

**BUDGET WORK SESSION
AND REGULAR MEETING**
BOARD OF ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 519
Counties of Stephenson, Ogle, Jo Daviess and Carroll

CALL TO ORDER

The Budget Work Session of the Board of Illinois Community College District No. 519 was called to order by Mr. David D. Shockey, Chairperson, at 3:17 p.m. on July 21, 2009 in the Robert J. Rimington Board Room (room H-228) in the Highland Community College Student/Conference Center, 2998 West Pearl City Road, Freeport, Illinois in said district.

ROLL CALL

The following members were present: Mr. Steve Kroeger, Mrs. Diane Gallagher, Mr. David D. Shockey, Mr. Robert B. Urish, Mr. Doug Block, Mr. Jim Endress, and Mr. Austin Walker (arrived 4:00 p.m.)

The following members were absent: Mrs. Maurita Scharman

Also present: Dr. Joe Kanosky, President; Dr. Jeff Davidson, Vice President of Academic Services; Ms. Jill Janssen, Vice President of Administrative Services; Ms. Rose Ferguson, Associate Vice President, Human Resources; Ms. Liz Gerber, Associate Vice President, Student Services; Dr. Steve Jennings, Faculty (arrived 3:50 p.m.; departed 4:44 p.m.); Ms. Beth Koeller, Executive Director, Columbia College (arrived 3:58 p.m.; departed 4:44 p.m.); and Ms. Terri Grimes, Board Secretary.

BUDGET WORK SESSION

FY'10 BUDGET

Ms. Janssen discussed the tentative budget for FY'10, noting that the FY'09 end-of-year projections will likely change as a result of the annual audit and year-end adjustments.

The FY'10 budgeted revenues include a 2.5% increase in equalized assessed valuation (EAV) for tax year 2009. Farm land makes up approximately 23% of the EAVs. Each 1% increase in EAVs equates to approximately \$30,000 in revenue. The budget also reflects the tuition increase to \$84 per credit hour and an estimated 6% increase in enrollment. Each 1% enrollment increase equates to \$20,000 to \$25,000. The Non-government Gifts and Grants line item includes money from the Foundation capital campaign to pay for the debt certificates. This will likely be the only unrestricted money we will receive from the Foundation. At this point Adult Ed. and CareerTEC grant funding is unclear. Partners for Employment will receive around \$2 million in additional funding through the Economic Stimulus Package. Illinois Veterans Grants will likely only cover

summer classes, and the College will need to absorb the costs of providing classes to veterans during the Fall and Spring semesters.

Ms. Janssen explained that the FY'10 tentative budget does not include salary increases but does include an increase in part-time instructors related to an increase in credit hours. The Employee Benefits line item includes continuation of health insurance premiums at the FY'09 levels. All budget requests received from budget managers have been included in the tentative budget. Once salaries and benefits are determined and we receive firm numbers from the State, Ms. Janssen will work with the Leadership Team to determine areas that can be cut. If Adult Ed. and CareerTEC funding are cut, the College will need to absorb around \$80,000 in salaries and expenses.

Overall FY'10 revenues are projected to increase 10% from FY'09, while expenses are projected to be 11% higher. The result is a projected deficit of \$320,000. Salaries and benefits currently comprise 74% of the budget.

Ms. Janssen recommended that the Board consider issuing \$1 to \$2 million in working cash bonds. At this point the State paid their March payment of approximately \$1 million in July, and we won't likely see the June payment until September. Issuing working cash bonds would provide the College with the money it needs to have on hand to pay the bills in the event State payments continues to lag behind. Mr. Block expressed a concern that, because the State is slow to make their payments, the College will need to borrow money to pay the bills.

Ms. Janssen explained the process for issuing the Working Cash bonds. If we proceed, the August Board agenda would include a Public Hearing on the bonds. At the September retreat, representatives of First Midstate will be on hand to provide information on the process. The Board would vote on the Resolution to issue the working cash bonds at the September regular meeting.

