

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

Minutes of the Regular Board Meeting of Thursday, August 27, 1998

CALL TO ORDER: The regular meeting of the Board of Trustees of Community College District No. 512 was called to order by Chair Kolze on Thursday, August 27, 1998 at 7:01 p.m. in the Student and Administration Center (A-238) of the Administration Building, 1200 W. Algonquin Road, Palatine, Illinois.

ROLL CALL: Present: Members Barton, Botterman, Gillette, Hess, Howard (7:12 p.m. arrival), Kolze and Shure; and Student Member Valadez
Absent: None

Also present: Robert Breuder, President; Ed Dolan, V.P. Academic Affairs; Bonnie Henry, V.P. Student Affairs; David McShane, V.P. Information Systems; Judy Thorson, V.P. Administrative Services; Mary Azawi; Larry Bielawa; Catherine Brod; Steve Catlin; Harley Chapman; Tom Choice; Lori Danaher; Bob Getz; Jerry Gotham; Bill Howard; Sylvia Kingsley; Roberta Lindenthaler; David Macaulay; Russ Mills; Elena Pokot; Sheila Quirk; Sharon Szymoniak and Joan Young - Harper. Student: Kitty Cowley.

Guests: Michelle Martin, Daily Herald; Maryanne Giustino, Chicago Tribune; Bruce Manson and Tom Rooney, Gilbane Construction.

Chair Kolze welcomed back Student Member Valadez who had been absent from the June and July Board meetings.

CITIZEN PARTICIPATION

There was no citizen participation.

PRESIDENT'S REPORT

There was no President's Report.

STUDENT TRUSTEE REPORT

Student Member Valadez noted that he had been working with the U.S. Hispanic Chamber of Commerce in Washington, D.C. over the summer. He worked from 9:00 a.m. to 6:00 p.m. each weekday and was then able to go sight-seeing. He met various representatives,

visited the White House and shook hands with President Clinton. He learned a great deal and described the whole experience as "life-changing."

Currently at Harper, Student Member Valadez is working with Professor Jack Gallagher on the Voter Registration Drive. He is also involved with organizing the open forum where candidates for the November election will be speaking. He added that this is a great opportunity for students and faculty to get to know their representatives. In September, Student Member Valadez will be hosting a campus tour for international students visiting from France.

APPROVAL OF AGENDA

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

Chair Kolze noted that a revision to Exhibit VII-3b has been distributed to Board members. Vice President Judy Thorson explained that at the time of the Board packet printing, the College had selected the low bidder. It was later discovered that the bidder had not met specifications. The next low bidder was then selected as a result.

Member Barton moved, Member Gillette seconded, that the agenda be approved as modified.

Upon roll call, the vote was as follows:

Ayes: Members Barton, Botterman,
Gillette, Hess, Kolze and Shure
Nays: None

Motion carried. Student Member Valadez voted aye.

CONSENT AGENDA

Member Gillette requested that items VII-2 and VII-5 be removed from the Consent Agenda.

Member Gillette noted an error in the minutes of the executive session of July 23, 1998. Approval of Paul Thompson's retirement fund was voted on in the regular meeting, not in

executive session. The vote should be stricken from the executive session minutes.

Member Gillette moved, Member Botterman seconded, approval of the minutes of the July 23, 1998 Regular Board meeting and executive session; bid awards; purchase orders; and for information: financial statements, committee and liaison reports, grants and gifts status report, as modified and outlined in Exhibits VII-1, VII-3, VII-4, and VII-6 through VII-8 (attached to the minutes in the Board of Trustees' Official Book of Minutes).

Bid Awards

Ex. VII-3a Award Bid Q8895, for Steelcase furniture for the Registrar's Office to Office Equipment Company of Chicago, the low bidder, in the amount of \$37,639.23.

Ex. VII-3b Award Bid Q8897 to Swiderski Electronics, Inc., the low bidder meeting specifications for the Video/Data Projectors and the portable public address system in the amount of \$51,778.00; to Video Images, Inc., the low bidder for the TV monitors in the amount of \$1,960.00; to Columbia Audio/Visual, the low bidder for the 27" combination TV/VCRs, the VCRs, and the Camcorder in the amount of \$7,551.00; and to United Visual, Inc., the low bidder for the 13" combination TV/VCRs, the Slide Projectors, the Scan Converters, and the Overhead Projectors in the amount of \$9,336.00 for a total award of \$70,625.00.

