

MINUTES OF THE BOARD OF TRUSTEES
INDIAN HILLS COMMUNITY COLLEGE

December 8, 2014

The regular Board of Trustees meeting for Indian Hills Community College was held on December 8, 2014, in the Board Room on the Main Campus, Indian Hills Community College, Ottumwa, Iowa. Board President John Pothoven called the meeting to order at 4:01 p.m.

Roll Call

Members present: Nellie M. Coltrain, Judith A. Cox, Beth Danowsky, Richard J. Gaumer, Jerry L. Kirkpatrick, George E. Manning, John Pothoven, and Alan M. Wilson.

Members absent: Tom Keck.

Minutes

The minutes of the November 10, 2014, regular board meeting and the November 17, 2014 Board Retreat were reviewed.

Motion

It was moved by Richard J. Gaumer and seconded by Jerry Kirkpatrick to approve minutes of the November 10, 2014 regular board meeting and the November 17, 2014 retreat. The motion carried.

Old Business

None.

Written Communications

Dr. Marlene Sprouse shared a Thank-you card that was received from Mississippi Valley Regional Blood Center.

FY2013 Audit Presentation by Office of Auditor of State

Bill Meck, Treasurer/CFO, introduced Michelle B. Meyer, CPA State of Iowa and Andy Neilson, Deputy Auditor of State.

Ms. Meyer presented various graphs highlighting numerous aspects of IHCC FY14 operations. Included were:

- Comparative Credit Hours
- Comparative Revenues by Source
- Governmental Revenue Trends
- Comparative Operating Expenditures by Function
- 2014 and 2013 Operating Expenditure by Function
- Comparative Expenditures -- Education and Support
- 2014 and 2013 Education and Support

- Comparative Current Funds Expenditures by Object
- 2014 and 2013 Current Funds Expenditures by Object

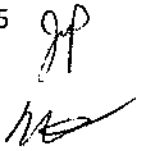
Ms. Meyer reported that the Auditors of State were able to issue an unmodified opinion of the financial statement audit of Indian Hills Community College. Each year the audit is required to include credit contact hours; credit contact hours have drastically decreased in 2014. The decrease is due to how the Department of Education requested the information be presented. In the past, the Department of Education would request reporting to include the full fiscal year, but now summer students will be reported in 2015 (following year) data. All colleges are reporting the same way and the Department of Education thinks reporting will be more precise. Federal Appropriation has decreased, this is tied to student enrollment and Pell Grants. State appropriations raised 9% and is reflected in the money Indian Hills Community College received.

2014 Financial Highlights were as follows:

- Total net position of the College increased approximately \$1.2 million, or 2.0%, primarily due to decreased operational costs.
- The College redeemed outstanding dormitory revenue refunding bonds payable totaling \$1,825,000 in April 2014, producing a savings of approximately \$87,000 in aggregate debt service payments.
- The College issued \$1,370,000 of certificates in June 2014 for an Iowa Industrial New Jobs Training Program project.
- The College issued \$1,790,000 of certificates in June 2014 for a current refunding of outstanding certificates, Series 2007-1A, 2007-1B and 2009-1, totaling \$1,760,000 producing a savings of approximately \$99,000 in aggregate debt service payments. The \$1,760,000 of certificates refunded were redeemed on July 11, 2014.
- The college redeemed outstanding Series 2008 callable certificates payable totaling \$1,635,000 in June 2014, producing a savings of \$222,545 in aggregate debt service payments.

Indian Hills Community College managed its financial position carefully during the current fiscal year. The economic position of the College is closely tied to the State of Iowa, with the State's overall economy and educational funding remaining a priority of college officials. Like many state assisted colleges, Indian Hills Community College faces the following potential financial challenges:

- To maintain current levels of services and operations, tuition revenue from rate increases must continue to help offset any shortfall in state funding and enrollment levels.



