



1200 West Algonquin Road
Palatine, Illinois

REVISED Regular Board Meeting Agenda

January 15, 2009
7:00 p.m.

I. Call to Order

II. Roll Call

III. Approval of Agenda

IV. Presentations

- Dave McShane
 - Voiceover Internet Protocol (VoIP)
 - SMART Room

V. Student Trustee Report

VI. President's Report

VII. Harper Employee Comments

VIII. Citizen Comments

IX. Consent Agenda* (Roll Call Vote)

A. For Approval

- | | |
|---------------------------------------------------------------------------------------------------------|----------------|
| 1. Minutes - December 16, 2008 Regular Board Meeting | Exhibit IX-A.1 |
| 2. Bills Payable, Payroll for December 19, 2008; Estimated Payroll for January 2, 2009 | Exhibit IX-A.2 |
| 3. Bid Awards | Exhibit IX-A.3 |
| 4. Requests for Proposals | Exhibit IX-A.4 |
| 5. Purchase Orders | Exhibit IX-A.5 |
| 6. Personnel Action Sheets | Exhibit IX-A.6 |
| 7. Memorandum of Understanding Regarding Interpretation of Article 9.12 of the Teaching Adjunct Faculty | Exhibit IX-A.7 |
| 8. First Reading of New Board Policy 05.39.00 - University Religious Observances | Exhibit IX-A.8 |

B. For Information

- | | |
|---------------------------------------------------------------------------------|----------------|
| 1. Financial Statements | Exhibit IX-B.1 |
| 2. Committee and Liaison Reports | Exhibit IX-B.2 |
| 3. Grants and Gifts Status Report | Exhibit IX-B.3 |
| 4. Summary of Items Purchased from State Contracts, Consortiums or Cooperatives | Exhibit IX-B.4 |

* At the request of a Board member or the President, an item may be removed from the Consent Agenda for discussion. In addition, certain recurring recommendations may be included in the Consent Agenda at the discretion of the College President.

X. New Business

- A. RECOMMENDATION: Public BINA (Bond Issue Notification Act) Hearing for Issuance of Funding Bonds Exhibit X-A
- B. RECOMMENDATION: Recommendation to Engage Holabird and Root to Develop a Design Proposal for the Renovation of Buildings G and H Exhibit X-B
- C. RECOMMENDATION: Recommendation to Engage Holabird and Root to Develop Three Design Options for the Renovation of the Library Exhibit X-C
- D. RECOMMENDATION: Settlement Agreement With Burnidge and Paschen, et al Exhibit X-D
- E. RECOMMENDATION: Addendum to Resolution Regarding Referendum Bonds Exhibit X-E**

XI. Announcements by the Chair

- A. Communications
- B. Calendar Dates

On-Campus Events

(Note: * = Required)

- January 19 College Closed - Martin Luther King, Jr. Day
- February 12 College Closed - Abraham Lincoln's Birthday
- *February 19 7:00 p.m. - Regular Board Meeting - W214-215
- *March 19 7:00 p.m. - Regular Board Meeting - W214-215
- April 10 College Closed - Friday Holiday
- *April 30 7:00 p.m. - Regular Board Meeting - W214-215

Off-Campus Events

XII. Other Business (including closed session, if necessary)

XIII. Adjournment

Minutes of the Regular Board Meeting of Tuesday, December 16, 2008

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WILLIAM RAINEY HARPER COLLEGE
BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT #512
COUNTIES OF COOK, KANE, LAKE AND McHENRY, STATE OF ILLINOIS

Minutes of the Regular Board Meeting of Tuesday, December 16, 2008

CALL TO ORDER: The regular meeting of the Board of Trustees of Community College District No. 512 was called to order by Chair Stone on Tuesday, December 16, 2008 at 7:02 p.m. in the Wojcik Conference Center (Room W214), 1200 W. Algonquin Road, Palatine, Illinois.