Ex. VII-3c Award Bid Q8896 to Bicycle Connection of Schaumburg, the low bidder for 21 Schwinn Spinner Pro Elite Bikes, in the amount of \$14,595.00.

addition to the previously awarded contract for high-level access for the last 10 months at approximately \$10,000 per month. Vice President McShane responded that due to the new phone switch coming and having to rewire and reroute the connections from Ameritech, the College has not begun the service and therefore, has not paid the bill for that contract. He added that in order to continue having Internet access, the College is purchasing on a three-month basis. In response to Member Gillette, Vice President Thorson explained that this is \$1,495 a month for three months, totaling \$4,485.

In regard to Page 32 - Check #6003095 for \$14,210 to Comet Plastering and Drywall, Member Gillette asked why there had not been competitive bids. Vice President Thorson explained that this total amount was the combination of two separate projects. She added that the company was hired to do a project in Building A for \$6,430. Later, it was discovered that the company could be used for a project on the first floor hallway of Building F for \$7,780. Each of the projects was under the \$10,000 requirement for competitive bids. In response to Member Gillette, Vice President Thorson reiterated that these clearly began as two separate projects. At the time of the first project, it was not known that there would be additional work for this company. Member Howard added that there also must have been a question of timing in order to get things done before students returned.

Upon roll call, the vote was as follows:

Ayes: Members Barton, Botterman,
Gillette, Hess, Howard, Kolze and
Shure
Nays: None

Motion carried. Student Member Valadez voted aye.

Personnel Actions Member Howard moved, Member Barton seconded, approval of the Personnel Actions as outlined in Exhibit VII-5 (attached to the minutes in the Board of Trustees' Official Book of Minutes).

Professional/Technical Appointments

Matthew Davis, Research Analyst, Office of Research, 07/20/98, \$31,000

Robert Foster, Linguistic Specialist, p/t, Access and Disability Services, 08/17/98, \$27,200

Colette McDonough, Program Specialist - Travel Academy, Liberal Arts, 08/11/98, \$34,500

Susan Smalstig, Chemical Lab Technician I, p/t, TM/PS, 08/15/98, \$12,064

Classified Staff Appointments

Sonja Barbaro, Clerk/Receptionist, p/t, AE/LS-Tutoring Center, 08/17/98, \$9,379

Connie Copeland, Food Service Worker II, p/t, Food Service, 08/15/98, \$12,771

Stacy DeVoney, Information Receptionist, p/t, Student Development-CNS, 07/27/98, \$5,391

Michael Loyd, Mail Messenger, Mail Center, 08/03/98, \$17,238

Dinorah Rodriguez, Clerk Typist II, p/t, AE/LS-AED Outreach, 08/04/98, \$14,040

Ruth Samuelson, AED Program Assistant, AE/LS-AED, 08/03/98, \$24,910

Harper #512 - IEA Appointment

Robert Andersen, Weekend Custodian, p/t, Physical Plant, 08/15/98, \$4,320

Incentive Compensation

Linda Brinkman, New Business Development Manager, Corporate Services, \$7,613.82

Amy Vogelgesang, New Business Development Manager, Corporate Services, \$1,296.72

Administrator Retirement

Joan Young, Director, Marketing Services Center, 06/30/99, 22 years

Professional/Technical Resignations

Sheila Connelly, Nurse, p/t, Health Services, 08/15/98, 1 yr. 8 mths.

Elizabeth Stady, Tutoring Specialist, Access and Disability Services, 08/14/98, 2 yrs. 11 mths.

Supervisory/Confidential Resignation

Charles Gura, Supervisor, Roads & Grounds, Physical Plant, 08/14/98, 12 yrs. 10 mths.

Classified Staff Resignations

Michael LaVant, Library Assistant I, p/t, Library Services, 07/07/98, 1 yr. 11 mths.

Rina Raudales, Clerk Typist II, p/t, AE/LS, AED Outreach, 07/31/98, 2 yrs. 9 mths.

Kimberly Smogoleski, Receptionist, p/t, Registrar's Office, 09/04/98, 2 yrs. 11 mths.

Harper #512 - IEA Resignation

Kay Webb, Groundskeeper, Physical Plant, 08/28/98, 11 yrs. 11 mths.

Member Gillette asked if the College has a policy regarding incentive compensation. Dr. Breuder stated that there is not an existing policy. He asked Lori Danaher to explain the incentive compensation plan for Corporate Services.

Ms. Danaher stated that Corporate Services operates like a sales organization. They hire sales people from the industry and need to compensate them appropriately. A straight salary is inconsistent with industry. The incentive compensation plan was developed out of the need to reduce turnover at the Coordinator Level and to allow Corporate Services to attract and retain good people to continue its growth.

Ms. Danaher explained that the plan was developed based on research. The Sales Force Compensation Journal gives rise to information on standards in the industry. For example, 87 percent of the companies indicated that they had at least one or more sales incentive plans in their organization with variable pay programs, including 44 percent if the company is in the not-for-profit sector. A great deal of research was

gathered in regard to sales in the community college arena, and also sales in industry.

