The meeting of the Montgomery County Community College Board of Trustees was held on Monday, October 21, 2013 at 4:00 p.m. in North Hall, Room 106, West Campus.

Board of Trustees – Present:
Michael D’Aniello, Chairperson; Regina Lowrie, Treasurer; Moon Ahn, Susan Arnhold, Geoffrey Brandon, Margot Clark, Sean Kilkenny, Eric Kretschman, Richard Montalbano

Absent: Andy Cantor, Vice Chairperson; Trudy Mann, Secretary; Marcel Groen, Assistant Secretary; Ed Mullin, John Rafferty, Ellen Toplin

Also Present:
Karen Stout, President; Marc Davis, Solicitor; Thomas Freitag, Vice President for Finance and Administration; Sharon Beales, Vice President for Development and External Relations; Kathrine Swanson, Vice President for Student Affairs and Enrollment Management; Celeste Schwartz, Vice President of Information Technology; Vicki Bastecki-Perez, Vice President of Academic Affairs and Provost; Steady Moono, Vice President of the West Campus; Diane O’Connor, Executive Director of Human Resources; Beverly Welhan, Dean of Health Sciences; Rhoda McFadden, History Professor, President, Faculty Union; Alana Mauger, Director of Communications; Suzanne Holloman, Dean of Workforce Development and Continuing Education and Interim Dean of STEM; Michele Cuomo, Dean of Arts and Humanities; Lynn Rothman, Executive Director of Marketing and Communications; Deborah Rogers, Executive Assistant to the Board of Trustees; Joshua Mitchell, Director of Training and User Support Services; Margaret Kanter, Student Government President, West Campus

Call to Order

Chairperson D’Aniello called the meeting to order at 4:12 p.m.

Pledge of Allegiance

West Campus Student Government Association (SGA) President Margaret Kanter, led the attendees in reciting the Pledge of Allegiance.

Introduction of Guests

No guests were introduced.

Public Testimony

There was no public testimony.
Consent Agenda

Trustee Arnhold made the motion to approve Consent Agenda Items A through I for the month of October as presented. Trustee Clark seconded the motion and the Board unanimously approved Consent Agenda Items A through I.

A. Approval of September 16, 2013 Minutes

B. Health Sciences Center Funding Update
On September 19, 2013, the College closed on a $51,605,000 bond issue which had a net purchase price of $54,056,827. $34.6 million of this is new debt to renovate the existing Physical Education Building. The remaining will allow the College to restructure debt for the Series of 2005 Bonds, generating $466,720 in present value savings for the College.

C. Independent Audit for 2012/2013
Each year the independent auditors conduct an audit of the College’s financial statements to assess accuracy, evaluate the College’s accounting procedures and confirm the adequacy of financial controls. Preliminary fieldwork was completed on September 30 and a full report will come to the Board at the November meeting.

D. ESCO Project – Energy Conservation Measures Update
The project continues to progress with expected completion of the 13 Energy Conservation Measures (ECMs) by November 2013.

E. Academic Affairs Strategic Plan Update
The Academic Affairs Strategic Plan is a living document that is reviewed and revised on a regular basis since it was developed in 2006. A draft revision, which was distributed to the Trustees, fully aligns with the College’s Strategic Plan to 2016.

F. The Culinary Arts Institute Update
CAI exceeded its Fall 2013 headcount target with 123 students registered. Culinary enthusiast courses began in October.

G. Faculty Accomplishments

H. Ratification of October Professional Appointments

- Administrative Appointments (2)

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<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Start Date</th>
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<tbody>
<tr>
<td>Jason McMillian</td>
<td>Biomanufacturing Career Coach and Laboratory Manager (Grant-funded)</td>
<td>9/30/2013</td>
</tr>
<tr>
<td>Denny Surovec</td>
<td>Coordinator of Internships and Job Placement (Grant-funded)</td>
<td>9/30/2013</td>
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I. Employee Turnover Rate Update
For the period of July 1, 2012 to June 30, 2013, the College experienced a turnover rate of 7.55%.
Quarterly Treasurer’s Report Through September 30, 2013

Trustee Lowrie reported.