ROLL CALL: Present: Members Borro, Canning, Graft, Hoffman, Kelley and Stone; Student Member Garcia
Absent: Member Hill

Also present: John Pickelman, Interim President; Catherine Brod, V.P. for Development; Phil Burdick, Assistant V.P. for Communications and Legislative Relations; Maria Coons, Interim V.P. Enrollment and Marketing; Joan Kindle, V.P. Student Affairs and Assistant to the President; Cheryl Kisunzu, V.P. HR/Diversity and Organizational Development; David McShane, V.P. Information Technology; Sheila Quirk-Bailey, Associate V.P. for Strategic Planning and Alliances; Margaret Skold, V.P. Academic Affairs; Judy Thorson, V.P. Administrative Services; Anne Abasolo; Mike Alsup; Carol Blotteaux; Dave Braunschweig; Erin Brooks; Arlene Bublick; Orlando Cabrera; Kim Dell'Angela; Tom Dowd; Earl Dowling; David Dwyer; Mia Igyarto; Andy Kidwell; Ashley Knight; Jim Ma; Michael Nejman; Kathi Nevels; Sean Noonan; Sheryl Otto; David Richmond; Michelé Robinson; Matt Rogers; Tammy Rust; Rich Seiler; Doug Spiwak; Joe Wachter and Renee Zellner. Students: Talitha Baer; Kourtney Nemeć; Sadaf Syed.

Guests: Richard Hendricks, Gina Montalvo, citizens.

Chair Stone welcomed Dr. John Pickelman, Interim President.

Member Kelley led the Pledge of Allegiance.

Chair Stone noted that there would be no educational presentations this evening.

APPROVAL OF AGENDA Member Kelley moved, Member Canning seconded, approval of the Revised Agenda.

In a voice vote, the motion carried.

EDUCATIONAL
PRESENTATIONS

The educational presentations were cancelled.

STUDENT TRUSTEE
REPORT

Student Member Garcia noted that, as the semester comes to a close, students are looking forward to 2009. President Elect Obama will take his Oath of Office on the first day of school, Tuesday, January 20, 2009. The inauguration will be broadcast in the Student Center Lounge, and there will be full coverage by *The Harbinger*. Student Member Garcia congratulated and commended everyone who works on the school newspaper. She encouraged everyone to read the current 12-page edition of *The Harbinger*. There is a real sense of accomplishment behind the strong leadership of Editor Sadaf Syed and Editor-in-Chief Kris Collins.

It was noted that the Harper College Student Senate is encouraging the Pace Bus to extend evening service hours for Routes 696 and 699 on Monday through Thursday. It would better serve the students if the bus service would run until 10:00 pm. Harper College student Robert Schindler brought the issue to the Student Senate when he noticed the lack of accommodations for students with disabilities wanting to attend evening classes. Student Member Garcia added that the Student Senate is seeing a reported growth in demand for Pace Bus service at Harper College; there was a 76 percent increase in sales of Pace Bus passes from Fall 2007 to Fall 2008.

Student Member Garcia noted that students are more proud than ever of the Harper Hawks football team, which ended the season with an 11-1 record, competed in the Valley of the Sun Bowl and defeated Phoenix College 39 to 38 to become the Division 3 national champions. She asked Doug Spiwak, Director of Athletics and Fitness, to address the Board.

Mr. Spiwak stated that, when they started changing over Harper colors and developing their logo over a year ago, it was part of the vision to see true school spirit on the campus. He thanked Alaine Garcia for her fantastic emcee work at the Pep Rally/Beach Bash, which honored the football team. He witnessed a kind of spirit that has never been seen before at Harper. He noted that Phoenix has broadcast the game on their local networks and will be

sending a copy of the game to Harper shortly. They plan on showing the game during Welcome Week in A Building for all students to enjoy. It was a fantastic game. Mr. Spiwak noted that it brought the Harper Hawk and Harper College to national prominence.

Mr. Spiwak noted that Harper football player Garrett Barnas made the national scene on the internet as he made a verbal commitment to Syracuse University. When asked, Mr. Barnas stated that it was the education that mattered to him and going to an outstanding university. That says a lot about the students who come from Harper. They truly understand the opportunities they have and appreciate the education. Seeing the Harper Hawk all over the internet and seeing the parents wearing spirit wear at the Bowl game was a highlight. It was great to see their pride in being a part of Harper College, and knowing their sons had a great experience at Harper and were afforded the opportunity to go to a prestigious Bowl game.

Mr. Spiwak announced that the Harper women's athletic program is also stepping up and being a program of distinction. They provide women with the opportunities to play at an outstanding level. Harper volleyball team recaptured the regional championship and had the opportunity to go to Rochester and participate in the national championships, finishing fifth in the nation. They are very proud of the women's program.

Chair Stone thanked Doug Spiwak and Student Member Garcia.

