CALL TO ORDER
Board Chair Ostermeyer called the meeting to order at 6:02 p.m.

VERIFICATION OF QUORUM
A roll call verified that a quorum of the Board was present at the meeting.

ATTENDANCE
Trustees: Mic Armon
        Denny Hague
        Judy Meyer
        Fred Ostermeyer
        Rolly Williams
Also present: Michael Burke, President
             Jerry Gee, Vice President for Instruction
             Rolly Jurgens, Vice President for Administrative Services
             Bruce Gifford, Vice President for Student Services
             Robert Ketchum, Assistant Vice President for Instruction
             Kathy Christie, Assistant Vice President for Institutional Research
                and Outcomes Assessment
             Kent Propst, Assistant to the President for Community Relations
             Brenda Smith, Director of Human Resources
             Marc Lyons, Attorney for North Idaho College
             Donna Ward, Secretary for the Board of Trustees
             Peggy Schnell, Staff Assembly Chair
             Rhena Cooper, Faculty Assembly
             Sandra Jacquot, Senate Chair
             Joel Crane, ASNIC President

VERIFICATION OF QUORUM
Board Chair Ostermeyer verified that a quorum of the board was present.

INTRODUCTION OF GUESTS
Guests at the meeting included Sarah Garcia, NIC’s new controller, State Representative
Jim Clark, Post Falls Mayor Clay Larkin, Karen Sherman of the Coeur d’Alene Press, Taryn
Brodwater of the Spokesman-Review, and Chris Heinrich of The Sentinel.
APPROVAL OF MINUTES

Motion was made by Trustee Armon and seconded by Trustee Williams to approve the minutes of the regular meeting of September 24, 2003, as presented. Roll call vote was unanimous for approval.

OPEN FORUM FOR PUBLIC REMARKS
Post Falls Mayor Clay Larkin, Colleen Allison, grant writer for Kootenai County, and Donna Montgomery, Sharon Culbreath, and Dick Johnson, individually addressed the Board regarding their personal concerns about Fort Sherman Institute.

EXTERNAL AUDIT
Vice President Jurgens introduced Stan Wood of Magnuson, McHugh, CPAs, who provided a recap of the audit. He discussed the unrestricted fund balance and the percent-of-budget guideline that is recommended to have on hand as an emergency fund, the fixed asset inventory requirements, and new standards that have been established by the Government Accounting Office.

Wood reported that the audit process went well, that NIC has a clean audit report, and that the financial statements of the audit FY2002-2003 present fairly the financial condition of the college. The only finding was the lack of exit interviews for Perkins loan recipients. Wood said that NIC’s fund balance is currently $3,587,539. It is recommended that approximately 12-14% of total revenue be available. NIC’s fund balance is currently at about 11.5%. Wood then reviewed the new additional documents included in the audit and the introduction of the new term “abuse” and its meaning in relationship to the college. Following a question and answer session, the following motion was made:

MOTION: 10-22-03: 25: Motion was made by Trustee Williams and seconded by Trustee Armon to accept the audit of FY2002-2003 as presented. The motion passed unanimously by roll call vote.

FORT SHERMAN INSTITUTE
President Burke explained to the trustees that Fort Sherman Institute has spent approximately $475,000 in excess of revenue in FY02-03. Burke explained that FSI had requested a budget of $138,000 for FY03-04, and that it had expected to be in a revenue-positive position during this fiscal year. However, the client base, contracts, and revenue that had been projected were not forthcoming. Burke noted the strong expression of community support, but said that due the increasing financial demands on college revenue, and the lack of projected revenues to sustain FSI, he could not recommend that Fort Sherman Institute be funded beyond the $138,000 allocated for FY03-04.

President Burke recommended that the trustees consider a motion to discontinue the Fort Sherman Institute as of October 22, 2003, and provide NIC a 30-day period to close operations and allow the employees to seek other employment. Burke said it was
anticipated that the cost of such a grace period will cost approximately $20,000, which would be paid from contingency funds.

The Trustees then discussed FSI and the attempts to make the program successful, including seeking federal funding, government contracts, and Homeland Security grants. Trustee Hague introduced Dan Whiting, Regional Director from Senator Craig’s office. Whiting explained that this is the first year for Homeland Security, and Congress decided not to be specific in grant funding, but would authorize block grants to the states. He stated that it did not appear that at least for the next year that Homeland Security funds would be specifically available to Fort Sherman Institute.

Although most of the Trustees expressed their opinions that FSI was an excellent program, it is not one that NIC can continue to fund past the FY03-04 budget amount of $138,000. Trustee Armon asked that the community, having shown verbal support for FSI, become involved in financial support of FSI in order for it to continue operation. Post Falls Mayor Jim Larkin and business Jim Elder indicated that they would like to discuss that possibility with the college.

David Dose, Director of Fort Sherman Institute, thanked the board and administration for the college’s support for the last two years and expressed his belief that the program will ultimately be viable.

