

**HAGERSTOWN COMMUNITY COLLEGE
BOARD OF TRUSTEES**

MINUTES

*Regular Meeting
March 18, 2003*

A Regular Meeting of the Board of Trustees of Hagerstown Community College was held on Tuesday, March 18, 2003, in the Library Board Room beginning at 11:30 a.m. In attendance:

Board Members

Wayne E. Alter, Jr.
Guy Altieri, President
Carolyn Brooks, Vice-Chair
Anton T. Dahbura
Merle S. Elliott, Chair
Margaret E. Hetzer
Florence M. Murdock
William J. Reuter

Others

Anna M. Barker – Dean of Administrative Services
Carl J. Galligan – Dean of Students
Michael Harsh – Faculty Chair
Barbara E. Macht – Director, Institutional Research
Barbara W. Roulette – Recording Secretary
Michael E. Seger – Director, Human Resources
Spring Ward – Faculty Vice-Chair

Call To Order

Mr. Merle S. Elliott, Chair, presided and convened the regular meeting at 11:40 a.m.

Approval Of Minutes (Executive Session and Regular Meeting - February 18, 2003)
(ACTION)

Approval of Executive Session minutes of February 18, 2003, was deferred pending further discussion. Ms. Brooks moved to approve the regular meeting minutes of February 18, 2003 as submitted; Ms. Murdock seconded and the motion was approved.

Reports From Campus Groups

Due to an abbreviated agenda, Faculty Assembly and Student Government Association reports were deferred to the next regularly scheduled meeting on April 15, 2003.

Monthly Reports

Revenue and Expense Report as of February 28, 2003 (ACTION)

Ms. Barker discussed the Revenue and Expense Report as of February 28, 2003. She noted that actual revenue for FY03 is \$13.2 million, or 76% of projected revenue, which is approximately 5% less than FY02. This is due to the posting of the budget adjustments and the timing for the scheduled payment of the County allocation. In response to an inquiry from the Board, Ms. Barker said that HCC sets the schedule for County payments. Total Expenditures for FY03 are \$10.5 million, approximately 60% of the projected amount. Total Revenue over Expense for FY03 is \$2.7 million, a 23% unfavorable variance with FY02's \$3.6 million.

Mr. Alter moved to accept the Revenue and Expense Report as submitted; Ms. Brooks seconded, and the motion was approved.

Personnel Report (ACTION)

Mr. Seger discussed the Personnel Report for March 2003, which included the list of employees who have taken advantage of the Retirement Incentive and have submitted their letters of intent to retire as of July 1, 2003. Of the fourteen retirees, there are 7 Professors, 1 Associate Professor, and 1 Dean, Dr. Galligan. At Chair Elliott's request to comment on his decision, Dean Galligan expressed his fondness for the College and the students, and explained that personal considerations affected his decision to retire. Dr. Galligan expressed an interest in remaining active in College activities on a part time basis.

Mr. Reuter moved to approve the Personnel Report as submitted; Ms. Murdock seconded and the motion was approved.

Special Reports

Annapolis Legislation of Interest to HCC

Chair Elliott recapped HB807, which would allow HCC faculty to unionize, and HB1026, which deals with a County residency requirement for future trustees. The language in HB807 was changed from classified personnel to faculty. No other action on this bill has been taken. The bill crossover date is March 24, 2003, and there is no corresponding Senate bill. No action has yet been taken on HB1026. The Appropriations Committee had requested a copy of the recent Campus Climate Survey and this was sent to them.

Health Care Benefits Progress Report

Mr. Seger discussed two health care options: the current self-insured plan, with options and recommendations for curtailing costs; and a fully-insured plan.

Self-Insured Plan

It was recommended that the current self-insured plan be changed to a “cafeteria style plan” that offers pre-tax contributions and increases in benefits on a voluntary basis. A flexible spending account that permits employees to make pre-tax contributions up to \$3,000 P/A for medical and dental expenses not covered by the insurance plan, and up to \$5,000 for dependent care has been designed and is ready for implementation effective July 1, 2003. The potential savings is \$11,486 on payroll taxes. AFLAC is the recommended vendor to implement and manage the FSA program.

Voluntary benefits would include vision care, supplemental disability insurance through AFLAC, and Employee Assistance Program through Behavioral Health Services.

Dental benefits would be increased to \$1,500 maximum per year, with employee contributions at the following levels: single, 20%; employee/spouse, 30%; employee/child, 35%; employee/family, 40%. Recommended retiree contribution rates, based on years of service, are: 20 plus, 40%; 15 plus, 50%; 10 plus, 60%; 5 plus, 80%. The potential savings to the College is \$34,000.

In addition, it is recommended that employee/retiree rates, deductible levels and co-payments be increased to a competitive market level in an effort to control costs. The increase in employee / retiree contributions would potentially save the College \$103,897. A further savings of \$14,272 would be realized by increasing deductibles to \$450 and \$600 for individuals and families respectively. A change in LTD insurance to include an “Own Profession” provision for a two-year period would yield potential savings of \$4,000.

As an addendum to the presentation, it was also recommended to offer a “cash back” option at 33% of the premium rate for those employees who waive HCC’s medical coverage.

Total potential savings to the current self-insured plan with implementation of the aforementioned recommendations is \$167,655.

The Board requested current contribution rates for employees and retirees for comparison to the recommended contribution levels. The Board also felt it would be helpful to see actual scenarios depicting the financial impact on individuals’ paychecks when these recommended changes have been applied. Mr. Seger said the Stop Loss is \$60,000 per individual; the aggregate Stop Loss will be provided at a future meeting. The Board also cautioned that a “cash back” option sometimes removes the most desirable individuals from the insurable pool. They suggested researching similar organizations with similar plans to determine the overall impact on the plan.

Fully-Insured Plan

Long term, for possible implementation in FY05, Mr. Seger recommended that the College explore a fully-insured insurance plan. Some of the administrative benefits are: evaluate features of plan for compliance, cost effectiveness and market competitiveness; assess plan effectiveness as it relates to College objectives; provide assistance with benefits enrollment program; and

provide ongoing support with plan implementation and communications. The Holland Company, Willis of Maryland, Inc., and BGS&G are three vendors who could possibly assist in exploring the options of a fully insured plan. A formal RFP (Request for Proposal) process would be conducted.

The Board suggested the College get some preliminary figures for comparison prior to the formal RFP process.

Since the College's current insurance plan expires on June 30, 2003, continuation of the self-insured plan for FY04 is necessary. Mr. Seger will present specific plan options and recommendations for approval by the Board at the next regular meeting on April 15, 2003, with implementation for July 1, 2003.

For consideration in FY05, the administration will continue to gather information on the cost of a fully-insured plan. This information will be presented to the Board at a future meeting.

Adjournment

There being no further business, discussion or remarks, the meeting was adjourned by unanimous vote at 12:20 p.m. Members of the Board retired to the College Center, Conference Rooms 1 and 2, for a joint meeting with the Washington County Commissioners.

The next regularly scheduled meeting of the Board of Trustees will be held on Tuesday, April 15, 2003, at 12:30 p.m., in the Library Board Room.

Respectfully submitted,

Guy Altieri, Ed.D.
President/Secretary