The meeting of the Montgomery County Community College Board of Trustees was held on Tuesday, October 21, 2002, at 4:00 p.m., in the East House Board Room.

Board of Trustees – Present:
Mike Bitner, Chairperson; Floriana Bloss; Andrew Cantor, Secretary; Michael D’Aniello; Anthony DiSandro, Vice Chair; Francis Jeyaraj; Charles Kahn, Treasurer; Trudy Mann, Assistant Secretary; Ed Mullin; Dennis Sharkey; Thaddeus Smith; Win Smith

Board of Trustees – Absent:
Dwight Dundore; John Rotelle

Also Present:
Karen Stout, President; John L. Connell, Hege Kramer Connell Murphy and Goldkamp; Marc Davis, College Solicitor; John Flynn, Vice President for Academic Affairs and Provost; Dean Foster, Dean of the West Campus; Jim Guy, Purchasing Agent; Suzanne Holloman, Dean of Workforce Development and Continuing Education; Steve Kovacs, Vice President for Administration and Finance; Michael Mandrachia, Director of Accounting; Rhoda McFadden, Professor of History and President of Faculty Union; Celeste Schwartz, Vice President for Information Technology; Richard Snyder, Hege Kramer Connell Murphy and Goldkamp; David Stewart, Vice President for Student Affairs and Enrollment Management; Darlene Yerkey, Interim Recording Secretary to the Board

Call to Order

Chairperson Bitner called the meeting to order at 4:00 p.m.

Approval of Minutes

On motion by Dr. Jeyaraj and seconded by Mr. Mullin, the 09/17/02 Minutes were unanimously approved.

Introduction of Guests

Ms. Celeste Schwartz introduced the guests in attendance at the meeting.

Treasurer’s Report

Mr. Kahn reported there were no unusual transactions during the past three months.
On motion by Mr. Kahn and seconded by Mr. T. Smith, the recommendation to accept the Treasurer’s Reports for the periods ending July 31, 2002, August 31, 2002, and September 30, 2002 was unanimously approved.

**President’s Report**

- **Enrollment**

  This will be the last enrollment report until our January meeting. Students are still registering for mid-semester start credit courses placing our fall credit enrollment at 10,326 students, seven percent ahead of last year’s final fall enrollment in headcount and more than ten percent ahead of last year in FTEs. West Campus enrollment is up 11 percent compared to last fall and distance learning enrollment is up 27 percent compared to last fall.

- **Workforce Development**

  The College has secured $898,500 in training dollars for 41 Montgomery County employers through the State’s WEDNet PA Guaranteed Free training Programs effort. In addition, the College has secured a commitment from 40 of these companies to be one of the providers of the training that fall into two categories: information technology and basic skills. Later this evening, Suzanne Holloman, our new Dean of Workforce Development and Continuing Education, will give the Board a full overview of the unit’s work and goals.

- **Faculty and Staff Kudos**

  Mathematics Professors Roseanne Hofmann and Walter Hunter have won the 2002 INPUT award from the American Mathematical Association of Two-Year Colleges for their project “Just in Time Algebra with Multi-media.” The award will be officially presented at next month’s national AMATYC conference.

  Dr. Stout read a thank you letter from a faculty member who the Board recently granted Emeritus status.

  The College played a significant role in supporting the recent national meeting in Philadelphia of the National Council for Testing Administrators thanks to the leadership of Gayle George, Montgomery County Community College’s Director of Testing who served on the Conference Committee. Susan Hauck, from our information technology department helped to create the Conference web site that the College hosted.

- **Marketing and Public Relations**

  The Reporter in Lansdale offered the College “Laurels” in a September 18 editorial for working with SEPTA to make our campus more mass transit friendly to improve student safety by eliminating the need to cross Route 202.
In the October 20 edition of the *Times Herald* there was a front page full color photograph of our Art Gallery Director, Holly Cairns with the new exhibit.

The College is very close to unveiling its new logo. The Trustees may remember that two versions of the proposed logo were shared at the Board retreat in June. One version retained the old house as the logo. The selected version of the logo uses the house for its foundation, but includes an updated “rising sun” feature in gray and places emphasis on the “silos”, the one remaining architectural feature from the campus’ original farm which is now the 202 Art Barn, within the design. We hope to roll out the new logo on all major publications and in letterhead and business cards by January 1, 2003. With the roll out, the College’s seal will continue to be used on academic documents such as diplomas and transcripts, while all other logo applications, E=MC3, the world, and the old house, will be eliminated.