Ms. Danaher explained that all Coordinators and Business Development Managers in Corporate Services have annual sales goals which are ultimately set by her as the manager of the department. These goals are based on what is consistent in the industry and also on Harper's historical track record. The goals also take into consideration learning curves, client loads, etc. Each Coordinator is assigned an annual sales goal and each must exceed (not just achieve) their goal in order to receive any incentive compensation. She added that the sales goals in Corporate Services are based on profit and the payout takes place after the final sales numbers are in for the year.

Member Gillette stated that he would like to see a policy come before the Board in order to understand how the program works. Vice President Ed Dolan noted that discussion regarding the development of an incentive plan has been ongoing for the past several years. A contract (which contained this specific authorization) was negotiated last year with the Pro Tech Union and it was brought to the Board for approval. There is no established "policy" other than the general compensation policy. Dr. Dolan added that President Breuder was briefed on the subject as soon as he came on board and he supported it, as did President Thompson. Dr. Breuder has made some suggestions to improve the program. Larry Bielawa noted that legal counsel reviewed the plan and determined that it is an appropriate type of compensation plan for this group of employees.

Chair Kolze asked Board members if they would like to see a policy on compensation incentive plans.

- Member Barton felt that a policy is not necessary.
- Member Howard stated that, if there is a policy, it should be general reflecting that it is appropriate to have incentive compensation in certain areas of the

College. The procedure would be more detailed as to how the plan works.

- Member Gillette would like a policy that indicates what percentage is used to calculate the incentive amount. He added that no one on the Board could answer if someone asked what percentage is applied.
- Members Shure, Botterman and Hess stated that they had no thoughts one way or the other.
- Chair Kolze stated that he is in favor of having a policy. He asked Dr. Breuder to develop one and present it to the Board for their review.

President Breuder stated that they would come up with a rather simplistic but focused policy statement providing a broad, general direction, but not so finite as to require continuous attention and revision. Then, a particular plan as it relates to an applied area (such as Corporate Services) can be shared with the Board, for information purposes or for approval. He added that the plan makes sense to him. He supports the concept and the dollars.

Chair Kolze suggested that perhaps such a policy could be used in developing compensation plans in other areas of the College where it is difficult to retain people that are in demand (particularly Information Systems).

Member Howard complimented Lori Danaher and her staff on developing this program. She added that Corporate Services is one of the fastest growing enrollment programs Harper has and to manage it well, you must have good people.

Upon roll call, the vote was as follows:

Ayes: Members Barton, Botterman,
Gillette, Hess, Howard, Kolze and
Shure
Nays: None

Motion carried. Student Member Valadez voted aye.

going to be, so it is best to be conservative in estimating income, rather than liberal.

Chair Kolze noted that during budget discussions over the past few years, budget goals were set by the Board. A figure of plus or minus five percent was agreed upon as an acceptable variance from the budget. He stated he was not alarmed at the figures and looked at the budget as a whole. Looking at the line item does not give a complete picture.

Dr. Breuder explained that with a \$90 million budget, a variance of five percent would equal \$4.5 million. Not only was the College's \$89 million budget balanced, there was a grand total of \$500,000 that was earmarked for contingency (\$400,000 on the 01 side and \$100,000 on the other two sides).

Vice President Thorson explained that last year, the audit firm made some incorrect entries. The College earned \$500,000 more than what is shown because of the adjustment. Member Gillette stated he was satisfied with that answer, because it explains the error that he saw. He would have liked to have seen an explanation in the Board packet. Dr. Breuder apologized for having asked Vice President Thorson to remove a paragraph explaining the situation. He had felt it would complicate the issue.

Dr. Breuder reiterated that coming out at the end of the year with \$500,000 on the positive side of the ledger is a credit to the people who administer the funds at this institution and it reflects tight budgeting. Initially, there had been a planned deficit of \$2 million. Once there is additional money in the contingency, it can be used for the list of institution-wide priorities that have been identified.

Member Gillette expressed concern with having to tell employees to be tight on the budget all year, and then having the College end up with money in the bank. He suggested being open about the contingency and explaining how it will work toward addressing the list of priorities.

Chair Kolze asked if the Board could hear a report on the start of school.

Vice President Henry noted that students are back in classes. They seem to be getting involved. There have been a lot of activities going on in the Student Center. In response to Member Barton, Vice President Henry stated that enrollment is not as high as they would like. Enrollment is down on the credit side and up on the continuing education side from last year - and overall it is down. Dr. Henry noted that there are variable start courses and they are still enrolling students even though classes have begun. Dr. Breuder stated that they are working towards having both the credit side and the non-credit side numbers go up so that we continue to see a growth in enrollment at Harper. He noted that there will be a growth in the unduplicated headcount student population. The number of bodies that Harper must accommodate is growing.