- **For the Three Months Ending September 30, 2013**
  At the end of the first quarter of the fiscal year, revenue lags behind budgeted expectations. Summer 2013 credit hours increased 4.5% but gains are offset by an approximate 4.4% decline in Fall enrollment. Expenses are consistent with budgeted expectations. Tuition and fee revenue is now being presented evenly over the fiscal year rather than in a lump sum at the beginning of each term. This reporting method more accurately match revenue and expense, giving a true representation of the College’s financial performance on a month-to-month basis throughout the fiscal year.

President’s Report

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

- **Student Success Indicators**
  The U.S. Department of Education released the national averages and the two and three year default rates for colleges. Our two-year and three-year default rates, along with the national benchmark for associate degree institutions, are noted below. While our two and three year rates continue to trend upwards, the gap between our default rate and the national benchmark for both rates is increasing. Essentially, we are outperforming the benchmark in both indicator areas. Colleges with three years of two-year default rates of 25 percent or more face sanctions and are at risk of losing eligibility to participate in federal student aid programs. Sanctions based on three years of three-year rates of 30 percent or more will begin in 2014.

<table>
<thead>
<tr>
<th>Year</th>
<th>MCCC Default Rate</th>
<th>Number Defaulted</th>
<th>Number into Repayment</th>
<th>National Benchmark</th>
<th>Difference between MCCC Rate and National</th>
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<tr>
<td>2011</td>
<td>10.8%</td>
<td>212</td>
<td>1,960</td>
<td>15.0%</td>
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<td>942</td>
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<td>2006</td>
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Three-Year Default Rate

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<th>Year</th>
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<th>Number into Repayment</th>
<th>National Benchmark</th>
<th>Difference between MCCC Rate and National</th>
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<td>2010</td>
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<td>214</td>
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<td>2009</td>
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<td>157</td>
<td>1,174</td>
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As part of the President’s Report, Dr. Swanson, Vice President of Student Affairs and Enrollment Management presented to the Board a brief overview of the College’s two and three year default rates.

- **Enrollment Summary**
  
  *Fall 2013*
  
  As of October 15, Fall 2013 unduplicated headcount is down 2.78 percent (13,701) compared to last year (14,093). Credits generated are down 4.26 percent (114,172) compared to last year (119,256). New student headcount is also down .68 percent (4,224) compared to last year (4,253). The average credit load per student is 8.33.

  On a campus by campus comparison, Central Campus duplicated headcount is down 5.80 percent (8,915) compared to last year (9,464). West Campus duplicated headcount is down 10.33 percent (2,308) compared to last year (2,574). E-Learning duplicated headcount is down 1.96 percent (3,552) compared to same day last year (3,623). Currently, the Culinary Arts Institute has a duplicated headcount of 120 students.

  The College will launch a new Winter Session, in pilot form, from December 18 through January 11. Thirty courses will be offered on-line and are transferable general education core courses. The marketing efforts for these courses will target our guest students from four year colleges and universities (those we attracted with great success in our Summer Sessions) who are on semester break and who would like to accelerate their degree completion through taking a course in this intensive on-line format. The College will assess the Winter Session after completion to determine the session’s effectiveness from academic, student success and fiscal perspectives as well as if and/or how it should be offered in the future.

- **Success**
  
  The 15th GED (General Education Degree) program graduation was held at the West Campus on October 16. Mr. Scott Rau, a member of the College’s Alumni Hall of Fame and Foundation Board of Directors, was the keynote speaker. Forty-six students successfully earned their GED. Thirty-five of the students have expressed interest in enrolling in the College. Commissioner Leslie Richards provided welcoming remarks to the graduates and their families.
Access
The College launched an updated website on October 11. The website is a key marketing tool for prospective students and is part of our major college-wide initiative to revamp student enrollment communications. The updated site features an improved navigation system, internal sliders and pop-ups to improve readability, fresh photography, and a new calendar system.

Build Curricular Relevance, Innovation in Delivery and Supportive Faculty Development Systems.
The Dental Hygiene Program had its reaccreditation site visit on October 8 and 9. The College was informed the Dental Hygiene Program is in compliance with all accreditation standards and has received no recommendations or suggestions.

The College was recently notified by the National Accrediting Agency for Clinical Laboratory Sciences (NAACLS) Board of Directors’ that our Medical Laboratory Technical (MLT) program will continue its full accreditation until October 31, 2020.

Develop an Engaged Community
The 25th annual Community Day took place at the College’s Central Campus on October 5. The event featured live music, family activities, a health expo provided by our health science students, farmers market, food and community vendors, faculty/division displays, a women’s soccer game and over 25 student club activities.

