

**SPECIAL IN-SERVICE MEETING
OFFICE OF SHAWNEE COMMUNITY COLLEGE
8364 SHAWNEE COLLEGE ROAD
ULLIN, ILLINOIS
December 3, 2009**

A special in-service meeting of the Board of Shawnee Community College District No. 531 was held on December 3, 2009. The meeting was called to order by Chair Maxine Russell. The roll call was as follows:

Present

Ms. Cathy Belcher
Dr. Manul Goins
Mr. Don E. Patton
Ms. Maxine Russell
Dr. Richard Trampe
Mr. Wesley Wright
Ms. Sumer Helton (student trustee)

Absent

Mr. Scott Farmer, absent at roll call

Others Present

Dr. Larry Peterson, President
Mark Johnson, Attorney
Guy Alongi, Chair – Illinois Community College Board
James Dumas, Member – Illinois Community College Board
J.P. Barrington, Consultant to Business Services
Robert Odum, Auditor
Dr. Tim Bellamey, Vice President of Instructional Services
Carolyn Kindle, Interim Vice President of Student Services
Tiffiney Ryan, Chief Financial Officer
Beth Darden, Exec. Administrative Assistant to President/Board
Jean Ellen Boyd, Dean of Instructional Services
James Darden, Dean of Adult Education and Alternative Instruction
Ron Duncan, Coordinator of Institutional Research
Sharon Felker, Public Information Specialist
Lori Armstrong, Instructor
Rhonda Dillow, Division Chair/Instructor
Tony Gerard, Instructor
Brenda Brown, Instructor
Nancy Gammons, Instructor
Carol Belt, Division Chair/Instructor
Jerry Ainsworth, Instructor
Ruth Smith, SCEA President/Instructor
Kevin Rhodes, Instructor
Sheryl Ribbing, Instructor

Chairman Russell thanked everyone for attending and stated that tonight was a Board Study and that a financial report would be given shortly and then there would be an executive session. Everyone is welcome to stay and come back after the executive session with the understanding

that no official action will be taking place at the conclusion since this is a self-study special meeting of the Board of Trustees.

J.P. Barrington gave a report of the college's finances based on the following outline:

I Audit Review

1. Unqualified or "clean" opinion
2. Decrease in audit findings and adjustments compared to the prior two years
3. No internal control issues noted
4. Audit review handout and discussion

Scott Farmer arrived 4:10 p.m.

II FY10 Budget Evaluation

A. Details

1. Revenues up 1.8 million from Fy09 actual
 - a. ICCB state allocations up \$751,000
 - b. Student tuition and fees up \$1.0 million
2. Expenditures down \$206,916 including
 - a. Increase of 2.9% in salaries and benefits
 - b. Additional expenditure levels cut to FY07 levels
 - c. Line item Other increased by 10% or \$193,668 for additional waiver and scholarship costs
 - d. Elimination of renovation expenditure from Fy09 of \$1.9 million
3. Expectation that all departments will live within their budget allocation for FY10 unless prior written authorization is given
4. Due to large dependency on state funding any decrease by the state will adversely affect the budget
5. If the total budget plan is followed the college carryover (reserve) for FY11 would grow to approximately \$1.0 million if all state funding is collected in a timely manner
6. Discussion has begun about a possible 3% recession of ICCB funding for FY10 amounting to \$166,950 for SCC

B. Financial report

1. Sample of monthly financial reports at September 30, 2009, and discussion

III Cash Flow Issues

A. Delayed state payments

1. FY09 partial third and total fourth quarter payments receipts delayed until July 13 2009 and August 31, 2009
2. FY10 all first quarter payments requested as of November 30, 2009
3. FY10 second, third, and fourth quarter payments are not expected to be received in a timely manner

- B. PHS projects from FY03 to FY06
 - 1. Funded by tax levies to FY11
 - 2. College has "loaned" itself the money until tax levies are collected
- C. Heavy reliance on financial aid for tuition payments resulting in slower collections
- D. Massac County has made one distribution of taxes to SCC but the first tax installment was not actually due until November 13, 2009, therefore delaying total payments to the college until December. The college will have to provide \$68,322 in cash from other funds to the Bond & Interest Fund to make a bond payment on November 30 for principal and interest due December 1. These funds will be repaid as tax collections are received in December.
- E. College actions
 - 1. Highest priority has been to protect college payroll payments and to keep vendor payments as current as possible to include daily monitoring of the college's cash position
 - 2. Aggressively sought payments with cooperation of State comptroller's Office and others to insure funds were always available for payroll payments
 - 3. Asked staff to purchase only essential items for their departments in two separate correspondences dated August 25, 2009, and November 12, 2009
 - 4. Asked the Board to approve issuing tax anticipation warrants that were issued on August 10, 2009, and will be paid back by January 2010
 - 5. Asked the board to issue Working Cash Bonds up to the maximum for the district (to be completed in December)
 - 6. Utilized tuition collected in November to bring most vendors within thirty (30) days however SCC has established partial payments on three large annual contracts
 - 7. Instead of purchasing Certificates of Deposit, the college has tried to keep any cash available in the Illinois Funds account (fully secured) to insure liquidity if other measures to secure cash failed while still earning some interest
 - 8. The college has also isolated the funds available for construction, bond principal and interest payments in addition to funds held in an agency capacity to insure they were available for their intended use
 - 9. Held discussion with Bruce Bennett, Director of Finance and Operation at the ICCB office, on ways to secure other financing sources. September and October discussions indicated only Tax Anticipation Warrants or Working Cash Fund bonds were available, however, on November 23, 2009, Bruce indicated that ICCB would certify in a letter the quarterly amounts due from the State of Illinois for community colleges to use as "collateral" to borrow from local banks as another source of available financing. In district banks will be contacted to see if they are interested in providing this type of credit to Shawnee Community College
 - 10. Shawnee Community College's CFO, Tiffiney Ryan, will be attending the (CF) meeting in Bloomington on December 4, 2009, where ICCB staff will be discussing future state quarterly payments

