APPROVED

MORAINE VALLEY COMMUNITY COLLEGE
9000 West College Parkway
Palos Hills, IL 60465

The Governing Board of Moraine Valley Community College, District No. 524, Special Meeting/Board Retreat, was held on Saturday, July 11, 2020, in the Board Room D219, 9000 West College Parkway, Palos Hills, Illinois 60465. Meeting was held online in a virtual format, pursuant to the State of Illinois Executive Orders with all meeting content and public comments, via phone or otherwise, being recorded. Public notice was given pursuant to the Open Meetings Act Section 42.02.

I. CALL TO ORDER

The meeting was called to order by Chair Kimberly Hastings Cristelli at 9:00 AM.

II. ROLL CALL

Present: Kimberly Hastings Cristelli, Chair; Bernadette Barrett; John Coleman; Beth McElroy Kirkwood; Joseph Murphy (arrived late); Patricia Joan Murphy; Brian O’Neill

Absent: Lauren Hassen, Student Trustee

III. GENERAL DISCUSSION OF MATTERS RELATING TO THE SHORT- AND LONG-TERM FUTURE OF THE COLLEGE

1) Bond Refunding Proposal – Tammie Beckwith Schallmo, Sr. VP/Managing Director, and Jennifer Currier, VP, Quantitative Analyst at PMA Securities. LLC, provided information about the college’s ability to refund or restructure its callable tax-exempt bonds on a taxable basis, saving money for the college’s taxpayers. She reviewed the bond issues held by the college, and which bonds are callable, which means that at the time of issue, the Board reserved the right to be able to refund the bonds should the interest rates go down. This includes the Series 2012A Bonds and Series 2012C Taxable, both of which are eligible for a tax-exempt refunding beginning in September 2020. The amount of the 2012A callable bonds are approximately $9 million; for the 2012C bonds, it is approximately $10 million. Tammie reviewed bond market conditions and historical interest rates, which are currently favorable with near-historic low interest rates. She clarified that none of the bond terms will be extended; the “footprint”

for maturity in 2025 remains the same. Estimated savings for each bond series is approximately $1.2-$1.3 million. She also shared the savings under a leveled annual debt services comparison, resulting in similar savings, but with some increase in debt service payments, although the payments are leveled out until 2025. Tammie reported that the college has previously offered these bonds through a public offering, but a direct placement process may be more beneficial at this time because it is a more streamlined process. Specifications for each type were explained, and a recommendation was made that the college refund its Series 2012A and 2012C bonds for present value savings through direct placement. A proposed timeline was also suggested, with the adoption of a parameters resolution at the August Board meeting and should the Board choose to proceed, a closure of the bond issue in mid-September. Tammie addressed questions, including costs to the college, which may be approximately $40,000-$70,000, and any negatives that exist, which may be the possibility of interest rates going up or down. She confirmed that if the market changes and interest rates are not as favorable, the Board can decide not to proceed without penalty or cost. She reviewed the direct placement process and clarified that an option of paying the bonds off early could possibly incur a penalty in the market and might not be advantageous to the college. The Board directed the administration to proceed with a resolution for consideration at the August Board meeting.

2) Enrollment Projections – Aaron Roe, Assistant Director, Institutional Research, introduced Dan Gaichas, Senior Research Analyst, who assisted with the data for this presentation. Aaron began the report by sharing definitions, background and content information, providing certain considerations and caveats. He reported that applications to the college have declined over the past four years, but the percentage of applicants who go on to register has gone up, showing an increase in the "yield rate." Aaron explained that using end-of-term data and exponential smoothing, it is possible to forecast headcount, credit hours and revenues for the next two years. He shared a regression model showing a similar forecast, but indicating that both models are subject to impacts of COVID-19. Regarding revenue projections, he reported that in-district headcount and credit hours have been on a slow and steady decline since 2011, but timely increases in tuition rates have kept revenues steady. Out-of-district headcount and credit hours have steadily declined, as has out-of-district revenue. Out-of-state/foreign enrollments experienced a boost in headcount in 2015 and increases in credit hours for both 2016 and 2017, but have since steadily declined. Noting that the data excludes students enrolled exclusively in dual credit hours and projects an average credit hour load of approximately 10.4