On October 12, the 6th Annual Schuylkill River Festival was held at our West Campus in collaboration with the Pottstown community.

President’s Outreach
On September 26, President Stout attended the Norristown Business Association mixer at the law offices of Joshua Chung, for the celebration of the signing of our first international transfer agreement with Dongseo University in South Korea. President Stout thanked Trustee Moon Ahn for his participation at this event.

On October 10, President Stout joined C. Alan Walker, Secretary of Pennsylvania’s Department of Community & Economic Development (DCED), Senator Bob Mensch, Representative Marcy Toepel, along with business and community leaders during the PerkUp Education Advisory Meeting held at Brown Printing in East Greenville, Pennsylvania. During the meeting President Stout spoke to the power of partnership. The PerkUp Education Advisory Committee presented the work of the Committee, some of which was funded via a $100,000 grant from DCED to the College. The purpose of the grant is to train workers of employers in the Upper Perkiomen Valley.

On the evening of October 10, President Stout was honored for her work in higher education, during the 17th Annual Awareness Event, “Changing Lives Through Education,” dinner hosted by the Montgomery County Commission on Women and Families, along with the Montgomery County Board of Commissioners. It is the mission of the Montgomery County Commission on Women and Families to foster leadership; provide awareness of existing services; promote development of resources and advocate equal access to such resources in order to enhance the lives of women and families.
President Stout is serving as Chair of the Baltimore City Community College’s Middle States Self-Study visit. On October 17 & 18 she conducted the preliminary visit meeting with Trustees, faculty, administration and staff to determine their readiness to move forward with the spring 2014 team visit.

- **Legislative**
  For the second year, the College’s Central Campus was the site for Representative Kate Harper’s Veterans Breakfast held on September 13. Congressman Patrick Meehan was the Keynote Speaker.

  The College has reinstituted and expanded upon our legislative guest Story Hour reading program. Legislators from our Pennsylvania State delegation have been visiting with our Children’s Center and reading them a book selected by our library staff.

  On October 10, the Legislator in Residence program launched for the second year at the College. The program provides an opportunity for an open dialogue between Pennsylvania House and Senate Montgomery County delegation members, their staff members and students about civic engagement opportunities and the legislative process. It also gives elected officials and their staffs a chance to increase their awareness of issues facing today’s community college students.

- **Adopt an Entrepreneurial Approach**

  **Foundation/Alumni Highlights**

- **Capital Campaign**
  To date, the Futures Rising campaign has raised $2,295,191. The campaign is currently in the silent phases with solicitations occurring through November 2014. The campaign will go public in late 2014.

- **Faculty/Staff Campaign**
  As of September 27, 2013, 189 faculty and staff gave $65,192 compared to 165 donors for $39,000 last year. The annual campaign kicked off in early October and will run till November 8.

- **Cultivation Events**
  On October 7, journalist, news anchor and author, Larry Kane, gave a private lecture and book signing in the Fine Arts Center for his new book about The Beatles *When They Were Boys*. Over 70 campaign donors and prospects attended this special event and received complimentary signed copies of the book.

- **Alumni**
  On October 11, the College hosted the 12th Annual Alumni Hall of Fame Induction Ceremony. This year’s inductees included: Timothy P. Briggs, who is a member of the Pennsylvania House of Representatives representing the 149th Legislative District; Claudia Castillo ’00, a doctoral candidate at Arcadia University and a former South American gymnastic champion; Alan Porter ’99, an umpire for Major League Baseball; and Charles Yarnall, a perfusionist at Abington Hospital. Nicola Manning-Davenport ’07 was inducted as the Rising Star Alumna and William Strasburg, Founding Trustee of the College and former Chair of the Montgomery County Community College Foundation Board, was inducted as an honorary Alumnus. All six inductees were selected for their service to the community, Montgomery County Community College and their professional achievements.
The College’s Alumni Board welcomed four new members:

- Jeanne LaSorda
- Nicholas Natale
- Rodolfo Tellez
- Mary Lynn Beatty

As part of the President’s Report, Trustee D’Aniello noted that the Alumni Hall of Fame was an outstanding event this year. He noted that Mr. William Strasburg is in the process of putting his memoir together, and that it would be nice to have him speak at one of the Board meetings.