PRESIDENT'S REPORT

Dr. Pickelman stated that the past two weeks have been remarkable. Everyone has been gracious and welcoming to him and his wife Barbara. They look forward to being active and participating in the life of this community and representing the College. In his role as Interim President, it is his responsibility to work with the leadership team to continue to serve the residents of this community and try to deliver the best possible quality of service to the students.

Dr. Pickelman explained that, when he retired he knew he still had a lot to give and there was a lot he wanted to be a part of in the community college movement. He identified a niche where he felt he could be of service. There were two things that he had set to guide him as far as what he would do. The two things are: 1) only do those things that you like;

2) only do those things with people you like. That is not always possible. He feels this is a very good match. He is happy to work with Dick Hoffman and Rita Canning on the search, and this adds a good perspective which will allow for a smooth transition for the new President. This will give him an opportunity to become more familiar with the College and contribute what he can.

He explained that for the past two weeks, he has been doing a lot of listening and has come away with the following impressions: this is a very dedicated faculty and staff; people are interested in the big picture of the College, in working hard to make sure that the College is the best it can be. He added that the Board should be very pleased. Their sense of what is happening here and the level of expertise that is being displayed throughout the campus is something of which the Board can be proud. Dr. Pickelman feels privileged to be a part of that, and he will do his best to aspire to the standards that have been established.

Chair Stone stated that the Board is thrilled to have Dr. Pickelman here. They are looking forward to learning from him, based on his years of experience in community colleges.

HARPER EMPLOYEE COMMENTS

There were no employee comments.

CITIZEN COMMENTS

There were no citizen comments.

CONSENT AGENDA

Chair Stone noted that Exhibit IX-A.1 has been amended to read "minutes of November 12, 2008 special Board meeting and November 20, 2008 regular Board meeting."

Member Graft moved, Student Member Garcia seconded, approval of the minutes of the November 12, 2008 special Board meeting and November 20, 2008 regular Board meeting; bills payable; payrolls for November 21, 2008; and December 5, 2008; estimated payroll for December 19, 2008; bid awards; requests for proposals; purchase orders; personnel action sheets; revised 2009-2010, 2010-2011, 2011-2012 academic calendars; approval of settlement agreement regarding litigation filed by a former employee of the College; financial statements, committee and liaison reports, grants and gifts status report, summary of items purchased from state contracts, consortiums or cooperatives, as outlined in Revised Exhibits IX-A.1 through

IX-B.4, (attached to the minutes in the Board of Trustees' Official Book of Minutes).

Accounts Payable & Tuition Refunds \$3,977,988.64

The payroll of November 21, 2008 in the amount of \$1,838,028.50; December 05, 2008 in the amount of \$1,814,886.94; and estimated payroll of December 19, 2008 in the amount of \$1,826,437.72.

Bid Awards

- Ex. IX-A.3.a Award bid request Q00601 for a Barco projector, lens and rigging to Roscor Corporation, the lowest responsible bidder for a total award in the amount of \$25,990.
- Ex. IX-A.3.b Award bid request Q00604 for varying types of projector bulbs to Perlmutter Purchasing, the lowest responsible bidder for a total award in the amount of \$39,797.
- Ex. IX-A.3.c Award bid request Q00608 for automatic door openers to Automatic Doors, Inc., the lowest bidder in the amount of \$31,538.

Requests for Proposal

There were no requests for proposal this month.

Purchase Orders and Adjustments

- Ex. IX-A.5.a Approve issuance of a purchase order to Philips Medical for an Ultrasound Imaging Machine, in the amount of \$18,053.50.
- Ex. IX-A.5.b Approve issuance of a purchase order to Dionex Corporation for High Performance Liquid Chromatography Systems for a Sole Source Purchase in the amount of \$70,288.63.
- Ex. IX-A.5.c Approve issuance of a purchase order for a contract to Pickelman Ventures LLC for the contractual services of Dr. John Pickelman, as Interim President of the College to serve on an as-needed base, pending completion of the presidential search process and

authorize the Chair of the Board of Trustees to sign pending final legal review.