- **Gifts and Grants**

  The Foundation has received a gift of stock with a value of close to $60,000 from Dominic Genaurdi for student scholarships.

  The Foundation has received a grant from the North Penn Community Health Foundation for $3,375. In return for the funding, the College will design, construct and implement the new Foundation’s website.

  The Foundation’s 2002 golf outing, held on October 14 at the Commonwealth Country Club, was a success attracting close to 90 golfers and raising more than $20,000.

- **Students and Alumni**

  The College’s men’s soccer club took first place in the Valley Forge Christian Invitational Tournament. Montgomery County Community College students John Klimowicz and Chris Nolan were named the tournament’s MVPs for offense and defense respectively.

  Twenty student leaders participated in the College’s annual Student leadership retreat on October 11 and 12 at Fellowship Farms where they identified the Top 10 student issues to be addressed at both campuses over the coming academic year.

- **Outreach**

  The College’s West Campus will enter into a partnership with WHYY to provide digital GED preparation opportunities for area residents. A press conference to announce this effort, which includes numerous community partners and WHYY, will be held next Monday at the King of Prussia Mall.

  The College hosted the Montgomery County Women’s Conference on October 12. More than 200 women attended and visited exhibitors, attended workshops and enjoyed the
keynote speech of National Public Radio personality Terry Gross. Terry Gross also attended a reception following the morning session to honor the Women of Vision recipients, one of whom included our very own Nancy Mellon, Director of the New Choices/New Options program.

On October 18 the College hosted its 8th annual Technology Conference. Community college faculty from the Mid-Atlantic region attended and shared with one another their innovation applications of technology in instruction.

Community Day was held on October 5 at Central Campus. Attendance was tremendous and the day was beautiful. Dr. Stout thanked Dr. Stewart and his committee for organizing the event.

**Finance Committee**

Mr. Kahn reported for the committee.

- **2001-2002 Independent Audit**

The College’s independent auditors, Hege Kramer Connell Murphy & Goldkamp, P.C., have completed the 2001-2002 audit. The 2001-2002 audit report is presented in a new Governmental Accounting Standards Board (GASB) format that differs significantly from the format used in the past by the College. Public higher education institutions are required to use the new format as a result of changes in the generally accepted accounting principles, which govern the College’s financial reporting. However, the College is permitted and intends to continue to present monthly and quarterly financial statements using the past format because that format is far more useful to College Trustees and financial managers.

Mr. Richard Snyder explained the changes to the 2001-2002 Independent Audit and the management letter.

On motion by Mr. Kahn and seconded by Mr. DiSandro, the 2001-2002 audit and management letter was unanimously approved.

- **Post Retirement Benefits, 2001**

Since 1995 the College has maintained funds (located in a liability account and in a designated fund balance line item) to meet the obligation for the premiums for medical and life insurance of current retirees and, to some degree, future retirees. This obligation was viewed as a requirement under the accounting principles at the time (FASB 106). In 1998, the College’s independent auditors informed the College that a different set of accounting principles pertained to the operation of a community college (GASB). Under the GASB 12, the maintenance of such funds was optional for the College. The College chose to continue to maintain these funds for both retirees and current employees who could become future retirees.
In order to determine the College’s financial obligation, the College periodically obtains an actuarial valuation of the populations involved. The total is $14,583,510 if current employees are all projected to also retire and receive the same benefits. The College as of June 30, 2002 has combined funds in the amount of $8,712,896, again, in both a liability account and a designated fund balance line item. In addition, the College pays the annual cost of these expenses for retirees from operational dollars.

Assuming the Board will continue to maintain funds for this purpose, however, then the most reasonable approach should be to provide funds only for the existing retiree population or $8,336,772, as of the most current actuarial valuation as reflected in the action required for 2001-2002 fund designations. Accepting this approach, the designed fund balance for this purpose for 2002-2003 is reduced by $376,124.

