

*Highland Community College*  
*Board Retreat and Budget Workshop*  
*July 17, 2018*  
*Highland Community College Student/Conference Center*  
*Room H-206*  
*Freeport, Illinois*

**CALL TO ORDER/ROLL CALL**

Mr. Doug Block, Board Chairperson, called the meeting to order at 12:39 p.m.

***Members Present:*** Mrs. Diane Gallagher, Mr. David Shockey, Mr. Doug Block, Mr. Jim Endress, Dr. Steve Jennings, Mr. Blake Musser, Ms. Pennie Groezinger, and Ms. Erin Schrader

***Members Absent:*** None

***Guests Present:*** None

***Also Present:*** Mr. Tim Hood, President (departed 2:40 p.m.); Ms. Chris Kuberski, Executive Vice President (departed 2:40 p.m.); Ms. Jill Janssen, Vice President, Administrative Services (departed 2:40 p.m.); Mr. Scott Anderson, Vice President, Business, Technology and Community Programs (departed 2:40 p.m.); Ms. Liz Gerber, Vice President, Student Development & Support Services (departed 2:40 p.m.); Ms. Rose Ferguson, Associate Vice President, Human Resources (arrived 10:34 a.m.); Ms. Leslie Schmidt, Director, Marketing & Community Relations (departed 1:42 p.m.); Mr. Steve Mihina, Faculty (departed 1:42 p.m.); and Ms. Terri Grimes, Board Secretary

**PUBLIC COMMENTS**

There were no public comments.

**OPENING REMARKS**

Mr. Hood expressed his appreciation for all of the support of a good Board. A lot of people are doing a lot of good things. Mr. Hood recognized Ms. Schrader, noting that the performances of the Wizard of Oz were phenomenal. He also gave a special welcome back to Dr. Jennings.

**BUDGET WORKSHOP** (Handout #1)

Ms. Janssen reported that a notice will be published in the newspaper announcing that the budget is available for public inspection and that a public hearing will be held at the September 18<sup>th</sup> regular meeting. The budget will be submitted to ICCB following approval at the September meeting. Ms. Janssen noted that there will be changes in the budget between now and the permanent budget

due to the closing out of FY18 and more current enrollment numbers. Ms. Janssen reviewed the various funds and revenue sources. Operating Funds revenue is projected to be at \$14.6 million, which is \$455,000 more than in FY18. The Governor approved the State budget so State funding is already known. Mr. Endress noted that the Governor's budget also included funding of the Illinois Veterans' Grants. Ms. Janssen reported that she is projecting tuition and fees revenue to increase by approximately \$160,000, including International Preservation Studies Center and Business Institute revenue. In addition, unrestricted certified credit hours are projected to be at 34,500, which is level with FY18. Property taxes are the largest source of funding. Equalized assessed valuations (EAVs) increased 2.1 percent from tax year 2017 to 2018, and Ms. Janssen anticipates another 1.5 percent increase from tax year 2018 to 2019, based on early information. Jo Daviess County makes up 41 percent of property tax revenue, with Stephenson County at 36 percent, Carroll County at 16 percent, and Ogle County at seven percent. Residential properties make up about 60 percent of EAVs, with farm land at about 25 percent. The overall tax rate increased by eight cents to .5664 in tax year 2015 due to the need to issue working cash bonds and a Protection, Health, and Safety project. The overall tax rate is projected to stay in the .56 range this year for the fourth year in a row.

Ms. Janssen reported that tuition revenue includes the number of credit hours times the per credit hour tuition rate plus other types of tuition revenue. She noted that tuition remains at \$141 per credit hour. She has budgeted for Business Institute revenue at \$240,000, International Preservation Studies Center revenue at \$220,000, Leadership Institute revenue at \$53,000, and Lifelong Learning revenue at \$44,000. In FY18, she projected Foundation gifts at \$960,000, including the Foundation's five percent gift that is based on their ending fund balance for the year, which is not yet finalized. FY19 Foundation revenue is budgeted at \$1,159,131, which includes an additional draw down from the Matching Grant of \$350,000. Mr. Hood reported that the good news is that there is much more to come from the Foundation. The College must also plan ahead for FY20, when the Foundation has indicated they will not be able to fund the Nursing Wing and Wind Tech debt certificates. Ms. Janssen will research when the College can pay off the debt certificates, as well as when the payout would be if the schedule runs. For FY18, 45 percent of revenue is made up from local sources, 37 percent from tuition, 10 percent from other sources, and eight percent from the State. In FY19, 44 percent of revenue is projected to be made up of local sources, 37 percent from tuition, 10 percent from the State, and nine percent from other sources, which is mostly from the Foundation. Ms. Janssen will bring a recommendation to the August meeting for transfers to the Auxiliary fund to support that fund and to the Operations & Maintenance Restricted fund to support deferred maintenance or the debt certificate payments after Foundation funding is no longer available.