Board Chair Ostermeyer expressed his support of FSI and his hope that a partnership with a private entity or institution would salvage the program.

**MOTION: 10-22-03: 26** Motion was made by Trustee Armon and seconded by Trustee Meyer to support the recommendation of the President that Fort Sherman Institute be discontinued as of October 22, 2003, with a 30-day period to close operations at the anticipated cost of approximately $20,000 to be paid from the contingency fund. The motion was approved by roll call vote 4-1 as follows:

- Hague: yes
- Ostermeyer: no
- Williams: yes
- Armon: yes
- Meyer: yes

**AGING AND ADULT SERVICES REPORT**
Vice President Jurgens introduced Pearl Bouchard, Director of Aging and Adult Services, who provided an overview of the Aging and Adult Services Program. She said that the mission of the program is to provide easy access to services necessary for people age 60 and over. Functions of Aging and Adult Services include family caregivers, respite care,
“safe-at-home” equipment such as smoke detectors, peep holes in entry doors, large house numbers for emergency services, transportation to medical care, and others.

**Distance Education, Off-Campus and Workforce Training Center**

Candace Wheeler, Director of Distance Education, gave a report on the enrollment growth, expansion of programs, access, and services to students, and new projects in the areas of distance and off-campus education. She said that internet classes lead in student popularity in the educational delivery methods within her department.

Robert Ketchum, Workforce Training Center Director, provided information on the enrollment data of WFTC. He said that enrollment had increased from the previous year. He gave detailed data on the various programs within the Workforce Training Center.

**Athletic Review Committee Recommendations Update**

President Burke told the board that a chart to track the recommendations of the Athletic Review Committee was included with the board materials. He reviewed the progress to date on the implementation of the recommendations of the committee.

**Legislative Agenda for 2004 Legislative Session**

Kent Propst, Assistant to the President for Community Relations, told the trustees that the Legislative Committee has begun meeting to develop a preliminary topic list for legislative emphasis. He said that the Legislative Lunch is scheduled for Monday, December 1, at Emery’s. Propst invited the trustees’ input for legislative agenda items, and Trustee Williams suggested legislation to streamline transfer of land between local agencies and the state.

**Educational Corridor Update**

President Burke said that the Public Entities Steering Committee had not met since the last board meeting. He said that he had requested Rolly Jurgens to talk with architects about a conceptual plan.

**Reports**

**President’s Report**

President Burke reported on the Idaho Junior Miss Scholarship presentations, the Strategic Planning Task Force Kickoff, the Pow Wow, the Bosses’ Breakfast, and the Datatel Kickoff. He also told the trustees about upcoming meetings for the Workforce Education and Economic Development Advisory Group and the Strategic Planning Community Advisory Group. Burke said that he had appeared before the Permanent Building Fund Advisory Committee in Boise for consideration of building maintenance projects for NIC.
**Senate**
Senate Chair Sandra Jacquot reported that the Senate did not meet, as there was no business to discuss or conduct.

**Faculty Assembly**
Faculty Assembly Chair Rhena Cooper expressed her satisfaction with the open, honest, and decisive actions of the board and thanked them for the shared governance at NIC.

**Staff Assembly**
Staff Assembly Chair Peggy Schnell told the board that the Staff Assembly had held its lastest meeting at Workforce Training Center. She said it was a great opportunity to interact with the staff WFTC. Schnell said that many employees were working on United Way campaign, that Datatel training is ongoing, and that the Meet & Confer Committee is meeting weekly.

**ASNIC**
ASNIC President Joel Crane stated that a new ASNIC Senator had been appointed, that the students were exploring ways to increase attendance at NIC functions. The students are also considering the purchase of a new Cardinal mascot suit and display screens to display campus events.

**Board Chair**
Board Chair Ostermeyer requested that a date be set for a board retreat.

**Remarks for the Good of the Order**
Trustee Meyer said that she had received the analysis information regarding the purchase of a college bus.

**Executive Session**

**MOTION:** 10-22-03: 24  Motion was made by Trustee Armon and seconded by Trustee Meyer to adjourn to Executive Session under Idaho Code Section 67-2345(b) to consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against a public officer, employee, staff member or individual agent.

Roll call vote was as follows:
- Mic Armon:  aye
- Denny Hague:  aye
- Judy Meyer:  aye
- Fred Ostermeyer:  aye
- Rolly Williams:  aye

Time: 9:40 p.m.
Present in Executive Session were Mic Armon, Denny Hague, Judy Meyer, Fred Ostermeyer, Rolly Williams, Michael Burke, College Attorney Marc Lyons, and Donna Ward. The evaluation of an employee was considered.

**RECONVENE**
The meeting reconvened at 10:55 p.m. and no further discussion took place nor business conducted.

**ADJOURNMENT**

*Motion was made by Trustee Williams, seconded by Trustee Meyer, and unanimously approved to adjourn the meeting.*

Time: 10:57 p.m.

________________________________________________________________________
Board of Trustees Chair                                      Board of Trustees Secretary