Chair Kolze asked Student Senate President Kitty Cowley to say a few words. Ms. Cowley noted that she has had the opportunity to speak with many students. She is finding that they have a lot of energy, a good attitude and they are very excited about the year. In general, they are happy to be at Harper and do not have the negative feeling that they are going to a community college instead of a four-year university.

Student Member Valadez stated that as he returned to Harper this fall, he noticed the campus looks cleaner and the Student Center looks nicer. He has a class in Building E and the lecture hall is much better. Member Howard suggested that the Board have an "after-tour" of Building E and see the results of the dollars spent.

Member Gillette suggested having a graph for expenditures vs. budget through the year as compared to the past year. He gave an example: last year we spent "X" percent of the Education Fund each month (perhaps 12 percent in January, 5 percent in February, etc.). Take each month's percent and

multiply that with this year's budget to come up with an anticipated spending amount each month. Compare the actual expenditures each month to the anticipated spending amount to show if the College is doing better or worse than last year. This type of graph would more clearly show trends and it could replace the "performance to budget" numbers that the Board currently receives. Member Gillette added that this graph would only include the funds in which the College has control. It would exclude any major funds that are going directly to the Capital Development Board; comparing those to last year would be meaningless.

Member Barton asked how much time it would take administration to put together a graph like this. Vice President Thorson explained that development time may take awhile, but it may be fairly easy to reproduce month after month. It depends on the complexity of it.

Member Gillette stated that he does not want people to waste a lot of time. He believes the rate of expenditure for the Education Fund this year will follow the rate of expenditure for the Education Fund last year. He suggests taking the rate that it went last year and multiplying it by the increase in budget for this year to come up with the spending plan. He expressed concern with the figures in front of him which show in the first month that the College has spent 78 percent of the budget. He does not know if this was planned or if this is something to worry about. Dr. Breuder explained that the reason for the high expenditure in this budget is the encumbrance of all salaries and benefits up front at the beginning of the year. He has given the directive to take this committed money out.

Chair Kolze noted that the College is audited repeatedly by professionals who would alert us if there was a major problem. He feels comfortable with the figures. Dr. Breuder stated that other safeguards are in place. There are 60+ cost center administrators who have budget control. For the first time ever, the College is monitoring every line on a daily basis to ensure that no cost center

administrator can overspend a line in their budget and to ensure that no cost center can overspend their budget at the end of the year. This, in addition to the fact that all salaries and benefits have been encumbered, should give the Board peace of mind for June 30 next year.

Member Barton asked what members would be interested in seeing a graph.

- Member Kolze stated that he is not opposed to having a graph, but he is satisfied with the information they currently have.
- Members Barton, Shure and Hess stated they are satisfied with the information they have.
- Student Member Valadez felt it would be easier to understand a graph.
- Member Botterman stated he is not opposed to the graph. He added that, going into a referendum, it is a good idea to have as much user-friendly information available as possible.
- Member Howard stated that she did not feel strongly one way or the other about a graph. However, she felt an explanation of the big encumbrance would have answered a lot of questions.

Chair Kolze stated that the administration should look into creating a graph to reflect expenditures and budget. He suggested that Member Gillette discuss this graph further with Vice President Thorson and Dr. Breuder.

EXECUTIVE SESSION

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

Upon roll call, the vote was as follows:

Ayes: Members Barton, Botterman,
Gillette, Hess, Howard, Kolze and
Shure
Nays: None

The motion carried at 8:10 p.m.

BOARD REQUESTS

AUGUST 27, 1998 REGULAR BOARD MEETING

1. Chair Kolze asked Dr. Breuder to develop a policy on compensation incentive plans and present it to the Board for their review.
2. Chair Kolze suggested that perhaps a policy could be used in developing compensation plans in other areas of the College where it is difficult to retain people that are in demand (particularly Information Systems).
3. Member Gillette expressed concern with having to tell employees to be tight on the budget all year, and then having the College end up with money in the bank. He suggested being open about the contingency and explaining how it will work toward addressing the list of priorities.
4. Member Howard suggested that the Board have an "after-tour" of Building E and see the results of the dollars spent.
5. Chair Kolze stated that the administration should look into creating a graph to reflect expenditures and budget. He suggested that Member Gillette discuss this graph further with Vice President Thorson and Dr. Breuder.

Following executive session, the Board reconvened the Regular meeting at 9:52 p.m.

ADJOURNMENT

Member Barton moved, Member Botterman seconded, that the meeting be adjourned.

In a voice vote, the motion carried at 9:53 p.m.

Kris Howard
Chair

Judith A. [Signature]
Secretary