Personnel Actions

Faculty Appointment

Colleen Tomanek, Instructor/Counselor, STU DEV,
01/14/09, \$42,240/year

Supervisory/Confidential Appointments

Michelle Malkin, Director, Annual Giving & Alumni Relations,
CR/FDN, 12/01/08, \$68,000/year

Paul Santellano, Manager of Media Technologies, IT/CS,
12/01/08, \$75,000/year

Christine Trilling-Raices, Assistant Director of Foundation
Operations & Advancement Services, CR/FDN,
01/05/09, \$53,500/year

Classified Staff Appointments

Cynthia Andersen, Receptionist/Clerk, p/t, TEST, 12/01/08,
\$14,664/year

Judith Leg-Straily, Admissions Data Steward, p/t, ADM PRO,
12/03/08, \$23,777/year

Charles Mulvey, Telephone Operator, IT/TS, 12/01/08,
\$28,275/year

Diane Sheridan, Administrative Secretary, AE/LS, 12/01/08,
\$35,100/year

Harper #512 IEA-NEA Appointments

Eric Netzband, Custodian, PHY PLT, 12/08/08, \$23,837/year

Martha Vega, Weekend Custodian, p/t, PHY PLT, 11/22/08,
\$6,792/year

Limited Term Employment

Justin LeBreck, Desktop Integration Analyst, IT/CS,
12/01/08, \$46,000/year

Classified Staff Resignation

Ryan Larkin, Library Assistant I, LIB SER, 01/16/09, 4 years

Harper #512 – IEA-NEA Resignation

Richard Pernice, Custodian, PHY PLT, 11/04/08

Revised 2009-2010,
2010-2011, 2011-2012
Academic Calendars

Adoption of the revised academic calendars for
2009-2010, 2010-2011, 2011-2012 academic years.

Approval of the

Approval of the settlement agreement between

Settlement Agreement
Regarding Litigation Filed
by a Former Employee
of the College

Harper College and its former employee.

Upon roll call of the Revised Consent Agenda, the vote was as follows:

Ayes: Members Borro, Canning, Graft, Hoffman,
Kelley and Stone

Nays: None

Motion carried. Student Member Garcia voted aye.

NEW BUSINESS:
Public Hearing on
Tax Levy

Member Graft moved, Member Kelley seconded, to adjourn the Regular meeting to the hearing on the adoption of the tax levy.

In a voice vote, the motion carried.

Chair Stone called to order the public hearing on the adoption of the Harper College tax levy at 7:19 p.m. The Board received copies of the tax levy resolution attached to their regular agenda.

Vice President Thorson explained that this year the tax levy total is \$54,056,288, adding up all of the funds. She noted that the document shows the split of the levy by funds. She explained that the tax cap will prevail, and the actual amount that they are able to collect is no longer governed by the levy, but by the tax cap. They try to set these levy amounts at a limit that is higher than they think they will get just so they leave themselves enough room. When they go through the actual tax calculation process after they get assessed valuation, it usually comes in lower than this.

Vice President Thorson explained that the 12.4 percent decrease is due to the fact that their bond payments are going down; this levy recognizes the decrease on the bond side. If and when they actually sell bonds in January or February, there are pieces of the bond sale Resolution that amend the bond part of that levy to bring it back up. This sets the levy as it stands today, and it is possible that it will be modified as they sell the bonds in January or February. If nothing is done by the end of February, this levy becomes what the County Clerks use to actually calculate the taxes.

Chair Stone asked if there was anyone present who would like to comment on the levy. Hearing none, Chair Stone declared the hearing closed.

Member Graft moved, Member Canning seconded, to reconvene the Regular meeting. In a voice vote, the Regular meeting was reconvened at 7:21 p.m.

Adoption of Levy Resolution

Member Graft moved, Member Canning seconded, adoption of the Levy Resolution for 2008, as outlined in Exhibit X-A (attached to the minutes in the Board of Trustees' Official Book of Minutes).

Upon roll call, the vote was as follows:

Ayes: Members Borro, Canning, Graft, Hoffman,
Kelley and Stone
Nays: None

Motion carried. Student Member Garcia voted aye.

Abatement of Taxes

Member Kelley moved, Member Graft seconded, approval of the Resolution abating the tax levied for 2008 to pay the debt service on the \$4,070,000 General Obligation Bonds, Series 2001 (Alternate Revenue Source) and authorization of the transfer of \$521,418 from the revenues generated in the Auxiliary Fund to the Bond and Interest Fund, as outlined in Exhibit X-B (attached to the minutes in the Board of Trustees' Official Book of Minutes).

Upon roll call, the vote was as follows:

Ayes: Members Borro, Canning, Graft, Hoffman,
Kelley and Stone
Nays: None

Motion carried. Student Member Garcia voted aye.

