

MINUTES OF THE MEETING OF THE STATE BOARD OF TRUSTEES
IVY TECH COMMUNITY COLLEGE OF INDIANA
August 9, 2012

Chairman Anne Shane called the August 9, 2012 regular meeting of the State Board of Trustees to order at 1:30 pm at the Wabash Valley Campus, 8000 Education Drive, Terre Haute, Indiana

A. ROLL CALL

Secretary Steve Schreckengast called the roll and the presence of a quorum was announced.

The following State Trustees were present:

Mrs. Anne K. Shane, Chair
V. Bruce Walkup, Vice Chair
Mr. Steve Schreckengast, Secretary
Mr. Kevin Ahaus
Ms. Linda Buskirk
Mr. David M. Findlay
Mr. Lee J. Marchant
Mr. Norman E. "Ned" Pfau, Jr.
Mr. Leslie C. Shively

Ms. Kaye H. Whitehead

The following State Trustees were unable to attend:

Ms. Debora K. Butterfield
Mr. Richard R. Halderman
Ms. Lillian Sue Livers
Mr. Anthony J. Moravec

B. EXECUTIVE SESSION MEMORANDA:

Following notice under IC5-14-1.5-4, IC 5-14-1.5-5 and IC5-14-1.5-6.1(d)

The State Board of Trustees met in Executive Session on Wednesday, August 8, 2012 at 2:00 p.m. at the Wabash Valley Campus, 8000 Education Drive, Terre Haute, Indiana.

Members present were: Anne K. Shane, Chair, Bruce Walkup, Vice Chair, Steve Schreckengast, Secretary, Kevin Ahaus, Linda Buskirk, David Findlay, Lee Marchant, Ned Pfau, Leslie Shively, and Kaye Whitehead.

Members absent were: Debora K. Butterfield, Richard R. Halderman, Lillian Sue Livers, and Anthony Moravec

The Trustees considered the following items as permitted under IC 5-14-1.5-6.1(b). For each subject, a reference to the applicable subdivision of IC 5-14-1.5-6.1 (b) and a description of that subject are included.

- (2) (B) Initiation of litigation that is either pending or has been threatened specifically in writing.
- (2)(C) The implementation of security systems.
- (2)(D) The purchase or lease of real property by the governing body up to the time a contract or option to purchase or lease is executed by the parties
- (3) The assessment, design, and compensation of school safety and security measures, plans, and system
- (5) To receive information about and interview prospective employees
- (6)(A) With respect to any individual over whom the governing body has jurisdiction, to receive information concerning the individual's alleged misconduct
- (7) For discussion of records classified as confidential by state or federal statute.
- (9) To discuss job performance evaluations of individual employees. This subdivision does not apply to a discussion of the salary, compensation, or benefits of employees during a budget process.
- (11) To train board members with an outside consultant about the performance of the roles of members as public officials

With the Approval of these minutes the Trustees present at the meeting certify that no subject matter was discussed in the executive session other than the subject matter specified in the public notice issued for this meeting.

C. NOTICES OF MEETING MAILED AND POSTED:

Secretary Steve Schreckengast confirmed that notices of the August 9, 2012, regular meeting were properly mailed and posted.

D. APPROVAL OF BOARD MINUTES:

Chairman Anne K. Shane directed the trustees' attention to the minutes of June 7, 2012, regular board meeting. Trustee David Findlay made the motion to approve the minutes of the June 7, 2012 regular meeting as submitted. Trustee Kevin Ahaus seconded the motion and the motion was carried unanimously.

E. COMMITTEE REPORTS:

Item 1 Chairman Shane reported that the Executive Committee did not meet.

Item 2 Chairman Walkup called upon Trustee Pfau for a report from **Budget and Finance Committee**. Trustee Pfau reported there is one action item for the board to consider. Trustee Pfau moved for approval of:

Resolution Number 2012--49, Approval of a Memorandum of Understanding with Indiana University for Information Technology Help Desk Services

Trustee Schreckengast seconded the motion, and the motion carried unanimously.

Item 3 Chairman Walkup called upon Trustee Buskirk for the **Planning and Education Committee Report**. Trustee Buskirk reported there were no action items for the board to consider.

Update on remediation.

Item 4 Chairman Walkup called upon Trustee Kaye Whitehead to give the **Building, Grounds and Capital Committee Report**. Trustee Whitehead moved for approval of:

Resolution Number 2012-50, Approval to Acquire Property at the Gary Campus by Easement from the City of Gary, Region 1/Northwest

Trustee Schreckengast seconded the motion, and the motion carried unanimously.

Resolution Number 2012-51, Approval to Purchase 43 Acres of Vacant, Ivy Tech Foundation Owned Land at the New Elkhart County Campus, Region 2/North Central

Trustee Schreckengast seconded the motion, and the motion carried unanimously.

Resolution Number 2012-52, Approval for a New Lease Agreement for the Public Safety Academy Building in Fort Wayne, Region 3/Northeast

Trustee Buskirk seconded the motion, and the motion carried unanimously.

Resolution Number 2012-53, Authorization to Enter into a Consortium Agreement for a Life Science Education and Research Center in Fort Wayne, Region 3/Northwest

Trustee Buskirk seconded the motion, and the motion carried unanimously.

Resolution Number 2012-54, Approval of a Contract to Construct an Addition to the Main Campus Building in South Bend, Region 2/North Central

Trustee Pfau seconded the motion, and the motion carried unanimously.

Item 5 Chairman Walkup called upon Trustee Shively for the **Audit Committee Report**. It was reported that the Audit Committee had no action items for the board to consider. Reviewed Audit Schedule and discussed three year audit plan.

