Chair Kolze stated that there will be an executive session at the end of the regular meeting to discuss negotiations and the appointment, employment and dismissal of personnel.

Member Howard moved, Member Botterman seconded, that the agenda be approved as modified.

Upon roll call, the vote was as follows:

Ayes: Members Botterman, Hess, Howard and
Kolze

Nays: None

Motion carried. Student Member Valadez voted aye.

CONSENT AGENDA

Chair Kolze noted that there was a revision to page 5 of the September 22 meeting minutes. The revised version has been distributed to Board members.

Member Howard moved, Member Botterman seconded, approval of the revised minutes of the September 22, 1998 Regular Board meeting; September 28, 1998 Special Board meeting; bills payable, payrolls for September 25, 1998 and October 9, 1998, estimated payrolls for October 10 through November 20, 1998; bid awards; purchase orders; personnel action sheets; disposal of obsolete and unrepairable college property; review of executive session minutes; and for information: financial statements, committee and liaison reports, grants and gifts status report as modified and outlined in Exhibits VII-1 through VII-10 (attached to the minutes in the Board of Trustees' Official Book of Minutes).

Operating Fund	\$3,229,584.44
Tuition Refunds	619,074.86

The payrolls of September 25, 1998 in the amount of \$1,759,916.78; October 9, 1998 in the amount of \$1,760,934.39 and estimated payroll of October 10 through November 20, 1998 in the amount of \$5,334,089.53.

- Bid Awards
- Ex. VII-3a Award Bid Q8905 to Nevco Scoreboard Company (Kenneth J. Reid), the low bidder for four scoreboards, in the amount of \$15,060.18.
- Ex. VII-3b Award Bid Q8902 to Hagg Press, Inc., the low bidder for printing of the Spring 1999 Extension booklet, which contains course listings for the three major extension centers, in the amount of \$11,769.15.
- Ex. VII-3c Award Bid Q8903 for lighting ballast and fluorescent tube replacement in the Science, Math and Health Careers Center and the Engineering and Applied Technology Center to Farrell Electric Company, the low bidder, in the amount of \$145,707 plus a contingency of \$14,570, and architects and engineers fees of \$10,930 for a total of \$171,207.
- Purchase Orders
- Ex. VII-4a Approve issuance of a purchase order to IMC Salt Inc. for road salt in the amount of approximately \$17,606.
- Ex. VII-4b Approve issuance of a change order to purchase order #011187 to Warner Offset, Inc., pertaining to bid request Q8880 for printing of the Fall 1998 Second Eight Weeks Course Schedule, in the amount of \$4,501 for a new total of \$27,185.
- Ex. VII-4c Approve issuance of a purchase order to Apple Computer, Inc. for 17 Macintosh computers for the Journalism Computer Lab, the Art Department faculty and the Harbinger student newspaper in the amount of \$36,703.00.

- Ex. VII-4d Approve issuance of a purchase order to Computer Associates Financial Services/Nations Credit for the augmentation of Operating System Management Software, CA-Unicenter, in the amount of \$28,513 for each fiscal year 1998/99, 1999/00, 2000/01 for a total of \$85,539.
- Ex. VII-4e Approve issuance of a purchase order to JBH Technologies, Inc. for a Variable Frequency Drive Trainer, an Industrial Motors Training System, and an Industrial Control Training System as needed by the Electronics Technology/Automation department in the amount of \$14,270.
- Ex. VII-4f Approve issuance of a purchase order to Open Business Systems, Inc. for a SUN Enterprise 450 UNIX file server to support the Web System, in the amount of \$40,801.00.

Personnel Actions

Classified Staff Appointments

Dawn Anderson, Clerk Typist II, p/t, Wellness and Human Performance, 10/26/98, \$17,628
Carlo Bevilacqua, Mail Messenger, Mail Center, 10/05/98, \$17,238
Melanie Frieburg, Program Assistant, AE/LS-ESL, 09/28/98, \$25,955
Rita Ghiselli, Secretary, p/t, Women's Program and Personal Counseling, 10/19/98, \$16,744
George Gallegos, Food Service Worker-Vending, Food Service, 09/21/98, \$18,291
Forrest Thrawl, Assistant Equipment Manager, Wellness and Human Performance, 09/23/98, \$23,500
Leticia Villanueva, Cashier, p/t, Bursar's Office, 09/29/98, \$12,948

Administrator Resignation

Scot Milford, Director, Technical Services, IT/TS, 10/09/98, 5 yrs. 7 mths.

Professional/Technical Resignations

Joseph Baiardo, Technical Installation Specialist, IT/TS, 09/18/98, 2 yrs. 10 mths.

Thomas Deimel, Desktop Integration Analyst, IT/CS and Workforce and Professional Development, 09/17/98, 10 months

Supervisory/Confidential Resignations

Robert Bieszk, Network Manager, IT/TS, 10/16/98, 5 yrs. 1 mth.