On motion by Ms. Bloss and seconded by Mr. Mullin, the maintenance of funds to meet the medical and life insurance obligations for the current College retiree population based upon periodic actuarial valuations was unanimously approved.

- Fund Designations for 01-02

At the end of each fiscal year the Board designates revenues exceeding expenditures, if any, into designated funds to ensure the efficient continued operation of the College.

Funds are proposed to be designated as follows:

- **Operating Fund**
  
  It is proposed that of the $6,561,657 total fund balance in the Operating Fund, $4,743,876 be designated for future expenditures, which may not be funded by future operating results. These items would include dental insurance, contingency for unresolved State Audits, post retirement benefits, computer software upgrades, and tuition stabilization.

  These proposed changes would allow the College to transfer surplus funds to the College’s Unexpended Plant Fund for the replacement of facilities and equipment that are especially needed in light of the lack of State funding at this time. It is proposed that $1,500,000 of such funds be transferred to the College’s Unexpended Plant Fund.

- **Auxiliary Enterprises Fund**

  It is proposed that of the total fund balance of our Auxiliary Enterprises Fund of $2,369,762, funds be designated for the Campus Store future debt payments and for renovations and equipment replacements. In addition, it is proposed that $500,000 of surplus funds be transferred to the College’s Plant Replacement and Renewal fund, for future use on the College’s Master Campus Plan.
- **Student Activities Fund**

  It is proposed that of the total fund balance of $125,309, funds be designated for the replacement of equipment and furniture.

- **Unexpended Plant Fund**

  It is proposed that of the total fund balance of $586,614, funds be designated for replacement of facilities and equipment. This would include the $1,500,000 transfer of surplus funds from the College’s Operating Fund.

- **Replacement and Renewal Fund**

  It is proposed that of the total fund balance of $3,486,435, funds be designated for East House renovations and our Master Campus Plan. This would include the $500,000 transfer of surplus funds from the College’s Auxiliary Fund.

On motion by Mr. Kahn and seconded by Ms. Mann, the proposed designations for the fund balances and action to reflect the designations on the College’s final financial statements for 2001-2002 was unanimously approved.

- **Adjustment of the 2002-2003 Operating Budget**

  In June 2002, the Board of Trustees adopted the 2002-2003 operating budget of $40,111,740. The total operating budget estimate for 2002-2003 has been updated to $40,991,224 to reflect increases in enrollment and state aid.

  On the expense side, salaries/wages were adjusted to ensure that all approved positions are fully funded. In addition, fringe benefits were adjusted to align with the salaries/wages budget and to absorb anticipated increases in medical costs.

  The proposal represents a balanced budget.

  On motion by Mr. Kahn and seconded by Mr. Mullin, the 2002-2003 adjusted operating budget was unanimously approved.

- **1994 Bond Issue**

  As of September 30, 2002, there remains $433,196 of the bond issue, which has not been spent. The College has obtained written approval from the Pennsylvania Department of Education and the State Public School Building Authority/Pennsylvania Higher Educational Facilities Authority to spend this amount for the roof replacement of the Science Center. In fact, unless it is spent, the amount will revert to the State general revenue fund. At the time the Board approved the expenditure for the roof replacement, the Board hoped to obtain State capital funds to help offset the expense. Unfortunately, the State did not provide funds to any community colleges for such projects last year and
all indications are that none will be available this year. Therefore, it would make sense to use these unspent funds to help offset the roof expense.

In order to move forward on this action, the College Counsel recommends that the Board pass a brief amendment to the August 3, 1994, resolution originally passed for the bond issue.

On motion by Mr. Kahn and seconded by Mr. Cantor, the use of the unspent portion of the 1994 Bond Issue to pay for the roof replacement of the Science Center and to adopt an amendment to the 1994 Bond Resolution authorizing this intended use was unanimously approved.

- **Terrorism Insurance**

  We are continuing to look into terrorism insurance, the estimated quote with a lot of limitations is $50,000 a year.

**Curriculum Committee**

Mr. W. Smith reported for the committee.

- **Sabbatical Summaries**

  Mr. W. Smith reported that the Curriculum Committee reviewed the sabbatical leave activities of faculty granted Board approved leaves for 2001-2002. Faculty member Anne Colvin reported to the Committee about her leave.

