

**MINUTES OF THE MEETING OF THE STATE BOARD OF TRUSTEES
IVY TECH COMMUNITY COLLEGE OF INDIANA
MADISON, INDIANA
AUGUST 10, 2006**

Chairman William R. Goins called the August 10, 2006, regular meeting of the State Board of Trustees to order at 1:30 p.m. in Overlook 1 at the Clifty Inn, Clifty Falls State Park, State Road 56, Madison, Indiana.

A. ROLL CALL:

Secretary Marvin E. Foote called the roll and the presence of a quorum was announced. The following State Trustees were present:

Mr. William R. Goins, Chair
Mr. Jesse R. Brand, Vice Chair
Mr. Marvin E. Foote, Secretary
Mr. Joseph T. Bumbleburg
Ms. Leigh A. Duckwall
Mr. John P. Griffin
Mr. Lee J. Marchant
Mr. Mark J. Neff
Mr. Norman E. "Ned" Pfau, Jr.
Ms. Martie Rivas-Ramos
Mr. V. Bruce Walkup
Ms. Linda E. White
Ms. Kaye H. Whitehead

Trustees unable to attend the meeting:

Mr. Lawrence R. Foster, Jr.

B. NOTICES OF MEETINGS MAILED AND POSTED:

Secretary Marvin E. Foote confirmed that notices of the August 10, 2006, regular meeting were properly mailed and posted.

C. APPROVAL OF BOARD MINUTES:

Chairman William R. Goins directed the trustees' attention to the minutes of the June 15, 2006, regular board meeting and the July 14, 2006, special board meeting. Trustee Jesse R. Brand made the motion to approve the minutes of the June 15, 2006, regular meeting and the July 14, 2006, special board meeting as submitted. Trustee Marvin E. Foote seconded the motion, and the motion was carried unanimously.

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D. STATE OF THE COLLEGE:

Chairman Goins called on President Gerald I. Lamkin for the **President's Report.**

- President Lamkin called on Region 11 Chancellor Jim Helms, who said he hoped everyone enjoyed their time in Madison. He reminded the trustees that the dedication and ribbon cutting ceremony of the new Ivy Tech facility on the riverfront in Lawrenceburg will be Sunday, October 15, 2006, at 1:00 p.m. and that additional information will be sent out soon. He also noted that the "goody" bags that were provided to the state trustees were compliments of the chambers of commerce from Jefferson and Dearborn Counties.
- Reviewing upcoming College events, President Lamkin announced that the Ivy Tech Foundation Retreat is scheduled for August 30 in Indianapolis. The second Ivy Tech Labor Hall of Fame dinner will be at the Marriott in downtown Indianapolis on August 31. The Valparaiso building dedication is September 6. The next state board meetings and the annual conference will be in Indianapolis on October 11, 12, and 13.
- Concluding his report, President Lamkin reminded the trustees that a signing ceremony with Indiana's Adjutant General was to take place at the last Board meeting, but Adjutant General Martin Umbarger could not attend that day. Instead, he met with General Umbarger on July 17 to sign the agreement acknowledging that Ivy Tech will become a 5-Star Employer Supporter of National Guard and Reserve members. President Lamkin said he will be featured in a video, along with General Umbarger and Governor Mitch Daniels, to be used in VFW halls and American Legions to highlight the College's support for veterans. He said that what he and this Board are doing to support the veterans must be continued, even after he retires.

E. TREASURER'S REPORT:

Chairman Goins called on Bob Holmes, Vice President for Finance/Treasurer, for the **Treasurer's Report.**

- Treasurer Bob Holmes said that the general fund operating budget carry forward calculations have been completed, and with the exception of putting together the final financial statements, the 2005-06 fiscal year is completed. We ended the year in solid financial shape. The College received all general operating debt service funds appropriated by the state, including the \$837,000 specifically earmarked for workforce certification. This is the second consecutive year that all debt service funds have been released, unlike having portions of the funds withheld as has occurred in the past. We used the final \$275,000 to pay off additional principal on the Lafayette Phase III project variable rate loan. In addition, the state released all \$737,000 of general R and R funds appropriated to Ivy Tech to allow the College to complete several important HVAC, roofing, and building infrastructure projects. While we are still putting together the

