The meeting of the Montgomery County Community College Board of Trustees was held on Monday, October 20, 2014 at 4:00 p.m. in North Hall 106, West Campus.

Board of Trustees – Present: Michael D’Aniello, Chairperson; Andy Cantor, Vice Chairperson; Geoffrey Brandon, Margot Clark, Eric Kretschman (via phone 4:35 p.m.), Sean Kilkenny, Ed Mullin and Ellen Toplin

Absent: Regina Lowrie, Treasurer; Trudy Mann, Secretary; Marcel Groen, Assistant Secretary; Moon Ahn, Susan Arnhold, Richard Montalbano and John Rafferty

Also Present:
Karen Stout, President; Marc Davis, Solicitor; Sharon Beales, Vice President for Development and External Relations; Vicki Bastecki-Perez, Vice President of Academic Affairs and Provost; Steady Moono, Vice President of West Campus; Celeste Schwartz, Vice President of Information Technology and College Services; Mike Yosifon, Interim Vice President for Finance and Administration; Peggy Lee-Clark, Executive Director of Government Relations and Special Projects; Diane O’Connor, Executive Director of Human Resources; Rhoda McFadden Faculty Union President, History Professor; Jaime Garrido, Associate Vice President for Facilities and Construction; Alana Mauger, Director of Communications; Kathleen McGirr, Controller; Jose Alicea, Dean of Academic and Student Affairs, West Campus; Deborah Rogers, Executive Assistant to the Board of Trustees; Leon Hill, Assistant Vice President for Institutional Research and Effectiveness; Joe Mancini, Executive Director of Technical Services; Ryan Foster, Information Technology Manager, West Campus; Grace Bako, West Campus Student Government President; Tonia Green, West Campus Student Government Vice President

Call to Order
Chairperson D’Aniello called the meeting to order at 4:10 p.m.

Pledge of Allegiance
Grace Bako, West Campus Student Government President and Tonia Green, West Campus Student Government Vice President led the attendees in reciting the Pledge of Allegiance.

Introduction of Guests
President Stout introduce Jose Alicea, the new Dean of Academic Affairs and Student Affairs, West Campus.

Public Testimony
There was no public testimony.

Consent Agenda
Trustee Toplin made the motion to approve Consent Agenda Items A through J for the month of October as presented. Trustee Clark seconded and the Board unanimously approved Consent Agenda Items A through J.
Action Items:
A. Approval of September 15, 2014 Minutes
B. Treasurer’s Report through September 30, 2014
C. Curriculum Modification: Health and Fitness Professional (A.A.S.)
D. Ratification of October Professional Appointments and Separations:

Administrative Appointments (1)

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Start Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christiana D’Adamo</td>
<td>Advancement Services Administrator</td>
<td>9/2/14</td>
</tr>
</tbody>
</table>

Faculty Appointments (3)

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Start Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jill Bregovi</td>
<td>Nursing Instructor</td>
<td>8/4/14</td>
</tr>
<tr>
<td>Kathleen Perlmutter</td>
<td>Medical Laboratory Technical Instructor</td>
<td>8/4/14</td>
</tr>
<tr>
<td>Joseph Jacques</td>
<td>Baking and Pastry Instructor</td>
<td>8/20/14</td>
</tr>
</tbody>
</table>

Administrative Separations (3)

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michael Rivera</td>
<td>Assistant Vice President, Academic Affairs</td>
<td>8/29/14</td>
</tr>
<tr>
<td>Angela Hollis</td>
<td>TAACCCT Grant Career Coach</td>
<td>9/30/14</td>
</tr>
<tr>
<td>Joan Branch</td>
<td>TAACCCT Grant Project Director</td>
<td>9/30/14</td>
</tr>
</tbody>
</table>

Information Items:
E. IRS Proposed Penalty Notice
F. Update on Independent Audit for 2013/14
G. Review of Investment Performance
H. New, Modified and Deleted Courses
I. Faculty Accomplishments
J. Employee Turnover Report

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

Student Success:
- Student Loan Default Rate
  The official three-year student loan default rates were released at the end of September. While the Department of Education has calculated three-year default rates for the past two years, this year is the first year colleges will be judged on a three-year default rate. Prior to this year, colleges were judged on two-year default rates. The Department of Education will bar federal aid to colleges with default rates of 30 percent or more for three consecutive years, or 40 percent in a single year.