- **Create a High Performance Culture**
  Throughout October, the Human Resources (HR) Department conducted numerous open forum sessions at both campuses to discuss the Affordable Care Act and answer any questions on the changes to the College’s medical and prescription plans for 2014. Open Enrollment for 2014 begins on November 1, 2013. In addition, HR presented a Retirement Information Session for College employees who are eligible to retire. Discussions included information about the retirement process and the benefits employees would receive at the time of retirement.

Throughout the month of September, nearly 100 employees participated in the free biometric screenings which included total cholesterol and blood sugar by finger-stick, height, weight, body mass index, blood pressure and heart rate.

Dr. Steady Moono, Vice President of West Campus provided the Board with a brief overview of The University Center which included the College’s partners, headcount data, GPA, the pro forma overview and future plans for the University Center.

**Finance Committee**

Trustee Kretschman reported for the Committee.

- **Investment of Bond Proceeds**
  The $34.6 million proceeds from the Health Sciences Center bond issuance are being held by the College’s chosen bond trustee, Bank of New York Mellon, until the time when they are needed for funding construction and other project expenses. The bond indenture permits the College to earn income from the investment of these proceeds in a limited number of options deemed “qualified investments.” These basically include government treasuries and other short-term obligations.

Trustee Kretschman made the motion that the Board of Trustees approve the investment of bond proceeds in treasury notes, layered in duration to match the anticipated cash flow needs of the project. Any acceleration in cash needs will be manageable as the Treasury notes can be easily bought or sold. This will provide the College with safety and a higher return on the proceeds than with a money market option. Trustee Montalbano seconded and the Board unanimously approved.

- **Internal Revenue Service Proposed Penalty Notification**
  The College received a penalty notice from the Internal Revenue Service (IRS) for the 2011 tax year. The notice proposes assessing a penalty of $338,500 for missing or incorrect taxpayer
identification numbers (TINs) on forms 1098-T (Tuition Statement) and 1099-MISC (Miscellaneous Income). A large number of colleges and universities nationwide have received similar notices. Both the National Association of College and University Business Officers (NACUBO) and the American Association of Community Colleges (AACC) are working on the issue and communicating with their members about this procedural change.

The College is working closely with Counsel who has identified a five-step action plan which the College is currently implementing. The College will continue to work closely with Counsel to verify that it remains in compliance with the IRS 1098T and 1099-MISC reporting requirements.

This was an information item and required no action by the Board of Trustees.

**Physical Plant Committee**

Trustee D’Aniello reported for the Committee.

- **College Hall Architect Settlement**
  The College continues to pursue the completion of the outstanding Commissioning and LEED certification work for the College Hall project.

  At its March 2013 meeting, the Physical Plant Committee authorized the College and Counsel to pursue a legal remedy to the on-going dispute between the College and Fletcher Thompson related to their outstanding contractual obligations for LEED certification as well as other issues.

  In subsequent exchanges between FTAE and Vice President Freitag and legal counsel, a settlement proposal has been developed.

Trustee Montalbano made the motion to recommend the approval of the authorization to negotiate a settlement agreement with Fletcher Thompson, with advice of Counsel. Trustee Arnhold seconded and the Board unanimously approved.

- **Naming of College Facilities Policy**
  The current policy does not speak to naming physical and nonphysical assets through philanthropic gifts. The Foundation is seeking changes to the naming policy to better meet the needs of the College by attracting donations which support College facilities.

  The adoption of a revised policy will:
  - Provide clarity, consistency and transparency to the naming process,
  - Ensure minimum funding levels are maintained.
  - Serve as a reference document for the College’s Foundation staff and the Montgomery County Community College Foundation Board.

  The College has also reviewed naming opportunities and suggests the following naming guidelines reviewed in the Policy (Attachment A):

  1. Endowments to support non-physical assets:
  2. Types of Endowed Funds:
3. Capital Campaign Naming Procedure
4. Naming Agreement
5. Naming Opportunities

Trustee Montalbano made the motion to recommend that the Board of Trustees approve the revised Naming of College Facilities Policy. Trustee Kretchman seconded and the Board unanimously approved.

- **Health Sciences Center Commissioning Authority**
  The College has been engaged in the process of selecting a commissioning firm for the Health Sciences Center project. An RFP for Commissioning Services was issued on June 27th and a pre-proposal conference was held on July 9th. Fourteen commissioning firms responded to the RFP. The submitted proposals were evaluated and the top three ranked firms were interviewed by an internal College committee.