Timothy Sares, Coordinator of Assessment, Assessment and Testing Center, 09/23/98, 4 yrs. 3 mths.

Classified Staff Resignation

Daniel Ciechanowski, Mail Messenger, Mail Center, 08/28/98, 2 yrs. 2 mths.

Harper #512 - IEA Resignations

Michael Klasa, HVAC Mechanic, Physical Plant, 10/13/98, 10 yrs. 7 mths.

Richard Vix, Custodian, Physical Plant, 09/25/98, 11 months

Disposal of
Obsolete and
Unrepairable
College Property

Approval of the disposal of obsolete and unrepairable personal property owned by the College through donation, a sealed bid sale, an open sale or an auction, sale to a scrap dealer, or other appropriate means for disposal of the property.

Review of
Executive Session
Minutes

Approval of the release of the following executive session minutes for public record: May 28, July 23 and August 27, 1998; and approval of the following executive session minutes to remain confidential: April 23 and June 30, 1998.

Upon roll call on the Consent Agenda, the vote was as follows:

Ayes: Members Botterman, Hess, Howard and Kolze

Nays: None

Motion carried. Student Member Valadez voted aye.

NEW BUSINESS:

Public Hearing
on Funding Bond

At 7:09 p.m. Chair Kolze recessed the regular meeting and called to order the public hearing on the funding bond. He noted that the proposal is to sell \$3,560,000 worth of bonds to purchase additional technology and to fund parking lot and road renovations and improvements. Chair Kolze noted that anyone wishing to speak regarding the funding bond could do so.

Inasmuch as there were no persons present who desired to speak regarding the funding bond, Chair Kolze asked for a motion to close the hearing and reconvene the regular Board meeting.

Member Howard moved, Member Botterman seconded, to adjourn the hearing on funding bonds.

Upon roll call, the vote was as follows:

Ayes: Members Botterman, Hess, Howard and
Kolze
Nays: None

Motion carried at 7:11 p.m. Student Member Valadez voted aye.

Second Reading:
Board Policy
(revised) on
Hirings/Reports

Member Howard moved, Member Hess seconded, approval of the Board Policy (revised) on Hirings/Reports as outlined in Exhibit VIII-B (attached to the minutes in the Board of Trustees' Official Book of Minutes).

Upon roll call, the vote was as follows:

Ayes: Members Botterman, Hess, Howard and
Kolze
Nays: None

Motion carried. Student Member Valadez voted aye.

Second Reading:
Board Policy
on Incentive
Compensation

President Breuder suggested inserting "(dollar amount)" after "incentive compensation" on the last sentence of the last paragraph. The new sentence should read: "The incentive compensation (dollar amount) will be presented to the Board before it is paid."

Member Howard moved, Member Botterman seconded, approval of the Board Policy (new) on Incentive Compensation as modified and outlined in Exhibit VIII-C (attached to the minutes in the Board of Trustees' Official Book of Minutes).

Upon roll call, the vote was as follows:

Ayes: Members Botterman, Hess, Howard and
Kolze
Nays: None

Motion carried. Student Member Valadez voted aye.

Resolution for
1998 Estimated
Tax Levies

Member Howard moved, Member Hess seconded, adoption of the resolution providing for the estimated tax levies for 1998, as outlined in Exhibit VIII-D (attached to the minutes in the Board of Trustees' Official Book of Minutes).

Chair Kolze noted that this action will provide funds for the College. This is approval of the estimate (also called a tentative levy). The final approval will be brought to the November Board meeting.

Upon roll call, the vote was as follows:

Ayes: Members Botterman, Hess, Howard and
Kolze
Nays: None

Motion carried. Student Member Valadez voted aye.

Annual Financial
Audit for Fiscal
Year 1997-98

President Breuder announced that the audit for the year ending June 30, 1998 is approximately 99 percent complete. He introduced Stuart Miller and Paul Smit of the accounting firm KPMG Peat Marwick. Mr. Miller gave a brief overview of the audit. He called attention to Page 1 of the draft report. His firm has rendered a clean unqualified opinion which is the best opinion they could render for the financial statements of the College. He explained that with Board approval, he can sign the opinion and release the report.

Mr. Miller pointed out that pages 2 and 3 show the balance sheet or the statement of financial position of the College. It shows approximately \$190 million of assets, \$104 million of which is the campus facilities. There is \$18 million of receivables from the county assessors and investments. He pointed out that there is only \$7.2 million in debt on the books. Harper College is in a healthy financial position.