  Professor Colvin devoted her sabbatical to researching student plagiarism at the College and how to address this issue. She chaired the Academic Ethics Committee helping to develop a draft Student Academic Code of Conduct that will soon be brought to the Board of Trustees.

- **Workforce Development**

  Over the past year the Workforce Development and Continuing Education Division has been reorganized and aligned along five “product” lines. This was done to bolster the programming and revenue-generating capacity of the Division, which traditionally has underperformed compared to neighboring community colleges.

  Suzanne Holloman, Dean of Workforce Development and Continuing Education, discussed the new structure of the Workforce Development and Continuing Education unit and highlighted current and future directions for the unit.

**Legislative Committee**

Mr. Sharkey asked Dr. Stout to report on the events that took place during the summer.
- **Federal Relations Update**

Dr. Stout, Mr. Sharkey and Mr. Bitner talked at length with our representatives from Public Affairs Management about our federal relations strategy. Right now the government is operating on a continuing resolution, which means that the appropriations bill has not been passed for this fiscal year. Our request for $750,000 for the Advanced Technology Center fits in the Health and Human Services/Labor/Education appropriations bill. There is a possibility that after the elections Congress will come back and approve the appropriations bill and at that point we will know the status of our federal request. If they do not come back and approve the appropriations budget, and they wait for the new Congress in January, we will have to start over.

- **State Relations Update**

An agenda for the next governor was created by the Pennsylvania Commission for Community Colleges, along with the presidents. We have worked very hard to reach Ed Rendell and Mike Fisher’s policy directors so that we are part of the platform for higher education for both candidates. Representatives for Ed Rendell and Mike Fisher met with the trustees and presidents at the ACCT conference in Philadelphia on September 18. Mr. T. Smith, Mr. Bitner, Mr. W. Smith attended the conference.

**Personnel Actions**

Mr. DiSandro reported for the committee.

- **Administrative Appointments for September 2002**

There were three administrative appointments during September 2002:

- Tobie Mackler – Interim Division Chair, Humanities
- Leon Hill – Director of Institutional Research
- Penelope Spahr – Admissions Officer/Coordinator of International Admissions

On motion by Mr. DiSandro and seconded by Ms. Mann, the administrative appointments for September 2002 were unanimously approved.

**Bids**

Mr. James Guy reported on the bids.

- **Spring Course Guide**

On motion by Ms. Mann and seconded by Ms. Bloss, the recommendation to award Tapco Inc, Pemberton, NJ in the amount of $28,200.00 as the lowest acceptable bidder was unanimously approved.
On motion by Ms. Bloss and seconded by Mr. W. Smith, the recommendation to award Spinnaker Multimedia Solutions, Berwyn, Pennsylvania in the amount of $29,118.78 as the lowest acceptable bidder was unanimously approved.

Chair’s Report

Mr. Bitner reported the following:

It is with much regret that Mr. Bitner shared with the Board that Tobie Kessler resigned from the Board, effective October 9 primarily for health reasons. In her letter to the Commissioners, Tobie noted that her decision was necessitated due to the fact that she can no longer drive. Tobie served on the Foundation Board and the Board of Trustees for more than 10 years. She was instrumental in launching the now successful Foundation Ball and she served diligently as a member of the Board and most recently as a member of the Curriculum and Finance committees. Mr. Bitner said that she will be greatly missed and wished her well.

Mr. Thaddeus Smith suggested that the Board recognize retired Board members with a thank you letter for their services, a plaque, and/or flowers. We will recognize Ms. Kessler’s contributions at our recognition program for retirees, faculty and staff.

The College will host on November 14 at 6:00 p.m. the Regional Trustees Meeting on behalf of the Commission for Community Colleges. Trustees from Montgomery, Bucks, Delaware and Community College of Philadelphia will be invited to the joint meeting. Mr. Bitner encouraged the Board to attend. This regional effort is a new attempt by the Commission to involve more Trustees in the work of advancing the image of community colleges among our state legislators. Our involvement is important especially in these most difficult budget times.

Adjournment

The meeting was unanimously adjourned at 5:20 p.m. The next meeting is scheduled for Monday, November 18, 2002 at 4:00 p.m. in the Board Room of the East House.

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Andy Cantor
Secretary