Ms. Janssen also stated that she would like the Board to consider designating the remaining funds from the nursing wing and wind tech building projects to be used for capital projects or paying down the debt of the facilities. This designation would require that the Board approve a Resolution, which may be placed on the August Board agenda.

REGULAR MEETING

The time being after 4:00 p.m., the meeting moved on to regular business.

APPROVAL OF MINUTES

Mr. Urish moved and Mrs. Gallagher seconded the motion to approve the minutes of the June 3, 2009 Board Retreat and the June 16, 2009 regular meeting, as presented. The vote being unanimous, the motion carried.

APPROVAL OF AGENDA

Mr. Block moved and Mr. Endress seconded the motion to approve the agenda, as presented. The vote being unanimous, the motion carried.

PUBLIC COMMENTS

There were no public comments.

INTRODUCTIONS

There were no introductions.

FOUNDATION REPORT

Mr. Shockey announced that Mrs. Atherton was unable to attend today's meeting because of her father's health issues.

CONSENT ITEMS

A. Academic

1. Addendum to the Vocational Agreement Between CareerTEC and Highland Community College
Recommendation: That the Board of Trustees approve the addendum to the Vocational Education Agreement between the Career and Technical Education Consortium (CareerTEC) and Highland Community College.
2. New Certificate: Automotive Service – Level I
Recommendation: That the Board of Trustees approve the new Automotive Service – Level I certificate, as presented.
3. New Certificate: Automotive Service – Level II
Recommendation: That the Board of Trustees approve the new Automotive Service – Level II certificate, as presented.

B. Administration

1. Accreditation Recommendation
Recommendation: That the Board of Trustees reaffirm Highland Community College's Academic Quality Improvement Program (AQIP) accreditation method.

C. Personnel

1. Appointment: Wind Turbine Technician Program Instructor
Recommendation: That the Board of Trustees approve the appointment of Mr. Dave Vrtol as full-time Wind Turbine Technician Program Instructor in the Business and Technology Division beginning August 13, 2009, at an FY'09 salary of \$55,205 plus appropriate fringe benefits (BA +0, 8 years experience). Since the FY'10 faculty union contract has not yet been negotiated, this salary is based on the FY'09 salary schedule and is within the FY'10 budget. This appointment is necessary due to the addition of Highland's Wind Turbine Technician certificate program.
2. Part-time Instructors/Overload
Recommendation: That the list of part-time/overload instructors be approved to teach during the summer semester of 2009.

D. Financial (None)

Mr. Kroeger moved and Mr. Urish seconded the motion to approve the Consent Items. The roll call on the motion was as follows:

AYES: Gallagher, Shockey, Urish, Block, Endress, Kroeger, Walker
 NAYS: None

Whereupon the Chairperson declared the motion carried.

MAIN MOTIONS

- A. Academic (None)
- B. Administration (None)
- C. Personnel

1. Revised Job Descriptions
 Ms. Ferguson stated that she, Ms. Janssen and Ms. Christie Lewis completed a Market Study on one-third of the full-time nonunion classified, professional and administrative positions. Included in the review were positions which were currently "redlined," where employees are currently at the top of their range. She clarified that the Market Study process includes a review of positions, not the employees currently in the positions.

Ms. Ferguson noted a correction to the job description for the Dean of Humanities and Social Sciences on page 37 of the packet. The second bullet should read

“Directs and coordinates all aspects of the Humanities and Social Sciences education ...” rather than “Vocational/Technical education ...”

Mr. Kroeger moved and Mr. Block seconded the motion to approve the revisions to the job descriptions as a result of the regular Market Study review, as amended.

The roll call on the motion was as follows:

AYES: Shockey, Urish, Block, Endress, Kroeger, Gallagher, Walker
 NAYS: None

Whereupon the Chairperson declared the motion carried.

D. Financial

1. Tentative Budget for Fiscal Year 2010

Mr. Endress moved and Mr. Block seconded the motion to approve the Resolution regarding a Tentative Budget for 2009 – 2010 and setting the public hearing date thereon for September 15, 2009.