Mr. Miller called attention to page 20, where the general fund is broken out by the education fund and the operations and maintenance fund. The fourth line from the bottom shows approximately \$1 million has been added to the reserve this year. The \$50.6 million in expenses subtracted from the \$51.7 million in revenue created a reserve of approximately \$1 million. The College had originally budgeted for a \$2.8 million deficit. Mr. Miller commended the College on its operations for the year to provide a surplus in this year of transition with a new president. He pointed out that approximately \$17 million is shown in the fund balance which is essentially reserves for the institution. Dividing out the expenses by those reserves shows that the College really only has four months of reserves. Most colleges and universities have three to six months of reserves. He noted that if the cost of an education continues to increase and the College reserves do not increase, the four month reserves will begin to be depleted.

Mr. Miller explained the reference to note 1M regarding encumbrances. Harper showed approximately \$1 million in reserves for the year, however, there was approximately \$380,000 in encumbrances at yearend. Encumbrances are commitments the College has made but has not received the goods or services for. On a cash basis, this should be viewed as a \$640,000 increase in reserves.

Mr. Miller stated that, overall, it was a positive year. He commended the College on its clean operation.

In response to Member Howard, Mr. Miller stated that the College will receive a management letter shortly. Chair Kolze explained that KPMG Peat Marwick will submit a management letter, the administration will react to it, and the Board will review both the management letter and the reaction.

In response to Member Howard, Mr. Miller stated that they would specifically address the areas of concern outlined on last year's management letter. Member Howard explained that the Board would like to see the comparison to make sure progress has been made.

Vice President Thorson stated that this has been a momentous year for the College. She commended controller Roberta Lindenthaler and her staff for their many hours of hard work preparing the financial documents.

In response to Chair Kolze, Mr. Miller stated that KPMG spent approximately 600+ hours on the Harper audit. He added that Paul Smit was the lead manager with others reporting to him on a day-to-day basis.

Member Howard congratulated Vice President Thorson and her staff on the clean audit.

Member Hess moved, Member Howard seconded, acceptance of the annual financial audit for Fiscal Year 1997-98, as outlined in Exhibit VIII-E (attached to the minutes in the Board of Trustees' Official Book of Minutes).

Upon roll call, the vote was as follows:

Ayes: Members Botterman, Hess, Howard and
Kolze
Nays: None

Motion carried. Student Member Valadez voted aye.

Change of Date
for November
Board Meeting

Chair Kolze noted that President Breuder has a scheduling conflict with the November 19 regular Board meeting. With Board approval, he recommended rescheduling the meeting for November 23, 1998.

Member Howard moved, Student Member Valadez seconded, that the next regular Board meeting be scheduled for November 23, 1998.

Upon roll call, the vote was as follows:

Ayes: Members Botterman, Hess, Howard and Kolze
Nays: None

Motion carried. Student Member Valadez voted aye.

Member Howard suggested notifying Members Barton, Gillette and Shure of the November Board meeting date as soon as possible. Chair Kolze asked President Breuder to notify the other Board members.

ANNOUNCEMENTS BY CHAIR

Communications

Member Hess read a letter from Linda Glover, thanking the College for sending the beautiful vase of flowers following her recent bypass surgery. She noted that she felt at home at Northwest Community Hospital with all the Harper graduate nurses and cardiac personnel.

Calendar Dates

Calendar dates are printed on the agenda for Board information.

OTHER BUSINESS

Student Member Valadez introduced student senator Ken Gill. He added that Mr. Gill and Heather Voegli bring knowledge to the senate as they both are returning senators. The Board welcomed him.

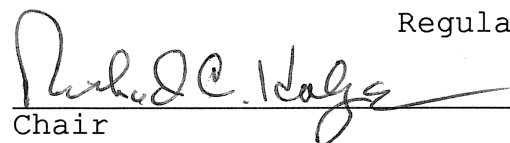
EXECUTIVE SESSION

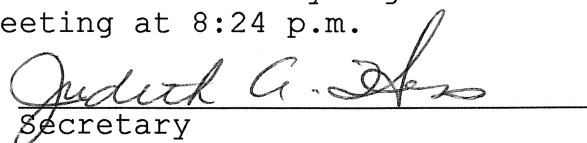
Member Howard moved, Member Hess seconded, that the meeting adjourn into executive session to discuss negotiations and the appointment, employment and dismissal of personnel.

In a voice vote, the motion carried at 7:27 p.m.

ADJOURNMENT

Following executive session, the Board reconvened and immediately adjourned the Regular meeting at 8:24 p.m.


Chair


Secretary

BOARD REQUESTS

OCTOBER 22, 1998 REGULAR BOARD MEETING

1. In response to Member Howard, Mr. Miller stated that KPMG Peat Marwick would specifically address the areas of concern outlined on last year's management letter. Member Howard explained that the Board would like to see the comparison to make sure progress has been made.
2. Member Howard suggested notifying Members Barton, Gillette and Shure of the November Board meeting date as soon as possible. Chair Kolze asked President Breuder to notify the other Board members.