credit hours, enrollment forecasts for a decrease of 5% in total headcount and a decrease of 20% in total headcount were discussed, along with revenue projections. Aaron indicated that students in summer 2020 were taking a higher credit load by .5 credit hours than students in summer 2019. This resulted in a smaller decrease in credit hours for summer 2020 census over 2019. Information from the COVID-19 student survey, conducted in spring 2020, current enrollment trends, and international enrollment regulations factor into considerations for fall 2020 enrollments, which are down, as are almost all Illinois colleges. Various questions were raised, including possible reasons for the continuing enrollment declines, which may be the result of economic conditions and job losses brought about by COVID-19. Prior to that, the job market was good, and typically, when the job market is good, enrollments begin to trend down. Dr. Lehner added that in addition, some colleges are not dropping students who have not paid tuition while Moraine Valley requires payment, so comparisons to other colleges' enrollment figures are not an apples-to-apples comparison. Dr. Jenkins clarified that a few years ago the college began to require payment to avoid carrying debt for unpaid tuition bills. She indicated that this has worked well in that students are committed and enrollment numbers have been more dependable. Additionally, the college continues to enroll the same percentage of college district high school graduates (33-35%), but the total number of high school graduates has been declining. Dr. Jenkins shared that because of new international regulations that foreign students cannot take all online courses, the college is working hard to develop some options for continuing their educations. Dr. Salleh-Barone shared information on efforts to engage and recruit students through open houses, college night, bringing high school students on campus, and phone calls to students who have not yet registered and those who have "stopped out" in order to encourage them to re-register. She discussed dual credit enrollments, sharing that the transition rate of dual credit students is higher than for high school graduates, and programs have been developed to expand those enrollments. Assistance is provided to help students purchase or have access to textbooks, which are critical to academic success. The college has also implemented a virtual college exploration opportunity on the college website, which is helpful for parents and students. Placement policies help place students into college credit classes based on high school transcripts and some on-campus placement testing by appointment began June 1. Chair Cristelli recommended aggressive outreach to recruit students because some institutions are not informing students if their classes will be in person or online until August 1. Dr. Jenkins indicated that the presentation on marketing will share some of those strategies. Dr. Haney shared some of the modalities for fall, indicating that students know at the time of registration what type of class they are signing up for.

3) FY21 Budget – Theresa O'Carroll, VP, Financial and Business Services/College Treasurer, provided a presentation on the FY21 projected budget. She reported that if the Board gives the okay, she will be able to post the budget publicly for the required 30 days prior to Board approval at the August Board meeting. Ms. O'Carroll indicated that this is a balanced operating budget. She identified the funds included in the operating fund for the college, indicating that the fund structure follows the Illinois Community College Board (ICCB) fiscal management manual. To provide some context, she outlined some of the assumptions for this year in building the budget, both revenue reductions and increased expenses, and outlined some of the reductions taken in the budget to build a balanced budget. Overall, the FY 21 budget is $2.8 million less than the FY20 budget. She indicated that the FY21 budget is also built with a 5% reduction in state funding to be conservative. She reviewed projected revenues and expenditures in the college's general education and operations & maintenance funds. Total projected Operating Fund revenues by source indicate that the college receives 14.1% from the state government, 34.7% from local taxes, 49.2% from tuition and fees, and 2% from other sources. She reviewed five-year trends and reviewed the Operations and Maintenance Restricted Fund. She explained how revenue and expenses are handled within the restricted fund, and reviewed the Bond and Interest Fund, Audit Fund, and Liability and Protection Fund. She discussed the college's FY21 capital projects, some of which are Capital Development Board projects (CDB pays 75%; college pays 25%) and some of which are Life Safety projects (funded by tax levy). She reported that some of the college's restricted purpose expenses for technology may be covered by the institutional portion of CARES ACT funding. Total projected revenues for all funds is $179,552,420; total projected expenditures for all funds is $182,563,959. Theresa indicated that she provides financial reports to the Board each month and will be keeping them informed. It was noted that students may be holding back from registering for fall and, at this time, it is not known whether the effect will be negative or positive. Dr. Jenkins also indicated that there are corresponding expense reductions that occur with reductions in tuition revenue as the result of enrollment declines. Another question was asked about the property tax revenue if revenue falls short of projections; Theresa confirmed that expenses would be adjusted accordingly if projected revenues are not actualized. Chair Cristelli also added that the budget can be amended. Theresa confirmed that and indicated that the college continues its policy of not overspending its