Mrs. Gallagher stated that she does not like to pass a deficit budget. Dr. Kanosky reported that Mrs. Scharman had expressed the same sentiments. He clarified that at this point the Board is passing a tentative budget, and changes will be made to the budget once additional information is made available regarding funding, particularly from the State.

The roll call on the motion was as follows:

AYES: Urish, Block, Endress, Kroeger, Gallagher, Shockey, Walker
 NAYS: None

Whereupon the Chairperson declared the motion carried and the Resolution adopted.

2. Payment of Bills and Agency Fund Report

Mr. Kroeger noted that the June bills included a \$245,000 debt repayment that was funded by the HCC Foundation through its capital campaign. Mr. Kroeger moved and Mr. Urish seconded the motion to approve the Resolution authorizing and directing Ms. Jill Janssen, Treasurer, to make payment and to transfer funds for June 2009 bills in the amount of \$1,370,349.24. Transfers of funds for payroll amounted to \$586,039.93. The roll call on the motion was as follows:

AYES: Block, Endress, Kroeger, Gallagher, Shockey, Urish, Walker
 NAYS: None

Whereupon the Chairperson declared the motion carried and the Resolution adopted.

REPORTS

Treasurer's Report and Comparison of Budget with End-of-Year Projections

Ms. Janssen reported that the annual audit has begun, and the Audit Committee met earlier this afternoon and "laid the footwork" for the audit.

Student Trustee

Mr. Walker reported that Student Senate will be meeting sometime before classes start in the Fall.

ICCTA Representative

Mrs. Gallagher reported that ICCTA will have an executive board meeting in August. The next regular Illinois Community College Trustees Association meeting will be September 11 and 12. Mr. Shockey thanked Mrs. Gallagher for her continued hard work as Highland's ICCTA representative.

Administration

Ms. Gerber reported that credit hours are currently up 14% from last Fall. The College will be hosting a series of informational sessions for prospective students. Two sessions will be held on campus and one will be held at the Boys and Girls Club in Freeport.

Ms. Janssen announced that emergency call boxes are being installed on campus.

Dr. Kanosky reported that he placed third in the Stephenson County Fair's Celebrity Sheep Showmanship competition, which resulted in a \$200 donation to the HCC Foundation.

OLD BUSINESS

There was no old business.

CLOSED SESSION

Mr. Urish moved and Mr. Kroeger seconded the motion to move into Closed Session for the purposes of discussing the appointment, employment, compensation, discipline, performance or dismissal of specific employees; collective negotiating matters between the public body and its employees or their representatives; and probable, imminent, or pending litigation, pursuant to the Open Meetings Act. The roll call on the motion was as follows:

AYES:	Endress, Kroeger, Gallagher, Shockey, Urish, Block, Walker
NAYS:	None

At 4:44 p.m., the Chairperson declared the motion carried and the meeting in Closed Session.

Mr. Kroeger moved and Mrs. Gallagher seconded the motion to end the Closed Session. The roll call on the motion was as follows:

AYES: Kroeger, Gallagher, Shockey, Urish, Block, Endress, Walker
NAYS: None

At 5:24 p.m., the Chairperson declared the motion carried and the Closed Session ended.

NEW BUSINESS

Dr. Kanosky announced that the performance of "The Civil War" was very good. Mrs. Gallagher also stated that the CD that was included in The Prairie Wind was excellent. Dr. Kanosky reminded trustees that there are a lot of positive things happening on campus.

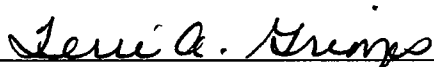
DATES OF IMPORTANCE

The next Regular Board meeting will be August 18, 2009. The next quarterly Board Retreat is scheduled for September 2 at Pinecrest Community in Mt. Morris. Opening Days will be held August 13 and 14.

ADJOURNMENT

At 5:26 p.m., the Chairperson declared the meeting adjourned.

Respectfully submitted,



Terri A. Grimes, Board Secretary
Illinois Community College District No. 519