  The Chart on the following page shows the College’s three-year default rate.
## Three-Year Default Rate

<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 and National Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>15.0%</td>
<td>295</td>
<td>1,959</td>
<td>20.6%</td>
<td>-5.6</td>
</tr>
<tr>
<td>2010</td>
<td>15.3%</td>
<td>214</td>
<td>1,390</td>
<td>20.9%</td>
<td>-5.6</td>
</tr>
<tr>
<td>2009</td>
<td>13.3%</td>
<td>157</td>
<td>1,174</td>
<td>18.3%</td>
<td>-5.0</td>
</tr>
</tbody>
</table>

The default rates for community colleges in Pennsylvania ranged from 11.2 to 26.4. Eight of the fourteen colleges saw an increase in their default rates from the prior year.

- **Student Success Initiative (SSI)**
  The College gained re-certification as an Achieving the Dream Leader College through 2017. The re-certification recognizes our progress in advancing student success rates.

### Fall 2014 Enrollment Summary:

As of today, October 20, fall 2014 unduplicated headcount is down 3.68 percent (13,151) compared to last year (13,653). Total credit hours is down 2.79 percent (109,678) compared to last year (112,824).

### Success:

The Surgical Technology Program at Montgomery County Community College has received the annual merit award from the National Board of Surgical Technology and Surgical Assisting (NBSTSA) for achieving a 100 percent pass rate on the Certified Surgical Technologist (CST) examination for the cycle of August 1, 2013 through July 31, 2014.

Additionally, 100 percent of the 2014 MLT graduates (10) successfully passed the ASCP (American Society for Clinical Pathology) Certification Examination within six months of graduation.

Also, 100 percent of Phlebotomy graduates (13) who sat for the ASCP Examination during the January 2014 to June 2014 passed this exam.

President Stout congratulated Dean Welhan and her faculty for the outstanding success of the students in these programs.

### Student Leadership/Service Learning/Co-Curricular Accomplishments:

The Student Leadership and Involvement Office sponsored the annual Student Club Fair at both campuses on September 17. Over 120 students and nine clubs participated at West Campus, with two additional clubs forming as a result of the fair. At Central Campus, close to 400 students and 35 student clubs participated.
On October 3, National Manufacturers' Day, Gateway to College students visited Acme Corrugated Box Company, to learn more about manufacturing and careers in manufacturing. The Workforce Investment Board supported the event by providing transportation for the students.

On October 3-4 the Student Leadership Retreat was held at Camp Green Lane. Over 30 student leaders participated in teambuilding and leadership development activities. President Stout had the opportunity to meet with them and discuss the expectations of a student leader and the work they plan to do for the academic year.

- **Athletics Update**
  As of October 13, the women’s volleyball team record was 11-10 overall and 10-9 in the conference, with one match left in season play. They have made the playoffs and played in the first round on October 18 at the highest seed. The Final Four for volleyball will be hosted by Montgomery County Community College on Saturday, October 25.

  As of October 13, the men’s soccer team record was 6-5-1 overall and 6-4-1 in the conference, with one game left in season play. They have made the playoffs and will play in the first round on October 25 at the highest seed, with the second round on Tuesday, October 28. The finals are being hosted by Ocean County College on Saturday, November 1.

**Develop an Engaged Community:**
On October 11, the Central Campus hosted the “Whitpain Community Festival at Montgomery County Community College.” Nearly 80 community vendors and six food vendors were present. The event included the Health Expo sponsored by the College’s health science students, children’s games, novelties, musical acts, and a College tent to promote our programs. Main stage performances in the evening included the headliner act Puss-N-Boots (featuring Norah Jones) and were followed by fireworks. This partnership replaced the College’s Community Day and allowed the event to expand and in spite of the rain delay and cool weather, served nearly 2,000 participants.

