The meeting of the Montgomery County Community College Board of Trustees was held on Monday, December 20, 2004, at 4:00 p.m. in the East House Conference Room.

**Board of Trustees – Present:**
Mike Bitner, Chairperson; Michael D’Aniello, Treasurer; Anthony DiSandro, Vice Chairperson; Trudy Mann, Assistant Secretary; Lea Bramnick; Jim Genuardi; Charles Kahn; Lynne Lechter; Ed Mullin; Joseph Palmer; John Rotelle; Dennis Sharkey; Win Smith; Thaddeus Smith

**Board of Trustees – Absent:**
Andrew Cantor, Secretary

**Also Present:**
Karen Stout, President; Susan Adams, Director of Marketing and Communications; Marc Davis, College Solicitor; Suzanne Holloman, Dean of Workforce Development and Continuing Education; Steve Kovacs, Vice President for Administration and Finance; John Flynn, Vice President of Academic Affairs, Provost; Anita Lynn, Executive Director, Foundation; Rhoda McFadden, History Professor, President of the Faculty Union; Amanda Mandia, Executive Associate to the President; Michael Mandrachia, Director of Accounting; George Mulligan, Executive Director for Capital Projects and Support Services; Celeste Schwartz, Vice President for Information Technology; Evon Walters, Vice President for Student Affairs and Enrollment Management

**Call to Order**

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

**Approval of Minutes**

The November 15, 2004 minutes were unanimously approved.

**Introduction of Guests**

Ms. Schwartz introduced the guests in attendance.

**Treasurer’s Report**

- November 30, 2004
Mr. D’Aniello reported there were no unusual transactions for the month ending November 30, 2004 and that the College is on budget. Tuition payments for the fall and summer have been received.

On motion by Mr. Rotelle and seconded by Mr. Genuardi, the Treasurer’s Report for the month ending November 30, 2004 was unanimously approved.

President’s Report

Dr. Stout reviewed highlights of the President’s Report.

- **Enrollment**

  Spring registration is moving forward with a great deal of momentum as a result of the College’s pilot effort to implement an Early Registration Week. As a result, total headcount enrollment is up 17 percent compared to same time last year and total FTEs are up 14 percent compared to same time last year. West Campus enrollment is up nearly 17 percent.

- **Students**

  The College’s Women’s Extramural Soccer Club finished its fourth season with a winning record of 6-2-0. The team is coached by Stephanie Bennett and the students on the team include Stephanie Black, Keli Adams, Ellen Henskath, Tracy Blocklinger, Nicole Zobach, Jackie Wertan, Shani Berler, Kristen Hillenbrand, Stephanie Kline, Jacki Bruni, Ashleigh Mayew, and Corinne Hunt.

  The College’s Men’s Soccer Club won the Eastern State Soccer League (ESSL) Championship in October, with an overall record of 10-2-1. Six of the club’s players were named ESSL All-Conference selections and Coach Andy Kelly was named ESSL Coach-of-the-Year.

- **Faculty/Staff Kudos**

  The 2004 League for Innovations Conference held in Tampa, Florida, was attended by several faculty and staff, under the primary leadership of Celeste Schwartz.

- **Events of Note**

  The College formally dedicated the Learning Resources Center as the Brendlinger Library on November 15, 2004, in honor of the College’s first president, Dr. LeRoy Brendlinger. Many distinguished guests were in attendance including County Commissioner, Jim Matthews. Guests also included former Board of Trustee members, original faculty members, and family and friends of
Dr. Brendlinger. Dr. Stout read a note from Dr. Brendlinger thanking the College for honoring him with the library dedication.

The College recently hosted 57 high school guidance counselors representing 26 Montgomery County High Schools at breakfast workshop. The program included updating the counselors on the various aspects of the College's academic programs and resources as well as a workshop to garner the counselors’ insights on how the college can enhance its accessibility, visibility and partnership opportunities with their students. The program was coordinated by Admissions and Records.