- Higher tuition is followed by an increased need for student financial aid, scholarship support and student loans.
- To continue to offer current, relevant educational programs and student services to attract and retain the diverse population the college serves.
- To serve students without adversely impacting the student experience and College operations.
- Fifty year-old college facilities and infrastructure require continual maintenance and renovation to meet current technology and delivery needs.
- To continue to provide up-to-date equipment, delivery and operations as technologies change.

The College continues monitoring expenses, implementing process improvements, pursuing sources and managing budget allocations to best fulfill the mission of the college with student learning as the central unifying purpose.

Ms. Meyer stated that a single audit was performed at the college, which means that our federal programs were tested as part of the audit itself. Three programs were tested, Student Financial Aid, which is always tested because of the risks involved, and two other programs picked by a rotation, which is required by the Federal Government.

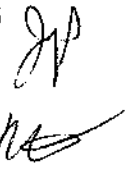
Ms. Meyer reported on a change coming in the future called GASB 68. This will require all government entities, who participate in IPERS, to be reporting a share of the pension liability. This ruling identifies IPERS as an unfunded liability of which IHCC will have to calculate and record its share.

Motion

It was moved by Nellie M. Coltrain and seconded by Jerry Kirkpatrick to approve the FY2013 Financial Audit. The motion carried.

Approval of Monthly Claims

Board member Beth Danowsky reviewed the list of bills on behalf of the Board and reported that all questions were answered satisfactorily by appropriate staff members.



Motion

It was moved by Beth Danowsky and seconded by George E. Manning to approve the bills list for the month of November, 2014. The motion carried.

Financial Report

Bill Meck, Treasurer/CFO, reported that Tuition and Fee revenue is in excess of where we were one year ago and three things contribute to this; 1) we still have the shift between resident and non-resident tuition, 2) resident tuition is down and non-resident tuition is up, this nets the college about \$175,000 in revenue, and 3) the first term of CoastFlight fees have generated a little over \$255,000 that we didn't have one year-ago and this year compared to a year-ago we are seeing more activity from GAP Funding.

We are down a little on Other Income, which Bill believes is due to timing. Salary and Fringes continue to be down and the Services line has increased due to paying Coast Flight \$256,000. So overall IHCC has increased revenue and decreased expenditures.

Motion

Jerry Kirkpatrick moved and Richard J. Gaumer seconded to approve the Financial Report. The motion carried.

IACCT Report

Richard J. Gaumer reported that a couple of Legislators attended the IACCT meeting. Legislative Priorities are going to include a request for an additional \$17 million in appropriation from the Legislature and there was some discussion concerning additional local control. It was asked if the Legislature's that were present had any interest in allowing community colleges to levy more property taxes than the 20 ¼ that is levied now. It was not well received. Richard said when board members talk to state Legislators to tell them about our priorities and needs. State appropriations for students show that Indian Hills is not even close to the Regents, we get \$900.00 less per student than private colleges in the state of Iowa. Out of State needs to be increased.

Richard reported that IACCT has a new website and he passed out username and passwords to access the site. Shane and Richard went through the website and explained what is within each tab. Richard showed members the tab with the Phi Theta Kappa induction and made the recommendation that if available, each member should attend. Two students from Centerville and two students from Ottumwa will be at the awards dinner and will receive an award for being Outstanding Students. This is hosted in Des Moines, Iowa.

Richard passed out Tentative Agendas for the ACCT Conference that Indian Hills Community College will host July 22-24, 2015. The annual state-wide meeting is held at college campuses during odd years and in Des Moines on even years. Dr. Sprouse reported on the break-out sessions that will be available during the conference. Richard finished his report by stating that Dr. Sprouse and Presidents from two other colleges are trying to build a relationship between community colleges and the Iowa Department of Economic Development with regards to Economic Development, job training, and apprenticeship training.

Personnel Report

Ms. Bonnie Campbell, Human Resources Director, presented the Personnel Report.

Motion

It was moved by Beth Danowsky and seconded by Nellie M. Coltrain to approve the Personnel Report. The motion carried. The Personnel Report is made a part of these minutes.

New Business

None.