Resolution to Support House Bill 6660

Member Borro moved, Member Graft seconded, adoption of the Resolution to support net aggregate electrical metering for Illinois units of local government and school districts, House Bill 6660, as outlined in Exhibit X-C (attached to the minutes in the Board of Trustees' Official Book of Minutes).

In a voice vote, the motion carried.

Second Reading of
07.01.07 - Annual
Budget

Member Graft moved, Member Canning seconded,
approval of the modification to the Board Policy on
Annual Budget, as outlined in Exhibit X-D (attached to the
minutes in the Board of Trustees' Official Book of Minutes).

In a voice vote, the motion carried.

Second Reading of
07.03.01 –
Purchasing Policy

Member Canning moved, Member Kelley seconded,
approval of the modification to the Board Policy on
Purchasing, as outlined in Exhibit X-E (attached to the
minutes in the Board of Trustees' Official Book of Minutes).

In a voice vote, the motion carried.

Second Reading of
13.11.00 - College
Personnel Rights and
Responsibilities in
College-Supported
Inventions and Materials

Member Kelley moved, Member Graft seconded,
approval of the modification to the Board Policy on
College Personnel Rights and Responsibilities in
College-Supported Inventions and Materials, as outlined
in Exhibit X-F (attached to the minutes in the Board of
Trustees' Official Book of Minutes).

In a voice vote, the motion carried.

Affiliation Agreement
with Elmhurst Memorial
Hospital

Member Canning moved, Member Graft seconded,
approval of the Affiliation Agreement between Harper
College and *Elmhurst Memorial Hospital* for the Dietetic
Technician/Dietary Manager program(s), and authorization
for the Dean of Health Careers Division to sign the above, as
outlined in Exhibit X-G (attached to the minutes in the Board
of Trustees' Official Book of Minutes).

In a voice vote, the motion carried.

Resolution to Hire
Lobbyist

Student Member Garcia moved, Member Canning
seconded, retaining Alfred G. Ronan, LTD for state and
federal legislative consulting services and authorization for
the Board Chair to sign a contract in the amount of \$85,000
pending review by the College attorney, as outlined in Exhibit
X-H (attached to the minutes in the Board of Trustees'
Official Book of Minutes).

Chair Stone noted that this is to retain Alfred G. Ronan, LTD
for consulting services to monitor state agencies and the
legislative process of the Illinois General Assembly and
monitor legislative issues of interest to the College.

In a voice vote, the motion carried. Chair Stone noted that there were four votes in favor, including her own. Members Graft and Kelley voted against Exhibit X-H.

It was noted that Board members will consider approval of Exhibit X-J prior to Exhibit X-I.

Ratification of Harper College Adjunct Faculty Association, IEA-NEA Contract Extension

Member Graft moved, Member Borro seconded, to ratify the two-year extension to the Collective Bargaining Agreement with the Harper College Adjunct Faculty Association, IEA-NEA, for the 2010/2012 years. Additionally, authorization for the Board Chair and Secretary to execute such Agreement on behalf of the Board of Trustees, as outlined in Exhibit X-J (attached to the minutes in the Board of Trustees' Official Book of Minutes).

Upon roll call, the vote was as follows:

Ayes: Members Borro, Canning, Graft, Hoffman, Kelley and Stone
Nays: None

Motion carried. Student Member Garcia voted aye.

Ratification of Harper 512 Association, IEA-NEA Contract Extension

Member Canning moved, Member Hoffman seconded, to ratify the two-year extension to the Collective Bargaining Agreement with the Harper 512 Association, IEA-NEA, for the 2010/2012 years. Additionally, authorization for the Board Chair and Secretary to execute such Agreement on behalf of the Board of Trustees, as outlined in Exhibit X-I (attached to the minutes in the Board of Trustees' Official Book of Minutes).

Upon roll call, the vote was as follows:

Ayes: Members Borro, Canning, Graft, Hoffman, Kelley and Stone
Nays: None

Motion carried. Student Member Garcia voted aye.

Resolution to Establish A Hearing Date for the Sale of Limited Tax Funding Bonds (BINA Hearing)

Member Kelley moved, Member Graft seconded, approval of the Resolution providing for the establishment of a Funding Bond hearing date of January 15, 2009 and adoption of the required public notice, as outlined in Exhibit X-K (attached to the minutes in the Board of Trustees' Official Book of Minutes).