  Based on the interviews, the Physical Plant Committee recommended to the Board of Trustees MBP who had the most comprehensive approach to commissioning of the firms who submitted proposals. MBP has strong local experience and strong project references on projects at West Chester University, Cheyney University, Thaddeus Stevens College of Technology, and the Haverford Recreation and Environmental Center. MBP’s proposed fee is $134,500.

Trustee Montalbano made the motion to recommend endorsing MBP to serve as the commissioning agent for the Health Science Center project. Trustee Clark seconded and the Board unanimously approved.

**Curriculum Committee**

Trustee Arnhold Reported for the Committee.

- **Academic Program Review Follow-up: Fine Art (A.F.A.)**
  On June 5, 2013, the Fine Art (A.F.A.) Academic Program Review along with recommendations for curricular modification, to the Fine Art (A.F.A.) program and the deletion of the Digital Design (A.A.S.) with Computer Graphics and Multimedia Design options were presented to the Board of Trustees Curriculum Committee. The curricular revisions and program deletion were approved by the Committee and approved by the Board of Trustees. The Curriculum Committee, however, was concerned that the Academic Program Review results were not based on up-to-date enrollment and student success indicators. As a result, the Committee requested that Academic Affairs leadership come back to the Curriculum Committee to present updated data as well as strategies to reverse enrollment decline and to build student success outcomes. New data has emerged for Spring 2013 and Fall 2013 which reflect upward enrollment trends.

  A series of strategies designed to draw attention back to the degree will increase the level of student understanding of and interest in the Fine Art AFA program. The strategies encompass four central themes: 1. A strong cohesive program; 2. Program delivery at time, places and in formats that meet student needs; 3. Strong faculty ownership and engagement in the program; and 4. Strong promotion.

Trustee Arnhold made the recommendation to accept the revised Academic Program Review for the Fine Art (A.F.A.) program. Trustee Clark seconded and the Board unanimously approved.
- **Program Planning – Physical Therapy Assistant A.A.S.**
  A vision for the new Health Sciences Center is to position Montgomery County Community College as a regional hub for health sciences education and workforce training. The planning process for the building identified several new potential credit and noncredit programs and initiatives. These new programs/initiatives will extend the excellent reputation that our current health sciences programs have in the healthcare community, expand the choice of health career offerings to prospective students, capitalize on our expertise in seeking and maintaining the highest levels of specialized accreditation available, and complement our outstanding graduate success on national, standardized certification/licensure/registry examinations. A Physical Therapy Assistant (PTA) A.A.S. offering is one of the initiatives identified for implementation in the new Health Sciences Center for Fall 2016 and is supported by a five year preliminary fiscal proforma which demonstrates the viability of such a program.

PTA programs must seek and obtain CAPTE Candidate for Accreditation status before enrolling students. CAPTE documents identify a typical two-year window for successful program development, granting of candidacy status, and employment of a minimum of two full-time core faculty members, one of which can be a Director. One of the full-time core faculty members must be a licensed Physical Therapist. Faculty must be qualified by education, teaching experience, clinical experience, and licensure, and the program must show evidence of clinical expertise of core and clinical education faculty.

The first three years of the proforma reflect primarily program development. Year One (2013-2014) is dedicated to hiring a program Director. The focus of Year Two (2014-2015) is on developing program operations, curriculum, and clinical affiliates. Year Three (2015-2016) is dedicated to equipment procurement, successful accreditation activities including an on-site visit, and student recruitment.

Trustee Arnhold made the motion to recommend that the Board of Trustees approve the recommendation to immediately begin the hiring process for the full-time Director of Physical Therapy Assistant and a core faculty member for 14-15. Trustee Kretschman seconded and the Board unanimously approved.

**Personnel Committee**

Trustee Montalbano Reported for the Committee.

- **Retirement Plans**
  The College offers three retirement plans: TIAA-CREF, the Public School Employees’ Retirement System (PSERS) and the State Employees’ Retirement System (SERS). TIAA-CREF is a defined contribution plan, while PSERS and SERS are defined benefit plans.

