

MINUTES OF THE MEETING OF THE STATE BOARD OF TRUSTEES
IVY TECH COMMUNITY COLLEGE OF INDIANA
INDIANAPOLIS, INDIANA
August 11, 2011

Chairman Lee Marchant called the August 11 2011, regular meeting of the State Board of Trustees to order at 10:00 am at the Bloomington Campus.

A. ROLL CALL

Secretary V. Bruce Walkup called the roll and the presence of a quorum was announced.

The following State Trustees were present:

Mr. Lee J. Marchant, Chair
Mrs. Anne K. Shane, Vice Chair
Mr. V. Bruce Walkup, Secretary
Mr. Kevin Ahaus
Ms. Linda Buskirk
Ms. Debora K. Butterfield
Mr. David M. Findlay
Mr. Anthony J. Moravec
Ms. Lillian Sue Livers
Mr. Norman E. "Ned" Pfau, Jr.
Mr. Steve Schreckengast
Mr. Leslie C. Shively
Ms. Kaye H. Whitehead

The following State Trustee was unable to attend:

Mr. Richard R. Halderman

B. NOTICES OF MEETING MAILED AND POSTED:

Secretary V. Bruce Walkup confirmed that notices of the August 11, 2011, regular meeting were properly mailed and posted.

C. APPROVAL OF BOARD MINUTES:

Chairman Lee J. Marchant directed the trustees' attention to the minutes of June 9, 2011, regular board meeting. Trustee Linda Buskirk made the motion to approve the minutes of the June 9, 2011 regular meeting as submitted. Trustee Anthony Moravec seconded the motion and the motion was carried unanimously.

D. COMMITTEE REPORTS:

Item 1 Chairman Marchant reported that the Executive Committee met on August 2, 2011 and said that the matters discussed at that meeting would be incorporated into the following committee reports.

Item 2 Chairman Marchant called upon Trustee Norman “Ned” E. Pfau, Jr. for a report from **Budget and Finance Committee**. Trustee Pfau reported there were no action items for the board to consider. Trustee Pfau reported during the committee meeting the reference and discussion of our Blackboard Contract and were given a Financial Aid Report.

Item 3 Chairman Marchant called upon Trustee Linda Buskirk for the **Planning and Education Committee Report**. Trustee Buskirk moved for approval of:

Resolution Number 2011-42, New Program

Trustee Sue Livers seconded the motion, and the motion carried unanimously.

Trustee Buskirk reported that the committee received an update on Ivy Institute of Technology and online education developments.

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

Resolution Number 2011- 43 Approval to Purchase Six Properties at 2621, 2637 and 2734 Boulevard Place, 2631 and 2635 Graceland Avenue, Region 8/Central Indiana

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

Resolution Number 2011-44 Approval to Dispose of Property Not Needed by the College at the Indianapolis North Meridian Center Campus by Easement to Indianapolis Power and Light Company

Trustee Anne Shane seconded the motion, and the motion carried unanimously.

Resolution Number 2011-45 Approval to Dispose of Property Not Needed by the College at its Bloomington Campus by Easement to Monroe County, Region 14/Bloomington

Trustee Debora Butterfield seconded the motion, and the motion carried unanimously.

Resolution Number 2011-46 Approval to Exercise a Five-Year Agreement Renewal Option for the Crawfordsville Instructional Center, Region 4/Lafayette

Trustee Anne Shane seconded the motion, and the motion carried unanimously.

Resolution Number 2011- 47 Approval of a Lease Agreement for an Aerotropolis Academic Center in Marion County, Region 8/Central Indiana

Trustee Anne Shane seconded the motion, and the motion carried unanimously.

Item 5 Chairman Marchant called upon Trustee David Findlay for the **Audit Committee Report**. Trustee Findlay reported that the Audit Committee had no action items for the board to consider. The committee did review the 2011-12 Internal audit schedule, and were provided updates on SCT/Sungard Banner and the plan for HR Audits at 6 campuses.