In a voice vote, the motion carried.

Resolution to Establish
Claims Against the
District and Its Intent
To Sell Bonds

Member Canning moved, Student Member Garcia seconded, adoption of the Resolution as prepared by bond counsel, to establish claims against the district in its intent to sell bonds, as outlined in Exhibit X-L (attached to the minutes in the Board of Trustees' Official Book of Minutes).

Upon roll call, the vote was as follows:

Ayes: Members Borro, Canning, Graft, Hoffman,
Kelley and Stone
Nays: None

Motion carried. Student Member Garcia voted aye

Chair Stone noted that they would be discussing Exhibit X-M (approval of the underwriters for the College bond sales) prior to Exhibit X-N

Approval of Underwriters
For Referendum Bond
Sale(s)

Member Kelley moved, Member Canning seconded, approval of the underwriters for College bond sale(s): Siebert Brandford Shank & Co. LLC, Chicago, Illinois and Banc of America Securities LLC, Chicago, Illinois, as outlined in Revised Exhibit X-N (attached to the minutes in the Board of Trustees' Official Book of Minutes).

Member Kelley asked Vice President Thorson to provide some background information on this RFP process. Vice President Thorson explained that they did a full RFP process. They advertised it in the newspaper and put it on Harper's website. She and the financial professionals created a list of people that they wanted to make sure received the RFP. In the end, they sent out 18 RFPs to various vendors and received proposals from 16 of the 18. Some of the ones that they received back were from people who came through the website or through the advertising. It was a good process. Vice President Thorson explained that she, Joanne Malinowski and Tammy Rust read the 16 proposals, and then narrowed those down to four. They spent a day interviewing the four candidates:

- Siebert Brandford Shank & Co. LLC, Chicago, Illinois;
- Banc of America Securities LLC, Chicago, Illinois;
- Loop; and
- Baird.

Vice President Thorson explained that, as they reviewed the proposals, they believed just by looking at the written

documents that these two were the strongest; and that was confirmed by the interviews.

When reviewing the proposals, they used evaluation criteria. These two candidates came out on top because of the attention they gave to their proposal, tailoring it to Harper's specific situation and helping them understand how they would relate to Harper in marketing of the bonds. Siebert Brandford and Shank is more of a municipal bond house. They are a growing firm. They will most likely be the lead underwriter. Banc of America was another strong contender. They had a little concern because Banc of America does a lot more than municipal bonds, and they have been in the newspaper because of their merge with Merrill Lynch. There will be some dislocation as the two firms merge, and they did question them about it in the interview. The people at the table assured Harper that they believe they would survive any merger and they also believe the finalization of the merger would not take place in the timeframe Harper is considering. Banc of America has a strong distribution network into the retail market. They heard from all of the proposals that the retail market is taking up a lot of the buying of the bonds right now because so many of the big players are out of it. Additionally, with Harper's Aaa rating, all of the firms said they did not think Harper would have trouble selling the bonds. This is exactly the kind of thing people are looking for – a safe haven with a reasonable return. Vice President Thorson stated they have notified the two firms that they were bringing their names forward.

Vice President Thorson explained they could have gone with just one underwriter, but that focuses the risk on one party. They thought that, in this market, it was better from a distribution point and a risk point to have more than one underwriter involved. They could have gone with three or four, but they did not feel the other candidates were as strong. On the day they price, if they can only sell \$130 million of the \$153 million, a strong underwriter will just buy the other \$20 million. These two candidates both have the capital and the interest to buy the bonds if they could not sell them all. That was another factor they were considering as they evaluated the proposals.

In response to Member Kelley, Vice President Thorson explained that the fact that there are two underwriters as opposed to one does not affect the cost at all. A good share of the underwriter cost is the amount of commission they pay to their salesmen. The amount of commission Harper will

pay depends on the market. This market was too volatile to try to negotiate a price today for a sale that might happen in January. All of the prices in their proposals were within the \$4 - \$5 per thousand range. Nobody was outside that limit.

In response to Member Kelley, Vice President Thorson explained that they see Siebert taking the lead with 60 percent of the sale, and Banc of America having 40 percent of the sale. It was noted that both candidates said they would like to have the entire deal, but they realized it was in Harper's best interest to spread the risk. Vice President Thorson affirmed that this is a common practice.