  Based on the growing cost and unfunded liability associated with these pension programs, the College recommends that the programs be limited going forward. Newly employed administrators can be limited to TIAA CREF beginning as soon as January 1, 2014. New employees who have previously participated in SERS and PSERS would continue to be offered the SERS/PSERS option by the College. All existing participants at the College will be grandfathered.
Trustee Montalbano made the motion to recommend that the Board of Trustees approve the plan to discontinue offering PSERS and SERS to new non-bargaining unit employees. Trustee Brandon seconded and the Board unanimously approved.

- **Independence Blue Cross**
  Independence Blue Cross recently released its 2014 prospective rates for the College’s medical insurance program. The initial proposal was an increase of 32%. The College’s broker has been in negotiations with Blue Cross, on behalf of the College. We have now received what is described as IBC’s “best and final offer”; a 23% increase for all of the College’s medical plans. This increase is the weighted average increase for all of the College’s retiree and active employee medical programs. The increase results in a $950,000 funding gap for this fiscal year.

  Trustee Montalbano noted that the key drivers for this increase are:
  - Healthcare Reform accounts for an estimated cost of $300,000 in new taxes.
  - Seven large claims are accounting for $1.8 million in costs.
  - Personal Choice in-patient hospital claims are up by 110%.
  - 65 Special retirement plan is community rated. There is a $363,000 increase at 249%.

  The bulk of the increase is due to a significant increase in utilization, and in particular high-cost claims. High cost claims are defined as cases in excess of $50,000. Of the $1.8 million in large claims, only $509,000 was above the deductible and not calculated in future claims costs; therefore, $1.375 million were factored into the 2014 rate calculation.

  The College will review options for medical insurance for 2015 and beyond in conjunction with planned discussions with the Support Staff and Faculty unions related to the agreements that expire the summer of 2014.

  This is an information item only and requires no action by the Board of Trustees.

**Bids**

Vice President Freitag reported on the Bids.

- **HVAC Upgrades for the Server Room in ATC**
  Trustee Brandon made the motion to approve awarding a contract to Allstate Mechanical of Boothwyn, PA as the lowest responsive, responsible bidder in the amount of $64,000.00. Trustee Kretschman seconded and the Board unanimously approved.

- **Solid Waste and Recycling**
  Trustee Brandon made the motion to approve awarding a contract to Interstate Waste Services of Pennsylvania, LLC d/b/a Advanced Disposal Services, Schwenksville, PA, as the lowest responsive, responsible bidder in the amount of $40,026.00. Trustee Kilkenny seconded and the Board unanimously approved.
Chair’s Report
As part of the Chair’s report, Chairperson D’Aniello noted that in November he will appoint the Nominating Committee to develop and recommend a slate of officers for CY2014. He asked that if any of the Trustees are not interested in being an officer to let him know.

He also congratulated Dr. Stout for receiving the Montgomery County Commission on Women and Families “Changing Lives Through Education” award on October 10. He thanked Dr. Stout for her strong leadership and noted that we are lucky to have such a strong President, especially when there is an extreme shortage of Presidents at two and four-year institutions.

Old Business
There was no old business to report.

New Business
There was no new business to report.

Adjournment
The meeting was adjourned at 5:30 p.m. and went into an Executive Session to discuss Personnel matters. No action was required for the Executive Session.

The next meeting is scheduled for Monday, November 18, 2013, 4:00 p.m. at the Central Campus, East House Rotelle Family Board Room.

_________________________
Michael J. D’Aniello
Chair

Board Minutes, October 21, 2013
Board of Trustees Policy

SUBJECT: Naming of College Facilities

NUMBER: 5.2
PAGE: 1
OF: 7

DATE: October 2013

SUPERSEDES: November 2002

Policy Statement
Montgomery County Community College (the “College”) may honor or memorialize individuals and/or companies for extraordinary contributions to the College. Those contributions may be in the form of major financial gifts, significant time and talent devoted to the College by dedicated members of the College community, and/or distinguished service on the part of faculty and/or staff members. Contributions made to the College may receive recognition in the form of named physical elements, programs, scholarships, lecture series and/or other activities. Naming recognition must be consistent with the reputation and compatible with the mission of the College; and will be commensurate with the scale and nature of the honor sought, in all such cases as determined by the College in its discretion.

Other than where an honorary name for a facility has been approved by the College’s Board of Trustees (the “College Trustees”), College facilities will ordinarily be given functional names that are reasonably descriptive of and will identify the principal activity or purpose of the facility as determined by the College in its discretion.