Item 6 Chairman Walkup called upon Trustee David Findlay for the **Corporate College Committee Report**. Trustee Findlay reported that there were no action items for the board to consider. The committee heard from Corporate College President Matt Bell on directions and plan of profitability in 2013-14 being aggressive and necessary. Trustees also heard from the Terre Haute region on their Corporate College progress.

F. **TREASURER'S REPORT:**

Chairman Anne Shane called upon Vice President Bob Holmes for the Treasurer's Report. Treasurer Holmes reported the 2011-12 fiscal year is now complete and we are in the midst of making final closing entries and putting together year-end financial statements. While this process is still underway, I am pleased to report that we ended the year in solid financial shape. Once again, this year, the College improved its financial position and credit goes to the chancellors, finance directors, as well as my staff for careful management of the budget.

For 2011-12, total revenue was \$494 million – an increase of \$24 million or about 5%. Student fee revenue ended the year at 261.7 million or slightly above the 2010-11 total, but slightly below budget. While the College continued its streak of consecutive years of growth for total headcount enrollment, growing 1.2%, the total number of credit hours taken, a measurement of FTE students, dropped by 2.6%. This is the first credit hour decline in 16 years.

State appropriations increased significantly – growing \$21.7 million or more than 11%. Unlike the prior year, when the State was forced to withhold operating appropriations and the College's appropriation increase was entirely related to higher debt service costs, this increase was predominantly for operating and was heavily impacted by the College's success on the previous biennial budget's performance funding metrics. Investment income dropped slightly – from \$3.4 million to \$3.2 million. Once again, growing investable balances offset most of the decline in interest rates. Finally, other income and transfers grew by \$2.4 million primarily from increases in overhead recovery, workforce certification revenues and higher Foundation reimbursements.

Total expenditures, including transfers out, were \$467 million – an increase of \$21 million over last year. So annual revenues were about \$27 million above annual expenses and transfers out. This is very similar to the positive differential that we had last year. A little less than 2/3 of total expenses are for salary and benefit costs. This percentage is lower than many colleges and universities because of our higher percentage and adjunct faculty. In 2011-12, these costs grew 7.7% primarily due to the 2% salary pool and adding 99 full-time faculty positions in the 2011-12 budget. Supplies & Expenses and utility costs combined grew by 6.6% impacted by new buildings opening in Warsaw, Sellersburg, and two in Indianapolis.

The expenditure increase for facility leases, \$925,000, is artificially high as it includes a \$500,000 prepayment to the Ivy Tech Foundation for R&R work that they financed for the Fisher building in Muncie and another \$240,000 for land in Kokomo. The College has been repaying the Foundation for these projects through a lease agreement, so this prepayment will allow the College to repay the Foundation earlier and end those lease payments earlier. The transfers out total include funding for accrued but unused vacation and sick leave as well as post-employment benefit liabilities. I am pleased to report that we are still fully funding those liabilities. As you know, this is a huge issue for many other colleges, universities, and governmental entities. Our practice of full funding stands in contrast to most entities and has been positively noted by both Standard and Poor's and Fitch Rating in their credit rating reviews. Finally, a couple of comments on the July report. Normally, at this meeting, the Treasurer's report focuses on the prior year results just as we did this year. But, there are a couple noteworthy items to point out in July. First of all, student fee revenues are down \$5.7 million from last year. Chris and I have had several discussions with the Chancellors and Finance Directors and they have already begun the process of preparing contingency plans.

Next, you'll note that both state appropriations and transfers out are significantly behind last year. This relates to reimbursement of our debt service costs. Last year, we received those funds in July - and this year it was early August so this is a timing issue and the next report will be caught up. Finally, you'll note that Supplies and Equipment costs appear to have doubled. This is a result of expensing the \$6.5 million annual cost of the Blackboard Call Center. However, actual payments will be made on a monthly basis.

G. **STATE OF THE COLLEGE**

Chairman Walkup called upon President Snyder for the President's Report on accomplishments and goals from 2007 to present.

H. **OLD BUSINESS**

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

I. **NEW BUSINESS**

Chairman Shane called upon Trustee Pfau of the Nominating Committee to present nominations for Chair, Vice Chair and Secretary of the Board for 2012-13.

Trustee Pfau moved for approval the names of Bruce Walkup, Chair, Steve Schreckengast, Vice Chair and David Findlay, Secretary

Trustee Ahaus seconded the motion and the motion carried unanimously.

Chairman Walkup called for new business.

Chairman Walkup called for motion to approve Resolutions 2012-55 through 2012-57, Appointments and Reappointments of Regional Trustees: Central Indiana, Columbus and Wabash Valley.

Trustee Schreckengast seconded the motion, and the motion carried unanimously.

Trustee Whitehead moved for approval of

Resolution Number 2012-58, Honoring the Leadership of Robert C. Holmes

Trustee Pfau seconded the motion, and the motion carried unanimously

Trustee Pfau moved for approval of

Resolution Number 2012-59 the Leadership of Anne K. Shane

Trustee Ahaus seconded the motion, and the motion carried unanimously

Trustee Walkup moved for approval of


Resolution Number 2012-60, Honoring the Service of Gail L. Chesterfield

Trustee Buskirk seconded the motion, and the motion carried unanimously.


J. **ADJOURNMENT:**

With no further business to come before the Board, Chairman Walkup adjourned the meeting.

**STATE TRUSTEES
IVY TECH COMMUNITY COLLEGE**



V. Bruce Walkup, Chairman



David Findlay, Secretary
STEVE SCHULZKOWSKI
VICE CHAIR

Dated August 9, 2012

Prepared by Gretchen L. Keller, Recording Secretary