Member Graft thanked Vice President Thorson, Tammy Rust and Joanne Malinowski for all their hard work on this. In response to Member Graft, Vice President Thorson noted that their primary contacts are Elizabeth Coolidge of Siebert and Neil Pritz at Banc of America.

Chair Stone called the question and asked Member Hoffman to call the roll.

Upon roll call, the vote was as follows:

Ayes: Members Borro, Canning, Graft, Hoffman,
Kelley and Stone
Nays: None

Motion carried. Student Member Garcia voted aye.

Member Kelley asked if Vice President Thorson would provide the other Board members with a copy of Siebert's and Banc of America's responses to the RFP for informational purposes. It will give some background on this issue. Vice President Thorson noted that she will share that information electronically.

Resolution Regarding Referendum Bonds

Member Canning moved, Member Hoffman seconded, approval of the Resolution providing for the issue of not to exceed \$153,600,000 General Obligation Bonds and the levy of a direct annual tax sufficient to pay the principal and interest on said bonds as prepared by bond counsel, as outlined in Revised Exhibit X-M (attached to the minutes in the Board of Trustees' Official Book of Minutes).

Chair Stone noted that this is known as the "Parameters Resolution." Vice President Thorson explained that the Board members received a revised copy; the only change

reflects the insertion of the underwriters that were just approved. This parameters resolution sets maximums which are designed to give maximum flexibility:

- \$153 million is a maximum;
- 9 percent interest rate is a maximum; and
- the tax rate and the amount of bonds sold per year are all maximums. They are all designed to give maximum flexibility.

She noted that three people are named (by position) in this parameters resolution to execute a sale on behalf of the Board: Board Chair, Laurie Stone; Vice Chair, William Kelley and Treasurer, Vice President Thorson.

Vice President Thorson outlined the following timetable:

- They will get the underwriter on board. She will work with the underwriters and Joanne Malinowski this week and next week.
- During the first week in January, they will do their conference call rating session with Moody's.
- They will have the financial professionals run various scenarios and then they will digest the results so they can start to move forward on the details of structuring the sale. Board members would like to see various "what if . . ." scenarios.
- They will then start looking at timing of going into the market. They are thinking that sometime between mid-January and the end of February there might be a window. They are looking for the best possible rates and they want to move on the day when those rates go down or look like they might go down. That would be the day they would try to jump into the market.

Member Kelley thanked Vice President Thorson, Tammy Rust and Joanne Malinowski for doing a phenomenal job in laying the whole thing out so far. He noted that he understands the reasoning behind choosing a maximum of nine percent rather than five percent – not giving a "tell" to the market. He wanted to make sure his fellow Trustees understand that he has discomfort about the thought of issuing bonds near nine percent, and he imagines there is consternation among his fellow Trustees about that as well. As one of those who will be asked to "pull the trigger," he would like a sense of direction from the Trustees. He also asked for clarification regarding the wording, "up to \$153 million of bonds will be issued between January 1 and May

1, 2009.” It is his understanding there is a possibility they may issue substantially less than that during that period of time or they may decide not to pull the trigger at all and come back at a later time with another Resolution. Vice President Thorson stated that his understanding is correct. This Resolution does not obligate them to do anything, except to stay within these very high maximums.

Chair Stone explained that every single member of this Board wants to be assured that consensus will be reached and that their feedback will certainly be taken into consideration and represented as this decision is made. The job of this committee is not only to pull the trigger at the correct time, but it is to represent the will of the Board - that is our job. They are not to be acting separate and independent of their colleagues on the Board. As part of this process, they are going to be developing a way to quickly reach out and know what the will of the Board is at any time that the situation warrants. Chair Stone is willing to take that responsibility for polling the Board. She made it clear that Board members may be pulled out of a meeting, or they may be asked to make themselves available at all times during this given period.

Vice President Thorson explained that, as they do some scenarios, digest them and get the results of those, everything will become clearer. Once they have the underwriters on board, they will be able to provide the information. She added that they have also discussed with the underwriters their ability and their desire to work with lay people on a Board to be able to help educate on the key factors that need to be known and understood to make this a successful sale. They feel that these particular underwriters have a good manner about them and feel that the Board will be pleased with the way they help through this process.