Item 6 Chairman Marchant called upon Trustee Steve Schreckengast for the **Workforce and Economic Development Committee Report**. Trustee Schreckengast reported that there were no action items for the board to consider. The committee heard reports on the status and future of Workforce and Economic Development function of the college and formation of Corporate College.

E. **TREASURER'S REPORT:**

Chairman Lee Marchant called upon Vice President Bob Holmes for the Treasurer's Report. Mr. Holmes reported that the 2010-11 fiscal year is now complete and that final closing entries and year-end financial statements are in process. The College ended the year in solid financial shape. Every region improved their financial position and credit goes to the chancellors and finance staff around the state for careful management of their budget. For 2010-11, total revenue was \$472.7M. This is up about \$22.7M over last year or about 5%. \$19.2M of the increase was in student fees as FTE enrollment grew for the fifteenth consecutive year. However, the rate of growth slowed considerably as the economy began to improve. State appropriations increased by about \$4.0M or slightly over 2%. This increase was nearly all related to higher fee replacement reimbursements for larger debt service payments. Investment income was level with last year despite a larger investable balance as interest rates continued to drop. Finally, other revenue and transfers in declined by \$465K. Again, in total, revenues increased by \$22.7M over last year or about 5%. Actual revenues were up about \$7.8M compared to budget estimates. Total expenditures including transfers out were \$449M – an increase of \$31.6 over last year. So annual revenues were about \$23.5M above annual expenses and transfers out. This compares to a \$32.4M positive differential last year. A little less than 2/3's of total expenses and transfers out are for salary and benefit costs. This percentage is lower than many colleges and universities because of our higher percentage of adjunct faculty. In 2010-11, these costs grew by \$25.7M or 10%. Supplies and equipment expenses increased by about \$1.7M or less than 2%. Utility costs were impacted by new buildings opening in Elkhart, Muncie, Indianapolis, Avon, and Sellersburg. Facility lease costs were stable as new lease costs were offset by lease reductions where new construction projects were completed. The \$3.3M increase in transfers out reflect larger debt service reimbursements, increased use of operating funds for R&R needs and funding for accrued but unused vacation and sick leave and post-employment benefit liabilities. At the end of 2010-11 the College is fully funding these liabilities. This is a huge issue for many other colleges, universities, and government entities.

Finally, Mr. Holmes shared some comments made by Standard & Poor's regarding the implications of the federal fiscal crisis on U.S. public finance ratings. Standard & Poor's concludes that the current situation "could potentially though not inevitably cause negative rating actions among U.S. public finance issuers in all sectors: states, local governments, affordable

housing, finance entities, not-for-profit health care entities, public utilities, obligations secured by federal lease payments, and higher education and other not-for-profit entities that rely on significant federal funding. The revenue diversity of a public finance entity, as well as its liquidity, and financial resources, economic performance, ability to respond to changed financial circumstances, and overall management will be fundamental to our analysis. Credit quality will also be influenced by how the Credit Watch in the United States is resolved and the accompanying response of the capital markets.”

While Ivy Tech students are heavily reliant on Pell Grant, fortunately it has been a high priority for federal funding thus far. Standard and Poor’s has previously noted our relatively low level of financial resources for the AA rating category, but they also noted the progress the College has made in this important area. Further improvements have occurred since our last bond issue and rating review two years ago. They have also noted our strong financial performance and relatively diverse revenue stream as positive factors.

The College’s Leadership team will likely be meeting with both Standard and Poor’s and Fitch Ratings again this fall as we prepare to sell bonds to finance the Indianapolis connector and potentially refinance some outstanding bonds that have reached their call date.

F. STATE OF THE COLLEGE

Chairman Marchant called upon President Snyder for the President’s Report.

President Snyder called upon Chancellor John Whikehart of Bloomington to introduce his Leadership team. President Snyder introduced two new employees, Russ Baker, Associate Vice President Academic Affairs and Ann Valentine, Chancellor Wabash Valley. President Snyder then called upon Jeff Fanter, Vice President of Marketing and Communications, who provided a marketing overview and update and showed numerous new commercial pieces.

