

## **APPROVED**

### **MORAIN 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, June 12, 2021, in the Moraine Rooms 2&3, Building M, Moraine Business & Conference Center, 9000 West College Parkway, Palos Hills, Illinois 60465. Meeting was held in-person and online, 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 Brian O'Neill at 8:11 AM.

#### **II. ROLL CALL**

Present: Brian O'Neill, Chair; Bernadette Barrett; John Coleman (arrived 8:45AM); Beth McElroy Kirkwood; Joseph Murphy; Patricia Joan Murphy

Absent: Kimberly Hastings Cristelli; Delilah Wietasch, Student Trustee

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

- 1) Bond Refunding— Tammie Beckwith Schallmo, Sr. VP/Managing Director, at PMA Securities. LLC, provided information about the college's potential to refund or restructure its callable tax-exempt bonds on a taxable basis. She reviewed the bond issues currently held by the college, specifically the Series 2013 Alternate Revenue Source Bonds with an average interest rate of 3.36%, totaling approximately \$26.6 million. Tammie reviewed bond market conditions and historical interest rates as well as the potential for federal tax law changes pending in 2021 that could restore the tax exempt basis for refunding. She noted that there is a great interest rate environment currently present. She also indicated that, should the Board proceed, the final maturity on the bonds would not be changed. She reviewed three scenarios of estimated savings projections at specific points in time and incorporating the possible tax law changes, explaining how that could affect the overall savings, but also indicating that in 2022, closer to the call date for specific bonds there could still be a tax exempt refunding without the

tax law changes. She recommended that the Board adopt a parameters resolution in August for the potential sale of the refunding bonds, which will offer flexibility to act at a time most advantageous to the college. If not enacted by the expiration of that resolution, a new resolution can be adopted at that time to allow for either a tax or tax exempt funding so that if the tax laws change, the college will be able to take advantage to achieve the best savings possible for the college and for taxpayers. The Board was in agreement to proceed with a parameters resolution for consideration at the August Board meeting.

- 2) Budget – Theresa O’Carroll, Vice President, Financial and Business Services/College Treasurer, provided an overview of the Higher Education Emergency Relief funds (HEERF) awarded over three packages: HEERF/GEER, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), and the American Rescue Plan, and how those funds have awarded \$6.4 million to students from the first two rounds. She thanked the many college departments and staff who worked together to provide this benefit to students. She discussed the ability for the college to financially recognize lost revenues of \$1 million for last year and \$11.5 million for this year. The resolutions that the Board will consider at the June meeting use conservative estimates and are normal year-end resolutions that have been brought to the Board in the past that will help fund future capital projects. She thanked the administration and departments for holding down expenses during the pandemic in order to provide revenue for these resolutions that will continue to maintain the campus and its learning environment. From there, she moved on to a presentation on the FY22 projected budget, reporting that if the Board gives the okay, she will be able to post the budget publicly for the required 30 days prior to the board’s consideration for approval at the August board meeting. She identified the funds included in the operating funds for the college, indicating that the fund and account structure follows the Illinois Community College Board (ICCB) fiscal management manual. She reported that the FY22 budget includes a slight increase in the education fund but remains flat in the operations and maintenance budget. Sharing a five-year trend of revenue sources for the operating fund, she reported a 14.2% decrease in tuition and fee revenue from FY21 to FY22, indicating that this will be offset by increases in state and federal revenue from the American Rescue Plan. She reviewed FY22 capital projects, indicating that these can be funded through the resolutions that she reviewed earlier. Ms. O’Carroll also presented a recommendation for a fund balance policy, indicating that this is something that rating agencies consider when organizations go out for new debt or refinancing debt, as the college is proposing with the resolution for

refunding bonds. She clarified that the policy simply establishes a policy of reserves and that any transfers due to excess funds would still be presented to the board via resolution. She responded to some questions regarding the budget. Chair O'Neill supported the proposals as presented, indicating that the fund balance policy is a good practice and thanked Ms. O'Carroll for such a thorough budget report. The last presentation was a Five-Year Financial Plan, which creates a framework to allow the college and the board to examine a long-range financial overview of the college's financial position and the resulting impact of financial decisions over a longer period of time than a traditional one-year budget. She reported that this will be a continuously evolving document, shifting as financial conditions change as the college recovers from the pandemic. She shared that the document includes assumptions related to long-term budget planning for the next several years, including a potential increase to tuition and the fact that the college will be moving into negotiations for four contracts, which will have a budgetary impact. She restated the items that will come to the board in August for approval and shared that, looking ahead to December, the Board may be asked to consider tuition rates for fiscal years 23, 24, and 25. She will continue to keep the board updated on a regular basis. The Board complimented the finance department and administration for all the work that was done to provide this information.