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financial statements, the operating budget carry forward is \$40 million, and all regions are safely in the black. A summary copy of the carry forward has been included in the trustee folders. About \$7.5 million of the total is a result of revenue collections above budgetary estimates which consists of higher student fee collections than estimated, improved investment earnings, and additional miscellaneous revenue. The remainder is due to budgetary savings, planned reserves for upcoming expenditures, and timing differences. One of the real advantages for both Ivy Tech and the state is not having unspent funds revert to the state; there are no end-of-the-fiscal-year spending sprees, and colleges are allowed to plan and save for future purchases. For example, Ivy Tech is able to pay for much of the Integrated Information Systems (IIS) project totaling \$34 million through savings instead of having to issue bonds, which in turn saves bonding authority for capital projects. Similarly, our regional campuses are able to save up for new furnishings and equipment for when a new academic building comes on line. We also created a new account to offset the upcoming governmental accounting standard board requirement to account for the costs of post-employment benefits other than pensions—primarily health insurance for retirees. While this accounting is not required until fiscal year 2008, because it will result in significant liability at that point, we have transferred \$1.75 million into the account thus far. As we close out this year and begin 2006-07, Vice President Holmes recognized the chancellors and finance directors for doing an excellent job in managing their budgets through a difficult time of exceptional enrollment growth and state budget cuts and delays. He reported that the state recently completed their close out, and the state's financial picture has improved significantly. That makes a big difference to Ivy Tech since 60 to 65 percent of our funds come from the state. The final surplus of \$411 million to the state general fund and about \$1.1 billion overall are significant increases from a year ago. General fund and property tax replacement fund revenue were up about \$350 million as compared to their December, 2005, forecast. All Indiana public higher education institutions are hopeful that the state's improving financial picture will allow them to make further progress in repaying the funds that were previously either delayed or withheld from colleges and universities.

The College sold its Series K bond issue on June 21 and closed on it on July 19. Vice President Holmes reminded the trustees that this bond issue totals about \$61 million to pay for facilities in Madison, Marion, and the Valparaiso Phase II project. The bond yield for the issue is 4.6 percent. The College's improved bond rating from Standard & Poors and Fitch led to more aggressive bids from bond insurers. Insurance costs dropped about \$25,000 as compared to bonds sold 18 months earlier. The best estimates from our financial consultant and our bond underwriters were that the combination of the bond rating upgrade and lower insurance premiums saved the College and the state approximately \$200,000 in debt service costs. The bond proceeds have been invested based on projected dates of construction payments at interest rates ranging from 5.45 percent to 5.71 percent, virtually assuring that the College and these projects will earn the maximum amount of investment income allowed under the federal arbitrage regulations. Vice President Holmes called for questions, and there were none. Trustee Marvin E. Foote moved that the Treasurer's Report be approved. Trustee Kaye H. Whitehead seconded the motion, and the motion carried unanimously.

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F. COMMITTEE REPORTS:

Item 1 Reporting for the **Executive Committee**, Chairman Goins reported that there had been no Executive Committee meetings held since the Board last met.

Chairman Goins thanked Chancellor Helms and his staff for hosting the trustees at their region. He also thanked the mayor for his positive comments at dinner last night.

Chairman Goins also welcomed the four new state trustees to the Ivy Tech “family.”

- Chairman Goins called on Trustee Lee J. Marchant to present Resolution Number 2006-44, and to present the names of all recommended candidates to fill each regional trustee vacancy. Trustee Marchant made the motion to appoint and/or reappoint the following candidates to the respective regional boards:

<u>Region 6</u>	Jeffrey R. Lang	Manufacturing
<u>Region 8</u>	Ural Smith	Commerce
<u>Region 14</u>	Thomas R. Edington	Education

Trustee Whitehead seconded the motion to approve **Resolution Number 2006-44, Appointment and Reappointment of Regional Trustees**, and the motion carried unanimously.

Item 2 Chairman Goins suggested that the Board consider the following 4 resolutions as a single consent action since each had been thoroughly discussed in the Budget & Finance Committee meeting and with the entire Board in the Joint Committee meeting earlier this morning. With the Board fully apprised of each proposed resolution, Trustee Norman E. Pfau, Jr. moved that the 4 resolutions be adopted. Those resolutions are delineated as follows:

Resolution Number 2006-45, Approval of Contract for Security Services, Region 6

Resolution Number 2006-46, Approval of Disaster Recovery Services Contract for College Mainframe and Server Configurations

Resolution Number 2006-47, Approval of Contract Lease and Maintenance for Convenience Copiers, Region 4

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Resolution Number 2006-48, Amendment of Custodial Services Contract, Region 5

Trustee V. Bruce Walkup seconded the motion to approve the above 4 resolutions, and the motion carried unanimously.