G. OLD BUSINESS

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

H. NEW BUSINESS

Trustee Marchant called for new business.

Trustee Linda Buskirk presented **Resolution Number 2011-48**, explaining the Regional Board Nominating Committee has recommended that Dennis L. Stockdale and Margaret K. Distler, be appointed to the Northeast Regional Board of Trustees. Trustee Buskirk moved to approve **Resolution Number 2011-48, Appointment of Regional Trustee-Northeast Region**. Trustee Whitehead seconded the motion. Chairman Marchant called for further discussion, and there was none. The motion carried unanimously.

Trustee Kevin Ahaus presented **Resolution Number 2011-49**, explaining that Regional Board Nominating Committee has recommended that Laurence D. Richards, representing Education and Jon A. Ford, representing At Large, be appointed to the Richmond Regional Board of Trustees. Trustee Ahaus moved to approve **Resolution Number 2011-49, Reappointment of Regional**

Trustee-Richmond Region. Trustee Schreckengast seconded the motion. Chairman Marchant called for further discussion, and there was none. The motion carried unanimously.

Trustee Ned Pfau presented **Resolution Number 2011-50**, explaining the Regional Board Nominating Committee has recommended that Martin Padget, representing Commerce be appointed and Connie Weigleb Sipes, representing Education be reappointed to the Southern Indiana Regional Board of Trustees. Trustee Pfau moved to approve **Resolution Number 2011-50, Reappointment of Regional Trustees-Southern Indiana Region.** Trustee Ahaus seconded the motion. Chairman Marchant called for further discussion, and there was none. The motion carried unanimously.

Trustee Anne Shane presented **Resolution Number 2011-51**, explaining the Regional Board Nominating Committee has recommended that Brooke Huntington, representing Manufacturing be reappointed and Yvonne Perkins, representing At-Large and Joseph Breedlove, representing Labor be reappointed to the Central Indiana Regional Board of Trustees. Trustee Shane moved to approve **Resolution Number 2011-51, Reappointment and Appointment of Regional Trustees-Central Indiana.** Trustee Schreckengast seconded the motion. Chairman Marchant called for further discussion, and there was none. The motion carried unanimously.

Trustee Kevin Ahaus presented **Resolution Number 2011-52**, explaining the recommendation that State Trustees David M. Findlay, Lee J. Marchant, Anthony J. Moravec and Steve Schreckengast be elected to the to serve as members on the Ivy Tech Foundation Board of Directors. Trustee Ahaus moved to approve **Resolution Number 2011-52, Election of State Trustees to the Board of Directors of Ivy Tech Foundation, Inc.,** Trustee Shane seconded the motion. Chairman Marchant called for further discussion, and there was none. The motion carried unanimously.

Trustee Steve Schreckengast presented **Resolution Number 2011-53**, explaining the Creation of the Corporate College. Trustee Schreckengast moved to approve **Resolution Number 2011-53, Creation of the Corporate College.** Trustee Moravec seconded the motion. Chairman Marchant called for further discussion, and there was none. The motion carried unanimously.

Trustee Ned Pfau presented the recommendation from the **Nominating Committee** and made the motion to place the following slate of candidates into nomination for Board Officers: Anne Shane, Chairman, V. Bruce Walkup, Vice Chair and Steve Schreckengast, Secretary each to serve one-year terms. Chairman Marchant called for other nomination and there were none. Trustee Pfau moved to approve the nominating committee's recommendation. Trustee Shively seconded the motion. The motion carried unanimously.

New Chairman Anne Shane commended and thanked Lee Marchant for his leadership. Trustee Shane called for any further new business.

I. **ADJOURNMENT:**

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

**STATE TRUSTEES
IVY TECH COMMUNITY COLLEGE**

Anne Shane, Chairman

Steve Sckreckengast, Secretary

Dated August 20, 2011

Prepared by Gretchen L. Keller, Recording Secretary