BUDGET WORK SESSION
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. Doug Block, Chairperson, at 3:02 p.m. on July 15, 2014, 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: Mrs. Diane Gallagher, Mr. David Shockey, Mr. Rob Uriah, Mr. Doug Block, Mr. Jim Endress, Dr. Steve Jennings (arrived 3:28 p.m.), and Ms. McKenna Reed (arrived 3:57 p.m.)

The following members were absent: Ms. Whittney Zumdahl

Also present: Dr. Joe Kanosky, President; Mr. Tim Hood, Vice President, Academic Services; Ms. Jill Jansen, Vice President, Administrative Services; Ms. Rose Ferguson, Associate Vice President, Human Resources; Ms. Liz Gerber, Associate Vice President, Student Services; Mr. Pete Willging, Director, Marketing & Community Relations (arrived 3:06 p.m.); Mr. Nathan Hensal, Director, Information Technology Services; Ms. Kim Rampenthal, Director of Fundraising, HCC Foundation (arrived 3:55 p.m.); and, Ms. Terri Grimes, Board Secretary.

FY'15 BUDGET

Ms. Jansen provided an update on the debt certificate process as it relates to the FY’15 budget, noting that the proposed bond timeline is based on budgeting, tax levy, and project timelines. The latest possible date to have all the paperwork completed for the debt certificates is March 1, 2015, and the latest the Board could take action would be at the December 2014 or January 2015 regular meetings. If the Board took action at a later date, there may be steps that would need to be completed with the Illinois Community College Board in order to revise the FY’15 budget. Ms. Jansen explained that the Resolution that will be presented to trustees for action at today’s regular meeting is for the debt certificate portion, but trustees will need to decide today on an “amount not to exceed.”

Mr. Block expressed a concern that the new ag and industrial manufacturing faculty may want to propose projects to be funded by the bonds, but would not be able to if the money is already allocated. He suggested that perhaps the bond projects could be done that need to be done, but that we wait to do the other projects in case the new ag or manufacturing faculty have needs in their areas. He also asked that, before the money is spent for information technology, trustees spend time with Mr. Nathan Hensal to make sure the College is doing its due diligence.

In a previous Board meeting, a concern was raised about purchasing additional computers for a computer lab when we do not know how much the current computer labs are used. In response to this concern, Mr. Hensal reported that new software has been purchased that will measure the
use of computer labs, and this Fall the software will be able to gather information on the lab usage for a full semester.

Mr. Block stated that if the bond proceeds could be used in the future and not delegated entirely at this point, he believes we should go ahead and levy for the full amount. He noted that we should be cautious to not delegate the money too quickly. A recommendation will be presented to trustees during the regular meeting today to approve the Resolution regarding the debt certificates.

Ms. Janssen provided information on the FY’15 tentative budget. A notice will be given to the public that the budget is available for review, and the permanent budget will be presented to trustees for approval in September. Ms. Janssen reminded trustees that the numbers in the tentative budget will change between now and the adoption of the permanent budget. The State funding numbers in the tentative budget are unofficial numbers from the Illinois Community College Board. Budget managers, along with Dr. Kanosky, Ms. Gerber, Mr. Hood, Ms. Ferguson, and Ms. Janssen, have combed over the budget, and at this point, Ms. Janssen is projecting a deficit of approximately $500,000, down from the $900,000 projected deficit last year at this time. FY’14 projected revenues were 1.5 percent lower than budgeted. Overall, the FY’14 budget included a deficit of $291,000, but at this point it looks like the deficit will be around $125,000. Overall, there is a difference of only $11,000 between FY’14 and FY’15 revenue. The FY’15 budget includes the assumption of a decline in local taxes and State funding, and truck driving budgeted at zero. Ms. Janssen is estimating a 2 percent decrease in equalized assessed valuation (EAV), although farm values continue to increase. Jo Daviess County continues to be the largest contributors to EAVs. Tuition and fees revenue might need to be adjusted down. Two of the main budget challenges continue to be enrollment and the decrease in the property tax base.

Each year the budget has tended to come in better than anticipated, and expenses have tended to be 2.5 percent less than budgeted each year. Dr. Kanosky noted that the “wild card” in the FY’15 budget is pension reform. Speaker of the House Michael Madigan has proposed that all money for pensions be shifted entirely to the educational institutions, while there is another proposal that a half percent be shifted each year for 20 years. If the entire pension cost were shifted, that would be a big issue for the budget.

**ADJOURNMENT**

Mr. Endress moved and Mr. Urish seconded the motion to adjourn the meeting. At 3:57 p.m., there being no further business, the Chairperson declared the budget work session ended.

Respectfully submitted,

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