Reason for Policy
The naming of a physical or non-physical asset of the College is appropriate when a significant contribution has been received for the benefit of the College and/or to honor the character, service or other positive merits of an individual.

This naming policy is adopted to:
- Provide clarity, consistency and transparency to the naming process.
- Ensure minimum funding levels are maintained.
- Serve as a reference document for the College’s development staff and the Board (the “Foundation Board”) of the Montgomery County Community College Foundation (the “Foundation”).

The College will consider the following two general categories of naming opportunities:

Honorary Naming: the College considers the naming of a building, part of a building, or other property or asset of the College, to be among the highest levels of recognition the College can bestow. In that context, it will only be in rare circumstances that College
Board of Trustees Policy

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DATE: October 2013
SUPERSEDES: November 2002

property or other assets will be named in order to honor or memorialize someone who has made an extraordinary contribution to the College.

Persons considered by the College for naming honors shall be determined by the College in its discretion to have been dedicated to the purpose, nature and mission of the College, and shall have achieved outstanding distinction, through civic, intellectual and/or artistic contributions, to the development of the College, the region served by the College, the Commonwealth of Pennsylvania and/or the nation. Responsibility for the naming of a College building or other College asset in honor of an individual rests solely with the College or its Designees (as defined below).

**Philanthropic Naming:** Consideration for naming of a College building, part of a building, classroom or other College property or asset may be given in recognition of a major financial gift to the College. The College’s development staff will seek financial gifts commensurate with the honor sought, and consistent with the reputation and compatible with the mission of the College, as determined by the College in its discretion. Consideration for naming of a College building, etc., will be given, in particular, with respect to major gifts that represent a significant percentage of the cost of the subject building, part of a building, classroom or other College property or asset. The responsibility for the naming of College buildings and other physical and non-physical properties and assets is a collaborative effort between the College and the Foundation.

**Considerations**

The following considerations will be the primary ones taken into account when dealing with opportunities for the naming of physical and non-physical properties and other assets of the College:

- Recognition will be consistent with the College’s mission. In this regard, due attention will be given to both the long and short term appropriateness of the naming.
- Unless an agreed upon time period has been stipulated in the applicable gift agreement, the naming of a physical or non-physical property or other asset of the College in recognition of a donor or other individual implies a commitment by the
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College to the donor that the property or other asset will be maintained by the College for so long as the continued use and/or occupancy of such property or other asset remains, in the discretion of the College, reasonable, prudent and viable under the circumstances. In the event that the College, in its discretion, determines that a cessation of, or other change in, the use, occupancy and/or maintenance of such property or other asset is necessary, warranted and/or unavoidable, the College will try to find an alternative naming opportunity. If the naming has exceeded 20 years, in its discretion, make a determination that the naming has concluded.

- The College will consider outright gifts, pledges, and irrevocable deferred gift arrangements, with respect to naming opportunities. In the case of pledges and/or irrevocable deferred gifts, the College, in its discretion, may determine that, while it is appropriate to implement an immediate naming of a physical or non-physical property or other asset, the applicable gift amount should be set at an amount which, in the discretion of the College, reflects the delay in the College’s receiving the subject gift.

- The College reserves the right to remove the naming rights given to any physical or non-physical College property or other asset should the College determine, in its reasonable discretion, that there has been an adverse change in the reputation of the donor to an extent deemed relevant by the College.

- To support the naming of a non-physical asset of the College (e.g., a center, an institute, a program, an academic unit, or a faculty chair) through the establishment of an endowment (i.e., a gift with stipulations regarding usage), the College will, in its discretion, and as more fully described below, require that the endowment be in an amount anticipated to be sufficient to generate annual earnings consistent and ample enough to sustain the non-physical asset on a permanent basis.

Endowments
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Overview

Endowed gifts are intended to create an ongoing funding source to help ensure the College’s future, while at the same time recognizing a donor’s generosity. Endowments support a wide variety of initiatives at the College, including such things as scholarships, fellowships, professorships, lecture series, library acquisitions, academic programs, co-curricular programs, equipment purchases, and capital improvements. Endowed gifts to or for the benefit of the College are usually invested with the Foundation’s pooled endowment assets. Those pooled endowment assets are managed by the Foundation’s Finance Committee in conjunction with an independent external investment advisor.