- Gifts/Contracts

Mr. Arthur Loeben gifted the College’s Foundation $10,000 to be equally divided by the Arthur Loeben and the Billie Joe Loeben Endowed Funds.

Harleysville National Bank has joined the Creator’s Circle with their $25,000 pledge to the Courage to Create Campaign to renovate and expand the Art Barn.

The College secured a $500,000 Customized Job Training Grant for ISG, under the project title, "The Preservation of Steel Industry Jobs in Pennsylvania." Training on "new flexible work systems" will include Advanced Manufacturing Training, New Integrated Computer Software Application Training, Advanced Maintenance Training, and a customized New Employee Training Program. The training will impact 598 current employees with obsolete skills who are subject to layoff, 298 current employees needing some skill upgrading, and an estimated 80 new entry level hires.

The Verizon Foundation has granted the College $10,000 to support the “Instruction Using Broadband Technology” initiative.

The Schuylkill River Greenway Association has granted the College $24,000 to facilitate a feasibility study to determine how to proceed with the development of the Riverfront Academic Center which will include the renovation of the second portion of the old PECO building and the development of academic and non-credit courses to foster the use and revitalization of the river. As a result of the SRGA partnership, the College is launching three new non-credit courses in spring 2005 at the West Campus including Canoe/Kayak Basics, Landscaping with Nature, and Architectural history, Style and investigation: Tools for Viewing, Dating and Understanding Historic Buildings.

- Legislative

The presidents are meeting with Secretary Barnes in Harrisburg on December 21 to continue conversations related to the capital situation and to begin to discuss the Pierce Report.
The College received federal earmarks of $250,000 and $50,000 respectively for the West Campus and the Advanced Technology Center expansion projects. Congressman Gerlach presented the $250,000 earmark check at the West Campus that will go toward funding program development and equipment.

Mr. D'Aniello asked Dr. Stout about the possibility of expanding the athletic program at the College. Dr. Stout responded that developing an intercollegiate athletics program could be investigated; however it would require a significant investment from the College.

Mr. W. Smith noted that as the College is not a college with dorms, it makes it more difficult for the programs to succeed. Ms. Bramnick concurred, noting the percentage of students who both work and attend the College ultimately inhibits consistent participation in sporting events.

Mr. Bitner suggested that if the Board wanted to consider an intercollegiate athletic program after further discussion, that the College would investigate the possibility.

**Finance Committee**

Mr. Kahn reported for the committee.

**Operating Budget**

The College is proposing a $4 per credit hour tuition increase (4.5 percent), from $81 to $85, with no increase in fees. The College is asking the County for a 7.3 percent increase which would equate to $904,739. The County would then be contributing approximately 25 percent of the College's operating budget. The College is projecting State aid at 3.5 percent over their projected commitment for fiscal year 2005. Excluded from that is approximately $1.2 million, which the College expects to earn from enrollment increases and that will most likely not come from the State.

Salary and wages are increasing due to the addition of five new positions created to support the expansion at the West Campus and to address the deficit in the full-time to part-time teaching ratio. Total revenue is projected to increase from $49 million to $53 million and salaries and benefits account for 83 percent of expenditures. The total County contribution is down from 28.7 percent in 2003-2004 to 28.1 percent. The total County contribution includes straight contribution (24.9 percent) as well as funds from other County related income (6.2 percent). The students, excluding continuing education students, are contributing nearly 38 percent of the budget.
Mr. Kahn cautioned that the student contribution is getting close to 40 percent as a result of decreased percentage contributions by the State and the County. The State’s total contribution will be 30.2 percent.

- **Capital Budget**

The most notable change in the Capital Budget is that the State will no longer reimburse leases at 50 percent. The College has changed its strategy to include investigating the cost effectiveness of purchases versus leases.

Mr. Kahn noted that Dr. Stout presented the proposed budgets to the Finance Committee in detail.

Mr. Kahn made a motion to accept the proposed operating and capital budgets for 2005-2006. Mr. Palmer seconded the motion.