revenues. She mentioned that this is the last year of tuition increases that have been built into the budget. Chair Cristelli indicated that, speaking on behalf of the Board, she felt that the administration is being conservative and the Board wants to feel sure that the college is spending the taxpayers' money responsibly. She indicated that the Board looks forward to other ways for the college to reduce expenses, especially for the taxpayers. Dr. Jenkins mentioned reductions that have been made in numerous contractual services, such as Centers for management of the FitRec, food services, Waste Management, and a number of others that have been reduced as services have been reduced. Chair Cristelli will inform the administration of the Board's position on the budget by the end of the business day on Tuesday.

4) Marketing Strategies – Clare Briner, Director, Marketing and Communications, shared the college's marketing/advertising strategies, comprised of integrated, targeted, and multi-channel approaches, with a focus on affordability, value, proximity, and flexibility. She reviewed key audiences and how each audience is approached. She indicated that her department is trying to maximize its budget by keeping advertising dollars within the district and targeted primarily to reach audiences that are most likely to become students at Moraine Valley. In addition to asking summer students over the last two years what made Moraine Valley their best choice, they took those responses and developed key messaging that Moraine Valley can be "made for you"—that Moraine Valley will meet students' needs and were able to adapt this campaign into something that aligned well with the reality of online learning for the fall semester. She shared some examples of messages created so far, including a focus on affordability, flexibility, and proximity, and encouraging current students to continue and prospective students to get started. This includes direct mail and publications to district residents at-large, TV spots, digital delivery to targeted audiences, including web and social media platforms (driving traffic from social media to the college's website). She also shared that social media platforms are seeing increased engagement over last year and web traffic is the highest it has ever been. Clare also reported that web traffic to the college's application is higher than the same time last year. She explained some of the targeting tactics in more detail, including people-based targeting, geographic targeting, demographic targeting, keyword searches, etc., and shared a number of examples. Many students have used social media to ask a quick question and she indicated that Mike Loveday makes sure the students get correct answers to their questions, and also shares insights back to the Marketing team about social media use. Chair Cristelli indicated that she saw a commercial very recently and felt that it

was great advertising for the college. Clare reported that they created some new landing pages on the website, including a "starting remotely" page that they have been referring students to from social media in light of the current online environment. There is also a lot of temporary information available on the website that assists students and visitors during this time while campus access has been limited. She expressed appreciation for the entire team behind all of these efforts and indicated that many departments across campus work together very collaboratively, continuously exploring how to reach out more effectively and translate those efforts into enrollment numbers or other improvements, and she encouraged the Board members to offer suggestions that she can take back to her team. Clare also shared some of the annual awards received by the Marketing and Communications department over the past year.

IV. AUDIENCE PARTICIPATION

Ms. Murphy mentioned that there are opportunities for students to be election judges for the upcoming elections. She asked if there was anyone she could work with on this to get this information out. Dr. Salleh-Barone will work with Trustee Murphy on this initiative.

V. CLOSED SESSION

It was moved by Ms. Murphy and seconded by Ms. Kirkwood to move to closed session to consider the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body pursuant to Section 2(c)(1) of the Open Meetings Act.

Yes:	Barrett, Coleman, Kirkwood, P. Murphy, O'Neill, Cristelli
Absent:	J. Murphy
Student Advisory:	Absent

Motion carried.

The Board moved to closed session at 1:05 p.m. and returned to open session at 1:35 p.m.

VI. ADJOURNMENT

The meeting adjourned at 1:35 PM.