The spending rate policy for the endowment is determined by the Foundation Board and, currently, is calculated based upon a three-year moving average of the return on the Foundation’s endowed assets, valued at the Foundation’s fiscal year end (June 30th). The current spending rate is 5%. That spending rate may, from time to time, be adjusted by and in the discretion of the Foundation Board, based upon market performance and other economic factors.

When an endowment has been established, the practice is for the endowed funds to be invested by the Foundation, and only the investment income generated by the endowed funds is used to support its intended purpose. In most cases, any unused investment income reverts back to the corpus of the endowment. During times of economic distress, if the value of the endowment falls below the original amount of the endowed gift, the Foundation, in its discretion, may temporarily suspend the payout until the endowment returns to its original or another targeted amount. These practices are intended to preserve the donor’s original gift, and extend the gift’s impact for generations to come of the College’s students.

The College has determined that the minimum size gift to establish an endowment at the College is currently $20,000. That amount may be paid, over a period of up to 5 years, as determined in the discretion of the College. Endowments can be established in the donor’s name, the name of their business, or in honor of someone important to the donor. The Foundation, working with the College’s development staff, will seek to align the endowment donor’s philanthropic goals and interests with areas of strategic need and importance within
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the College. In addition, the Foundation, working with the College’s development staff, will prepare specific guidelines for the administration of each named endowment.

Types of Endowed Funds

The College currently offers the following endowment opportunities (which are subject to change at the discretion of the College):

• **Endowed Faculty Chair: $150,000 minimum**
  Endowed faculty chairs recognize superior faculty members, and allow the College to attract and retain faculty members who have demonstrated superior teaching ability, by supporting their professional growth and development. The spending income from the endowment may be used for faculty professional development including, but not limited to, conference attendance, release time for research and study, augmenting classroom materials, and equipment acquisitions.

• **Endowed Professorship: $1,000,000 minimum**
  Endowed professorships help the College attract and retain promising professors as a means to ensure the continued quality of the College’s faculty. Spending income from the endowed fund may be used, among other purposes, to help support the applicable professor's salary.

• **Endowed Lecture Series: $100,000 minimum**
  An endowed lecture series is intended to permit the College’s faculty and students to interact with distinguished leaders, who are influencing various related disciplines, society, the nation and/or the world. Spending income generated by the endowment is used by the College to provide for the expenses associated with bringing these speakers to campus.

• **Endowed Scholarships: $20,000 minimum**
  Endowed scholarships support the tuition, fees and other associated expenses of a student attending the College who meets certain guidelines established by the donor and the College. Scholarship guidelines typically include such things as the specific qualifications the donor of the gift would like to see the recipient student possess (e.g., demonstrated financial need, academic prowess), and are usually written broadly enough so as not to hamper the selection of a recipient student and the Foundation’s administration of the endowment fund.
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Capital Campaign Naming Procedure; Administration by the College and the Foundation

At the start of any capital campaign initiated by the College, the Foundation will forward to the College Trustees, for approval, a plan that outlines naming opportunities for new physical facilities to be constructed.

All naming opportunities that involve gifts of $1,000,000 or more must be pre-approved individually by the College Trustees in accordance with the previously submitted and approved plan.

If the value of a naming opportunity gift is $500,000 or greater but less than $1,000,000, the naming opportunity must be pre-approved by the Foundation Board; provided, however, that the Foundation Board may, in its discretion, designate one or more standing and/or ad hoc committee(s) of the Foundation Board as the body authorized to pre-approve the naming rights associated with any such gifts, in accordance with the plan previously submitted to and approved by the College Trustees and the Foundation Board.

All proposed names will be held in confidence by the College and the Foundation during the review and pre-approval process.

Where a gift is contemplated to be made and accompanied by naming opportunities for any of the College’s existing facilities, naming rights recommendations will be made by the College’s development staff to the College Trustees or the Foundation Board, as applicable, for pre-approval in accordance with the foregoing dollar-amount guidelines.

Each naming opportunity will be reviewed by the College and the Foundation for compliance with applicable law. The College and the Foundation will maintain a comprehensive record of all named physical and non-physical assets.
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Naming opportunities bestowed and plans already underway for naming opportunities created and/or undertaken prior to the College Trustees’ approval of this policy will be considered “grandfathered” under this policy.

Review

This policy will be reviewed periodically by the College’s development staff with all recommended changes requiring approval by the College Trustees and the Foundation Board, as the case may be.