Dr. Stout presented a summary of the budget presentation that was shared with the Finance Committee to further clarify the budget development process for the full Board. Dr. Stout impressed upon the Board that due diligence is done with the development of the budget on both the operating and capital sides. The College is well under the national average tuition increase for community colleges. The salary and wage increase of 3.6 percent is benchmarked to the faculty contract. There is no request for increases in capital from the County. Overall, the current request is a maintenance in effort request of the County.

Mr. D’Aniello asked if the operating budget proposal request includes what the State is statutorily required to provide the full amount. Dr. Stout responded that the request does not include $1.2 million that the College expects the State will not reimburse based on the current funding formula.

Mr. Mullin asked if the State and County are statutorily required to fund one-third each of the College’s budget.

Dr. Stout clarified that the Community College Act no longer statutorily requires the State and County to provide one-third, though the one-third intent remains.

Mr. Mullin suggested that the College request from the County the same funding percentage of the total operating budget as that of the prior year.

Dr. Stout responded that the adjustment to the request is possible.

Mr. DiSandro consented that the same percentage request should be made of the County.
Ms. Lecter also agreed and also asked for clarification on the Community College Act, which Dr. Stout provided. Dr. Stout also noted that the State does provide a higher percentage of funding of the total operating budget than does the County.

Mr. Sharkey recommended that the Board should address the issue of the State’s responsibility and possible actions that could be taken in the immediate future. He also concurred with Mr. Mullin’s suggested increase in the operating budget request to the County.

Mr. Mullin asked if those that made the initial motion to approve the budget request would let their motion stand with the change in the operating budget request contribution from the County from 24.9 percent in the proposed budget to 25.3 percent.

Mr. Sharkey, Mr. Palmer, and Ms. Lechter voiced their concern over the shifts in funding and were interested in exploring ways to effect change in the current trends.

Mr. Kahn expressed concern about the College’s ability to meet the increasing student enrollments given the limited public funding.

Dr. Stout offered that there was background available on the funding formula in previous Board packets that may prove educational.

Mr. Bitner closed the discussion and called for a vote on the Operational and Capital Budget Proposal for 2005-2006. The Board unanimously approved the budget proposal with the increased request to the College.

- **Update on Health Care Employee Benefits Expenses**
  
  Mr. Kahn noted that Mr. Bruce Walter, CBIZ Senor Vice President, presented a short information only report on the new premium rates to the Finance Committee.

- **Audit Plan for 2004-2005**
  
  The College earlier solicited a proposal for professional services of Hege Kramer Connell Murphy and Goldkamp, P.C., to provide internal audit services for $10,000 representing 130 hours of work. Additional hours would be charged to the College at a rate of $75.

  Five internal audits have been identified by the Finance Committee that will be completed in the third and fourth quarters of 2004-2005.

  Mr. Kahn made a motion for the acceptance of the proposal by Hege Kramer Connell Murphy and Goldkamp, P.C., to provide internal audit services. Mr. DiSandro seconded the motion and the Board unanimously approved the proposal.
- **Reply to Management Letter**

  Mr. Kahn recommended that the Board review the College’s response to the Management Letter. He acknowledged Mr. Kovacs and his work in preparing the response.

  This is an information item and requires no action.

  Mr. Palmer noted that the Administration’s response was outstanding, especially with regard to the change in State policy.

  Mr. Kovacs asked that the Board acknowledge Mr. Mandrachia’s contribution to the preparation of the letter.

**Curriculum Committee**

Mr. W. Smith reported for the committee.

- **New and Revised Courses**

  Mr. W. Smith noted that there are three new courses being added to the music program and an education course, Leadership in Early Childhood Education, is being added to the Social Sciences program.

  Dr. Gary Rizzo made a presentation to the Curriculum Committee on the articulation agreements that the College has with the five vocational-technical schools.

  This is an information item and requires no action.

**Physical Plant**

Mr. Mullin reported for the committee.