- 3) Program Review – Dr. Pamela Haney, Vice President of Academic Affairs, along with Dr. Cherie Meador, Dean of Academic Services, and Steve Pappageorge, Executive Director and Dean for Corporate, Community and Continuing Education, provided information about an academic analysis of programs, beginning with an overview of the various ways students come into the college and enroll for courses. This includes high school students through dual credit programs taken at their high schools or dual enrollment, traditional students enrolling for a degree or preparing to transfer, adult education students, English as a Second Language students, returning adult students, and non-credit students seeking career opportunities or career advancement. Dr. Meador reviewed the categories of programs available, including career and technical education, dual credit, dual enrollment, new credit programs, non-credit programs, healthcare and health sciences, reviewing the most popular programs in these categories and enrollments. She discussed the Early Childhood Educator program and the Senate bill waiting to be signed by the Governor, which will expand opportunities for bachelor's degrees in early education in order to address shortages of certified teachers in the state. She reviewed the college's "stackable credentials" which allow students to achieve an initial credential and then continue to build upon that base with additional coursework and credentials.

She outlined the program review process, through which 20-40 programs are reviewed every year with respect to funding resources, human resources, enrollment, demographics, curriculum, assessment, retention, completion, workforce data, job placement and graduate satisfaction. This review examines course objectives and outcomes and make decisions whether a program should continue with modifications, or be discontinued. It is a rigorous process on a five-year cycle that allows the college to make good, sound decisions before considering the withdrawal of a program. She discussed the college's Agree to Degree program, which is still active, and indicated that the college also auto awards credentials earned by students, and encourages those who are close to completing a credential to complete and offering support as needed. Steve Pappageorge reviewed the methodology of identifying potential new programs and determining how best to educate people for the jobs of today and tomorrow and helping them to develop skills sets for those occupations. He indicated the process begins with data, starting with federal and state data, narrowing it down to the level of detail in the college's district, focusing on the longevity of demand for particular job classifications that the college can implement and will benefit the community, either through entry-level or more in-depth training. He reviewed some potential program categories, including healthcare; transportation, distribution and logistics; manufacturing; business, professional and financial; information technology, and education. In order to implement a new program, program feasibility must be analyzed; appropriate curriculum developed; regulatory approvals sought, if required; among numerous other steps to get a program off the ground, including approval by the board and the state; adequate physical facilities; equipment needs; and clinical opportunities, if required.

- 4) Master Facilities Plan Update – Rick Hendricks, Vice President of Administrative Services, reviewed the campus map from the July 2019 Master Facilities Plan, outlining the construction and renovations that were part of the plan. He indicated that much of the earlier plan was dependent on moving health science programs into a new building and expanding services for students. He also reviewed some plan projects that have been completed, such as the message board upgrades at both main entrances (south and east) into the campus. He reviewed financial information for the Master Facilities Plan short- and long-term priorities. He reviewed the college's Resource Allocation and Management Plan (RAMP) submissions, which are capital projects that, if approved, the state funds at 75% on the college's behalf. This requires the college to put the remaining 25% in a trust account for the project. Mr. Hendricks outlined the capital projects that were recently completed and those still in progress, some of

which also have trust accounts previously approved by the Board. These include the baseball field, culinary restaurant, and air handler projects. Those in progress include the parking lots, expected to be completed before students return to campus in August; boiler replacements, anticipated for September/October, the police department locker room, construction for which will start about July 1, and rooftop unit replacement for H building, which has been ordered. Mr. Hendricks noted that the state awarded \$43 million to the college for the new health science facility two years ago, but the money, to date, has not been allocated. He reviewed the second part of the RAMP submission, which is the same project submitted last year for the career and technical education lab expansion in T building, indicating that the numbers have been updated to reflect cost increases. He reported that the expansion of this building could address some of the programmatic topics that Steve discussed for new programs. He reported that the board will continue to be kept updated on these projects.

**IV. AUDIENCE PARTICIPATION**

None.

**V. ADJOURNMENT**

The meeting adjourned at 11 AM.