Expenses are budgeted to increase by \$846,000 from FY18 to FY19, which includes contractual pay increases, a two percent increase for non-contractual employees, two new faculty positions to start in the Spring semester (Western Civilization and Intermediate Reading & Writing), and implementation of the compensation study. The FY19 budget includes a transfer in from the self-funded Health Insurance fund of around \$320,000 to support medical insurance premiums. FY18 salaries and benefits were projected to make up about 77 percent of the budget. Overall, it looks

like the FY18 budget will end with a deficit of around \$103,000, compared to the FY18 permanent budget, which included a projected deficit of around \$800,000. The FY19 budget currently includes a deficit of \$494,000, however, Ms. Janssen reported that the numbers will change between now and September when the permanent budget is approved. For FY17, the fund balance was 28 percent, for FY18 it is projected to be at 21 percent, and the FY19 tentative fund balance is estimated to be at 22 percent, but includes the transfer from the Health Insurance fund and an additional draw down from the Foundation Matching Grant. Ms. Janssen reviewed the crosswalk between the budget and the strategic plan goals. Mr. Block expressed his hope that between now and September, the College can add in additional money from the Foundation into the FY19 budget.

### ADMINISTRATIVE UPDATES

#### *Strategic Plan*

Ms. Gerber reported that persistence, retention, and completion targets have been set for the institution. These targets relate to strategic plan goals and HLC components. A group is working on recruitment targets. Each Core Cabinet, Campus Connections, and full Cabinet meeting will include a strategic plan report. Mr. Block requested that trustees give information to Mr. Hood on other priorities so Mr. Hood can relay the information to staff so it can be included in the strategic plan. Mr. Musser suggested having a chart of priorities, the resources needed, and the impact of each. Ms. Gerber shared that an impact effort matrix was used in the process of selecting priority areas. Core Cabinet will get a report at each meeting on one or more of the projects, and Mr. Endress suggested that the same report be submitted to trustees. A small group is putting together the report format for Cabinet. Mr. Hood noted that the College will continue to work on “stories of Highland,” making sure those stories are getting out.

#### *PH&S Project Planning (Handout #2)*

Ms. Janssen reported that the PH&S advisory group has been meeting regularly, and she handed out a timeline for reviewing PH&S projects. Several projects are being considered, including the solar array project, security camera network server, and ADA compliance for room M-120. These projects will be prioritized at the next advisory committee meeting, and additional information will be shared at the August or September regular meeting.

The Solar Advisory Committee had a conference call with representatives from Midwest Renewable Energy Association and they have come up with a draft request for proposal (RFP) and also financial feasibility for a solar array project. The RFP will include a request for a proposal on both a power purchase agreement or College-owned system. Ms. Janssen reported that there is work to do with ComEd, but the project is progressing nicely. She will report on the proposed solar project at the August or September regular meeting. Mr. Hood noted that student seats on the Solar Advisory Committee will be filled in the Fall.

At 1:42 p.m., the Chairperson declared a recess; the meeting resumed at 1:56 p.m.

### **CLOSED SESSION**

Mr. Shockey moved and Dr. Jennings seconded the motion to move into Closed Session for the purposes of discussing the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel for the public body to determine its validity; and, collective negotiating matters between the public body and its employees or their representatives, or deliberations concerning salary schedules for one or more classes of employees, pursuant to the Open Meetings Act, and to return to open session for possible action. The roll call on the motion was as follows:

AYES: Shockey, Block, Endress, Jennings, Musser, Groezinger, Gallagher,  
Schrader  
NAYS: None

At 1:57 p.m., the vote being unanimous, the Chairperson declared the motion carried and the meeting in Closed Session.

Dr. Jennings moved and Mr. Shockey seconded the motion to end the Closed Session. The roll call on the motion was as follows:

AYES: Block, Endress, Jennings, Musser, Groezinger, Gallagher, Shockey,  
Schrader  
NAYS: None

At 3:52 p.m., the Chairperson declared the motion carried and the Closed Session ended.

### **BOARD UPDATES**

There were no Board updates.

### **OLD BUSINESS**

#### *Administrative Reports*

Due to the need to adjourn to the regular meeting, this topic will be discussed at the next regular meeting.

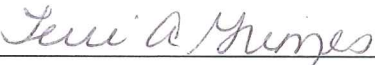
### **NEW BUSINESS**

There was no new business.

**ADJOURNMENT**

Mr. Musser moved and Mr. Endress seconded the motion to adjourn the meeting. At 3:53 p.m., there being no further business, the Chairperson declared the motion carried and the meeting adjourned.

Respectfully submitted,

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