- **Update Exterior Sign Improvements**

  The College is working with Capital Signs on the exterior signs around campus

  **Update on ATC Progress**

  Some of the Committee members visited various sites to examine exteriors. The building will need to be moved 15 feet from the original intended location due to a township ordinance. The additional cost for this will be $50,000. Also, the Design Development renderings will be available for Committee consideration in January and for Board approval at the January 18, 2005 meeting.
These are an information items and require no action.

**Personnel Committee**

Mr. DiSandro noted that the Committee had nothing to report.

**Legislative**

Mr. Palmer reported for the committee.

Mr. Palmer distributed and read the following prepared statement to the Board:

“On December 9, 2004 the Subcommittee of the All Trustees Committee met with Secretary of Education, Francis Barnes. This was a follow up to the October 19, 2004 meeting with Administration Secretary, Donna Cooper and Legislative Secretary, Stephen Crawford. The purpose of the meeting was to address the capital needs of the Pennsylvania Community Colleges.

The outcome of the meeting was disappointing and conveyed a spirit that reflected an uncooperative tone from the Administration. The initial feeling emanating from the October 19 meeting was that the Administration wanted us to be creative. In an effort to accommodate the Administration the Trustees Subcommittee met via teleconferencing numerous times in advance of the meeting and crafted the following plan.

1. Define the capital needs and the current crisis.
2. Embrace the Pierce Report, which the Administration commissioned.
3. Propose several alternatives to the current budget that emphasized transitioning the currently allocated $20MM in capital to $20MM in debt service.

The December 9 meeting turned out to be a simple meet and greet meeting. Donna Cooper did not attend. We did get a chance to define the capital needs and the crisis associated with the State reneging on their commitment to fund these projects. We quickly learned that the Administration was not yet willing to accept the Pierce Report as credible much less embrace the recommendations. They were emphatic that they were not willing to consider any transition of the $20MM to debt service. They were quick to blame the Legislature for the limits that were set.

My recommendations relating to this message is the following:

1. We need to continue to work with the Administration and the Legislature to educate them on the value that these allocations provide State residents and businesses, the positive impact on our economic development, and the crisis that we now face because of their unwillingness to honor the commitment of our partnership.
2. We need to energize our supporters, especially the business interests that most benefit from the Community College services, to communicate their support for the State to honor their commitment to the capital and operational funding needs of the Community College system.

3. We need to focus on how to specifically position Montgomery County Community College most favorably to get the maximum share of the available funding.

4. We need to increase the priority of the State policy in relation to defining the funding needs for our capital and operations projects.

Dr. Stout, other community college presidents, and a small group of Trustees will meet with Secretary Barnes tomorrow to further develop our position.”

This is an information item and requires no action.

**Bids**

Mr. Mulligan presented a bid for materials.

- **Graduation Tent and Chair Rental**

  The tent and chair rental were, for the first time, solicited as a single bid.

  Mr. Palmer made a motion to approve the single bid for both items made by the Party Center in the amount of $11,650 and Mr. Rotelle seconded the motion.

  The Board unanimously approved the acceptance of the bid from the Party Center.

**Chair’s Report**

Mr. Rotelle named the slate of officers nominated for 2005:

Chairman—Paul S. (Mike) Bitner  
Vice Chairman—Tony DiSandro  
Secretary—Andy Cantor  
Assistant Secretary—Trudy Mann  
Treasurer—Mike D’Aniello

Mr. Rotelle remarked that voting will take place during the January 18, 2005 meeting.

Mr. Bitner noted that at the time of voting, other nominations can be presented.

**Old Business**
Mr. Davis noted that the three-story height variance for the Advanced Technologies Center was approved.

**New Business**

There was no new business.

**Adjournment**

The meeting was unanimously adjourned at 5:20 p.m. The next meeting is scheduled for Monday, January 18, 2004 at 4:00 p.m. in the East House Board Room.

_____________________________________   Andy Cantor
Secretary

Board Minutes, December 20, 2004