**Staff Outreach:**
Chef Francine Marz, Director of The Culinary Arts Institute, joined chefs from around the globe to share cuisine and culture at the 15th Annual Chinese Food Festival and International Gourmet Expo in Wuhan, China, Sept. 22-26. While in China, she met many professional chefs and experienced cuisine from around the world. Chef Marz is now able to bring new dishes and cooking techniques back to our classrooms at the Culinary Arts Institute to share with students and broaden their culinary knowledge.

**Legislative Outreach:**
As part of a new pilot program, four Montgomery County Community College female students recently spent a day with women members of the Pennsylvania House of Representatives in Harrisburg to explore careers in public service. For the Legislator Shadowing Pilot, students Danielle Leonhardt and Gabrielle Scotti, both of Lansdale, Lavinia Soliman of Harleysville and Elizabeth Waddell of West Conshohocken, met with host Representative Marcy Toepel and Representatives Kate Harper, and Mary Jo Daley to learn about their careers, achievements, and experience. Representative Mike Vereb supported the program by hosting a lunch for the students.
**Sense of Place to Support Learning:**

On September 17, Marie Ryan, Manager of Procurement and Accounts Payable and Joshua Schwartz, Executive Assistant to the President attended Office Depot’s 2014 Leadership in Greener Purchasing Summit and Awards Ceremony at Office’s Depot’s Global Headquarters in Boca Raton, Florida. Through the efforts of the College’s Green Office Initiative, Office Depot awarded the College the “Community College Leadership in Greener Purchasing” award for pushing Office Depot into digging deeper into their analytics which allowed Marie and Josh to use the analytics in developing a program at the College for sustained growth in greener purchasing. The College was one of 30 winners out of nearly 7,500 companies and organizations working with Office Depot. The College was the only community college in attendance.

**Adopt an Entrepreneurial Approach:**

The Culinary Arts Institute (CAI) of Montgomery County Community College celebrated the opening of its new retail bakery café with a special ribbon-cutting ceremony on October 9. A contest was held to name the new café. The winning selection, The Forty Foot Café and the nominee winner, Shannon Booker, were announced at the ceremony. The café will open with a wide selection of bakery items especially prepared by students for this event. The retail bakery adds an entrepreneurial component to the educational programs at the CAI by providing students the opportunity to operate and manage the café. Starting October 15, the café will be open to the public Wednesdays and Thursdays, 8:30-11:30 a.m., for the sale of baked goods and other specialty items created by the students in their classes.

- **Foundation/Alumni Highlights:**
  President Stout noted that the Foundation is coming to the end of the silent phase of the capital campaign and will be announcing the public phase in the coming weeks.

**Joint Finance & Personnel Committees:**

Trustee D’Aniello reported for the Committee.

- **Calendar Year 2015 Health Care:**
  With an increasing percentage of the College's total compensation budget being in health care benefits---medical, prescription drug, dental---for active and retired employees and the increasing pressures on the College's operating budget from cuts in state and local funding and declining enrollment, the Board's Personnel and Finance committees have been meeting jointly for more than a year to work to blunt the growth in health care costs while preserving a strong total rewards environment for our employees.

  Last calendar year (2014), this issue became very important when the College’s medical rates went up 30 percent and we were forced to absorb more than $1.8 million in additional unanticipated and unbudgeted expenses.

  In January of 2014, in a meeting with the then College broker, the joint committee was advised by the broker that we were facing similar increases in costs for CY 2015 based on utilization trends at that time.

  At that point, the Committee asked administration to take these proactive steps to address this issue for calendar year 2015:
• consider changing the broker to gain more comprehensive data and guidance on options for moving forward to blunt growth in costs;
• place our health care program—medical and prescription—out to bid to see if health care providers, other than IBC, might be able to offer the college competitive rates for similar health care coverage;
• consider self-insurance rather than a fully insured approach to managing health care.

Over the course of the last few months, we moved forward in all three areas. We changed brokers. We placed the health care package out for bid. And, we have completed due diligence around self-insurance.