In response to Dr. Pickelman, Vice President Thorson stated that the scenarios will be distributed to the Board. In response to Member Kelley, Vice President Thorson stated that she anticipates their first meeting with Elizabeth and Neil to take place right after the first of the year. Chair Stone suggested that Board members get calendars to Judy Thorson so that she knows everybody's availability during this period. Vice President Thorson emphasized that this sale could not go through without the three of them voting in the affirmative. It is not two out of three; any one of the three could stop the sale. She hopes that gives some level of comfort. She added that all three represent a very diverse

viewpoint and scope, so she feels the Board is getting the very best thought process as they make the determination.

Member Graft thanked the Chair and Vice Chair, Vice President Judy Thorson and her staff. This is an enormous responsibility, and the Board does not undertake this lightly. It is because of the enormous trust and knowledge of their integrity that the Board knows a great decision will be made. He added that he is personally grateful to the voters of this district to give the College this trust during very trying times; and there are no better individuals to exercise this authority. He looks forward to providing some input in terms of being efficient and as frugal as they can with this opportunity the voters gave Harper. It is precious and rare.

Vice President Thorson noted that the retail market has become an important market. They have talked with the underwriters about the idea of using Harper's own public relations vehicles to get the word out about these bond sales to the presidents of our districts. She has already gotten calls from people wanting to know when the sale is going to occur, because they want to buy some of these bonds. There is a great opportunity to more closely bind the citizens of this district to Harper through the buying of the bonds. They get their education at Harper, they supported the referendum and if they can buy some of the bonds, it is just one more tie. There is some ability in the district to buy these kinds of bonds.

Student Member Garcia asked if there was a way for the students to help. Vice President Thorson stated that they have not discussed the details of marketing yet, but perhaps they could talk about it.

Member Hoffman thanked Vice President Thorson and her whole team. The taxpayers put a lot of responsibility on the College. They pass it on with wholehearted good faith that the right thing will be done for the taxpayers and the College.

Member Borro stated he also has full faith in Members Stone and Kelley. Member Kelley reiterated that they will be reaching out to the rest of the Board for consensus.

Upon roll call, the vote was as follows:

Ayes: Members Borro, Canning, Graft, Hoffman,
Kelley and Stone

Nays: None

Motion carried. Student Member Garcia voted aye.

Chair Stone noted that the Resolution is adopted. She thanked everyone for their involvement. She especially thanked those who had some very pointed questions throughout this process. It is important to have the questions asked and answered; this is just the beginning. She noted that they will enjoy this adventure together; it probably will be the most important undertaking that any of them will have as Trustees. They are looking at this with great care.

Authorization to Adopt
Written 403b Agreement
Effective January 1, 2009

Member Kelley moved, Member Canning seconded, adoption of a formal 403b plan as required by the IRS regulations and authorization for the Chair of the Board of Trustees to sign such agreement after final legal review, as outlined in Exhibit X-O (attached to the minutes in the Board of Trustees' Official Book of Minutes).

In a voice vote, the motion carried.

ANNOUNCEMENTS BY
CHAIR

Communications

Chair Stone noted that she recently had the opportunity to meet with the Student Senate; it was a fabulous experience. She enjoyed getting to know the students and telling them about Harper's Board and the philosophy they hold dear. She encouraged all of her colleagues on the Board to meet with the Student Senate. They will be so proud. She walked away feeling very good about the future of Harper College and about the quality of the people involved. She added that the Student Senate spoke very highly of Carlos Borro. She heard many wonderful things about him. Member Borro stated that the Student Senate has outstanding leaders: Alaine, Tally, Carl and others. They did a great job with the voter registration drive and getting students involved. He added that he is very impressed and he wishes them the best success. Chair Stone thanked Michael Nejman for the work he does with the Senators.

Calendar Dates

Calendar dates are printed on the Agenda for Board information. The College will be closed December 24, 2008 through January 4, 2009 for holiday break. She wished everyone a wonderful holiday season and a very restful vacation. The next regular Board meeting will be Thursday, January 15, 2009.

OTHER BUSINESS

There was no other business.

ADJOURNMENT

Member Graft moved, Member Canning seconded, to adjourn the meeting.

In a voice vote, the motion carried at 7:58 p.m.

Chair

Secretary

BOARD REQUESTS

DECEMBER 16, 2008 REGULAR BOARD MEETING

1. Member Kelley asked if Vice President Thorson would provide the other Board members with a copy of Siebert's and Banc of America's responses to the RFP for informational purposes. It will give some background on this issue. Vice President Thorson noted that she will share that information electronically.