- Item 3** Chairman Goins called upon Trustee Marchant to give the **Planning and Education Committee** Report. With the Board fully apprised of the proposed resolution, Trustee Marchant moved that **Resolution Number 2006-49, Approval of New Programs**, be approved. Trustee Foote seconded the motion, and the motion carried unanimously.

- Item 4** Chairman Goins suggested that the Board consider the following 5 resolutions as a single consent action since each had been thoroughly discussed in the Buildings, Grounds, and Capital Committee meeting, and with the entire Board in the Joint Committee meeting earlier this morning. With the Board fully apprised of each proposed resolution, Trustee John P. Griffin moved that all 5 resolutions be adopted. Those resolutions are delineated as follows:

Resolution Number 2006-50, Approval to Acquire 10.0 Acres of Land in Marion by Exercising an Option to Purchase, Region 6

Resolution Number 2006-51, Approval to Acquire 1.59 Acres of Land in Madison by Exercising an Option to Purchase, Region 11

Resolution Number 2006-52, Approval to Lease Land in Bloomington to the Monroe County Development Commission, Region 14

Resolution Number 2006-53, Approval to Increase the Contract Authorization for the Richmond Phase 1 New Construction Project, Region 9

Resolution Number 2006-54, Approval to Enter Into an Agreement to Develop Architectural Design and Program Design Standards for the College, Statewide

Trustee Bumbleburg seconded the motion to approve the above 5 resolutions, and the motion carried unanimously.

At this time during the regular meeting, Chairman Goins called a public hearing for the consideration and awarding of two of Public Works contracts.

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Trustee Griffin moved that Resolution Number 2006-55 for the awarding of a contract for the Renovation of Part of the Center for Workforce Development in Terre Haute be approved. Trustee Foote seconded the motion. Chairman Goins asked if anyone in attendance had anything to present to the Board regarding this Resolution, and no one came forward. Chairman Goins called for a vote to approve **Resolution Number 2006-55, Approval to Renovate Part of the Center for Workforce Development in Terre Haute, Region 7,** and the motion carried unanimously.

Next, Trustee Griffin moved that Resolution Number 2006-56 for the awarding of a contract for the Renovation of Part of the Holman Building in Peru be approved. Trustee Whitehead seconded the motion. Chairman Goins asked if anyone in attendance had anything to present to the Board regarding this Resolution, and no one came forward. Chairman Goins called for a vote to approve **Resolution Number 2006-56, Approval to Renovate Part of the Holman Building in Peru, Region 5,** and the motion carried unanimously.

Item 5 Chairman Goins called upon Trustee Mark J. Neff to give the **Audit Committee Report**. Trustee Neff said there were no action items to be brought forth at this time.

G. OLD BUSINESS:

Chairman Goins called for old business, and there was none.

H. NEW BUSINESS:

Chairman Goins called for new business.

- Chairman Goins appointed a committee to work with Vice President for Administration Bill Morris to review the existing Board committee structure and meeting schedule. He asked Trustees Brand, Whitehead, and Pfau to serve on the committee, and they agreed. They were charged with reporting their recommendations at the next Board meeting in October.
- President Lamkin thanked all of the trustees for their participation at the retreat and meetings these last few days. Chairman Goins asked the new trustees if they had any comments or observations from the past few days that they would like to make. Trustee Whitehead said that she felt like they hit the learning curve at a quick rate. She said it is evident that every issue is important, and was heartened to hear repeatedly that we must keep the students in mind. Trustee Linda E. White said that she works in a hospital system, dealing with people's lives, and without the graduates coming from the Ivy Tech system, they would not be able to function. She said that she has worked closely with Region 12 Chancellor, Dr. Dan Schenk, for many years, and she depends on all of the Ivy Tech graduates, not just nurses or

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LPNs. Trustee Martie Rivas-Ramos said that the past few days have been extremely beneficial to her and that she has already learned so much about the College.

I. ADJOURNMENT:

There being no further business to come before the Board, Chairman Goins called for a motion to adjourn the meeting. Trustee Griffin made the motion to adjourn, and Trustee Neff seconded the motion. The motion carried unanimously.

**STATE TRUSTEES
IVY TECH COMMUNITY COLLEGE**

William R. Goins, Chair

Marvin E. Foote, Secretary

Dated August 10, 2006

Prepared by Tina S. Phelps, Recording Secretary