President of the College

A. Facilities Report

Rick Fosdyck, Director of Maintenance, reported that his department will be working on two projects over break. The ATC will have 8-rooms that will have new lighting, paint, white boards, and carpeting. In phase II of the project tiered classrooms will be remodeled. The second project is for EOC. There are 2-rooms and the block wall will be replaced with new blocks, the existing window will be replaced, and new furniture has been ordered. This project should be finished by the end of February.

B. Results of the Marketing Audit

Dr. Bianca Myers, Director of Marketing and Alumni Relations; reported that Indian Hills went through a complete Marketing Audit. This process was not for new graphics, but rather to ensure we were making the best use of our dollars and reaching our target audience. This was a 6 month process in which Amperage walked Indian Hills through a series of exercises that included focus groups, review of materials, brand standards, logo and tagline development, review of the website, review of digital and social media, review of print jobs, radio and television advertising, and an overall marketing plan. The committee started with a student focus group, and this included students from all areas of the college. The students were asked: if you were the president of the college how would you advertise Indian Hills. Students said they would talk about jobs and cost savings. One thing Amperage said is don't call yourself cheap, Walmart is cheap,

and nobody wants cheap. It's a savings, Targets a savings, Target is hip, so we are going to be a little more like Target and less like Walmart.

A new logo was created out of 3 samples the committee was given. The new tagline "Life. Changing." was decided upon because student's comments were that IHCC "Changed their life" "Attending Indian Hills will change my life" and "Attending Indian Hills is Life Changing." During one of the group exercises they were asked to identify the college with a famous person. The hero in all of us was best represented by Katniss Everdeen because she wants to be ordinary, but makes great things happen. The automotive avatar that best fit IHCC was a truck because it is dependable, always running, etc. and the canine avatar was a Great Pyrenees because of being faithful and guarding its flock and is a keen worker.

Dr. Myers stated that a marketing plan is in now in place with Brand Standards. The first goal was to develop a brand recognition so when people see something they will immediately know that it is from Indian Hills. Goal 2 is to maintain brand integrity and to "own" maroon. There are now only certain fonts that will be used on pamphlets, letters, and other materials. The core concept for the marketing plan is that everything looks similar, the college will no longer have different logos, letter styles, or correspondence. She also showed a Color Branding Grid which shows primary colors and secondary colors that will be used. The college will use the Gotham Narrow Family, Tahoma, the Stone Serif Family, and Clio as lettering styles, depending on what is being created. The key to successful marketing is to direct your message to key audiences.

C. Foundation Update

Rhonda Conrad, Executive Director, Foundation and Community Relations; introduced her staff and recognized new board members. She stated that the Foundation began in 1975 and will be celebrating the 39th year. The Foundation has awarded \$14.7 million to 17,142 students, approximately 550 students are recipients annually. Rhonda gave members an Annual Report and stated that 6,500 copies were mailed to donors, people participating in events/activities, and also a letter was mailed to 18,800 alumni with a link to the report on the Indian Hills website.

Rhonda stated that she received a call by Dr. William Crowe who informed her that he had done a study based on the 2012 IRS 990 filing and the Indian Hills Foundation was #27 of 850 public 2-year college supported foundations and results were presented at the 2014 CASE Conference. In 2012 on the Iowa's Community College Foundations, Indian Hills came in #2, just below Kirkwood Community College. Rhonda also talked about the perpetual scholarship from Frances Weieneth who donated \$569,000.

Rhonda had a PowerPoint showing the Ottumwa and Centerville Donor Receptions and students were recipients.

Dr. Sprouse gave board members an invitation to the staff holiday party and student and staff concert. She also gave them a new athletic card to present at sporting events and tell the person at the window how many tickets are needed.

She reminded everyone that dinner will be at her home and there are two vans, which will be driven by Mick Lawson and Brett Monaghan, that will take you to her house and return you to campus when you are ready to leave.

Adjournment

Board member Nellie M. Coltrain moved that the meeting be adjourned. Hearing no objections, Board President John Pothoven adjourned the meeting at 5:31 p.m.



BOARD PRESIDENT



BOARD SECRETARY