

**HAGERSTOWN COMMUNITY COLLEGE  
BOARD OF TRUSTEES**

**MINUTES**

*Executive Session Single Topic Meeting  
May 6, 2003*

An Executive Session Single Topic Meeting of the Board of Trustees of Hagerstown Community College was held on Tuesday, May 6, 2003, in the College Center, Conference Room #2 at 12:00 noon. In attendance:

Board Members

Wayne E. Alter, Jr.  
Guy Altieri, Secretary / President  
Carolyn Brooks, Vice-Chair  
Anton T. Dahbura – by telephone  
Merle S. Elliott, Chair  
Margaret E. Hetzer  
Florence M. Murdock

Others

Anna M. Barker – Dean of Administrative Services  
Barbara W. Roulette – Recording Secretary  
Michael Seger – Director of Human Resources

**Call To Order**

Mr. Merle S. Elliott, Chair, presided and convened the regular session meeting at 12:15 PM and entertained a motion to adjourn to executive session. The motion was seconded and carried unanimously. Chair Elliott convened Executive Session at 12:15 PM.

**Old Business**

***Employee Benefits Program***

Mr. Seger summarized the options being considered to help minimize the financial impact on employees created by the increase in health care deductibles from \$225 to \$450 mid-year (effective July 1, 2003). Even though the increase has brought HCC's plan into comparable line with the health care benefits of cohort colleges, lack of incremental increases for the last ten years and a mid-year increase have contributed to many employees feeling that the increase is too burdensome. In response, the Administration formulated four options as listed below and is recommending option three.

**Option 1:** Postpone implementing the increase until January 1, 2004. The total cost to HCC in the worst-case scenario would be \$30,060. Option 1 would require little, if any, administrative work from existing HCC staff.

**Option 2:** Pay each employee a \$100 bonus to help offset the financial impact of the increased deductibles. The total cost to HCC would be \$17,977.55. Option 2 would require some administrative work from existing HCC staff.

**Option 3:** Add \$100 to each employee's flexible spending account (FSA) to be used as they see fit. Assuming 167 employees are eligible, the total cost to the college would be \$22,712. Option 3 would require little, if any, administrative work from existing HCC staff. Any unused FSA dollars at the end of the year would revert to HCC.

**Option 4:** Do nothing. Make new deductibles effective July 1, 2003 as planned. Total cost to HCC is zero. Option 4 would require no administrative work from existing HCC staff, but it does not address employee concerns about increased rates and deductibles.

The Board generally favored Option 3. President Altieri said the advantage of this option over Option 2 is that it introduces employees to the use of a flexible spending account, which helps reduce the College's payroll taxes. To take advantage of this offer, all employees would need to enroll for an FSA, and any unused funds at the end of the plan year would revert to the College.

This option would be communicated to employees by an Open Forum, which is scheduled for May 12<sup>th</sup>, a memo to each employee, and group sessions. An FSA enrollment application would be made available on the Internet.

President Altieri said that while he has not met formally with any campus group, informal conversations with Mike Harsh, Faculty Assembly Chair, indicate that the faculty was concerned with the size of the deductible increase and would be appreciative of anything that could be done to lessen the impact this year.

Dr. Dahbura expressed concern for committing college dollars before the state allocation for FY04 has been finalized. He felt that since the complete financial picture is still unknown, committing the funds necessary to implement Option 3 (\$22,712) would be premature and a gamble.

It was pointed out that the \$22,712 necessary to implement Option 3 would reduce the amount the College expects to save by executing the new benefits program. In addition, the administration understands that if budget adjustments are required, they will be made in some other area as may be necessary. Option 3 would also demonstrate sensitivity to employees' concerns.

Following discussion, Mr. Alter moved to approve Option 3 as submitted. Ms. Murdock seconded, and the motion carried by majority vote. Dr. Dahbura cast the one opposing vote.

**Adjournment**

There being no further business, discussion or remarks, the executive session meeting was adjourned by unanimous vote at 12:45 PM. The regular session meeting was reconvened and adjourned by unanimous vote at 12:45 PM.

The next regularly scheduled meeting of the Board of Trustees will be held on Tuesday, May 20, 2003, at 1:00 PM, in the College Center, Conference Rooms 1 and 2. Preceding the regular meeting, lunch will be available at 12:00 noon in the same location.

Respectfully submitted,

Guy Altieri, Ed.D.  
President/Secretary

GA/bwr