Today’s recommendation comes after much discussion and working with utilization data that changes quarterly and often with dramatic swings.

Utilization rates in the last few months shifted with declines in medical costs but with significant increases—thirty percent—in prescription drugs. There is nothing the college can do at this point to blunt the prescription drug growth.

Bid results for the health care package were competitive and, we believe, brought IBC to the table with better rates than in the past. Aetna’s bid response was highly competitive, bidding at a rate that would reduce our overall costs in health care and prescription drugs. However, the Board was concerned about the disruption for employees that might result from a shift in providers. Thus, today we are recommending a move to self-insurance. This move does not result in any savings for the College. In fact, our overall rates for medical and prescription still increase. The move will be transparent to the employee community and we are confident that our human resources and finance teams can work behind the scenes to implement the change.

The move requires the College to advance $260,000 as an upfront deposit and to establish a reserve of $800,000 via a letter of credit. We are prepared to do both.

With this move to self-insurance, with all the due diligence behind it, the College has done everything possible to contain health care costs while preserving strong employee benefits for CY2015.

Trustee Kretschman motioned to move to self-insurance with the College advancing the $260,000 upfront deposit and to establish a reserve of $800,000 via a letter of credit. Trustee Cantor seconded and the Board unanimously approved.

Physical Plant Committee
Trustee Mullin Reported for the Committee.

- ESCO Project
At its June 2014 meeting, the Board of Trustees authorized the College to structure an arrangement with Siemens to perform the outdoor lighting project as part of a revised ESCO agreement using funds that will be provided by the County in the amount of $500,000.
The negotiated arrangement proposes to amend the current ESCO Guaranteed Energy Savings Agreement between the College and Siemens to add the Outdoor Lighting Retrofit project as Energy Conservation Measures #15 (Central Campus) and #16 (West Campus). Consistent with the terms of the agreement, the cost of the improvements will be paid with the project generated savings and the $500,000 County capital contribution. The overall cost of the additional work is $1,545,000. The amount to be financed is $1,051,794 through Siemens Public, Inc. over a fifteen year period, at a rate of 2.94%.

The College proposes to enter into two agreements with Siemens. The first agreement is for Bank Qualified Tax Exempt Lease Financing with Siemens Public Inc. The second agreement is Amendment No.1 to the existing GESA contract between MCCC and Siemens. These two agreements, developed with Counsel advice, will enable the College to proceed with the additional ECM’s #15 and #16 under the current ESCO project.

Trustee Mullin motioned to adopt the resolution authorizing the College to execute Amendment No. 1 to the GESA agreement with Siemens, as well as the corresponding financing agreements. Trustee Brandon seconded and the Board unanimously approved.

**Curriculum Committee**

Trustee Toplin reported for the Committee.

- **2015 Middle States Self-Study Update:**
  Dr. Steady Moono, Vice President of West Campus and Co-Chair of the Middle States Self Study provided the Board with a brief update on the Self-Study Report and noted that the Preliminary visit with Dr. Mellow on October 17 went well. The steering committee will continue to meet on a monthly or as needed basis and will continue to work on the plans for the full team visit in March 2015.

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

**Chair’s Report**

Chairman D’Aniello thanked the Board members for taking the time to meet with Dr. Mellow, our Middle States Team Chair during her preliminary visit to the campus. He also reminded the Board to attend the November 14 event (Celebrate our Past, Launch our Future). He also noted that in November he will be appointing the Nominating Committee and if anyone is interested in being an officer or want to be removed as an officer to let him know. This will help him to appoint a committee without possible conflict of a Trustee being on the Committee and wanting to be an Officer.

**Old Business**

There was no old business to report.

**New Business**

There was no new business to report.
Adjournment

The meeting was adjourned at 4:54 p.m.

Executive Session

The Board went into an executive session after the meeting to discuss personnel issues. No action was necessary from the session.

The next meeting is scheduled for Monday, November 17, 2014, 4:00 p.m. in the Rotelle Family Board Room, Central Campus.

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Michael D’Aniello
Chair