- IV Financial condition of Shawnee Community College
 - A. Strengths
 - 1. District enrollment and reimbursable credit hours are growing
 - 2. District equalized assessed valuation continues to increase
 - B. Issues to Discuss
 - 1. Heavy dependence on state funding
 - 2. Heavy dependence of student tuition and fees
 - 3. Current and future growth
 - 4. FY11 budget and beyond
 - C. Potential Revenue Expansions
 - 1. Tuition increase
 - 2. Referendum to increase maximum tax rates in Education and Building Funds
 - D. Budgeting for the future
 - 1. FY11 detailed review of all positions including salary and benefits
 - 2. FY11 detailed justification of all non-salary and benefit expenditures
 - 3. Elimination of any non-essential expenditures

Shawnee Community College continues to make a daily positive impact on the students and citizens of the District. The challenge for the future is to continue to provide the financial resources necessary to provide the services the citizens of the district want.

The Board reviewed graphs and charts related to the FY09 audit.

The Board reviewed a proposed format for monthly financial reports. The current report was for the first three months of FY10 ending September 30, 2009. Ms. Belcher asked that the Board receive a similar report through October at the December meeting.

Dr. Peterson addressed the Board on state discussions about tuition increases and how the current 85% rule affects our decisions in raising tuition and staying within the state law. Heartland Community College's Board recently approved a \$15.00 tuition increase per credit hour. If other colleges approve these large increases, then that will affect the 85% rule and how much the college will have to raise their tuition -- our tuition increase will be shaped by sources outside our control.

The Board fielded questions regarding the financial and audit report presented. Robert Odum and Tiffney Ryan addressed questions posed to them.

A motion was made by Mr. Don Patton and seconded by Mr. Scott Farmer to adjourn into executive session at 4:57 p.m. for the purpose of discussing:

- 1. Self evaluations of practices and procedures with the Illinois Community College Board under Section 2(c) (16) of the Open Meetings Act.

2. Consideration of extension, alteration, or compensation of employees' employment.

On roll call vote, the members voted as follows:

Ms. Cathy Belcher -- yes

Mr. Scott Farmer -- yes

Dr. Manul Goins -- yes

Mr. Don Patton -- yes

Ms. Maxine Russell -- yes

Dr. Richard Trampe -- yes

Mr. Wesley Wright -- yes

Sumer Helton (advisory vote) -- yes

Results: 7 yeas, 0 nay, 0 abstention, 0 absent. The chairman declared the motion carried.

A motion was made by Mr. Wesley Wright and seconded by Dr. Richard Trampe to adjourn out of executive session at 6:46 p.m.

On roll call vote, the members voted as follows:

Sumer Helton (advisory vote) -- yes

Ms. Cathy Belcher -- yes

Mr. Scott Farmer -- absent

Dr. Manul Goins -- yes

Mr. Don Patton -- yes

Ms. Maxine Russell -- yes

Dr. Richard Trampe -- yes

Mr. Wesley Wright -- yes

Results: 6 yeas, 0 nay, 0 abstention, 1 absent. The chairman declared the motion carried.

A motion was made by Dr. Manul Goins and seconded by Mr. Don E. Patton to approve the minutes of the executive session held on December 3, 2009.

On roll call vote, the members voted as follows:

Mr. Wesley Wright -- yes

Sumer Helton (advisory vote) -- yes

Ms. Cathy Belcher -- yes

Mr. Scott Farmer -- absent

Dr. Manul Goins -- yes

Mr. Don Patton -- yes

Ms. Maxine Russell -- yes

Dr. Richard Trampe -- yes

Results: 6 yeas, 0 nay, 0 abstention, 1 absent. The chairman declared the motion carried.

A motion was made by Mr. Don E. Patton and seconded by Dr. Richard Trampe to adjourn.

On roll call vote, the members voted as follows:

Dr. Richard Trampe -- yes

Mr. Wesley Wright – yes
Sumer Helton (advisory vote) – yes
Ms. Cathy Belcher – yes
Mr. Scott Farmer – absent
Dr. Manul Goins – yes
Mr. Don Patton – yes
Ms. Maxine Russell – yes

Results: 6 yeas, 0 nays, 0 abstentions, 1 absent. The chairman declared the motion carried.

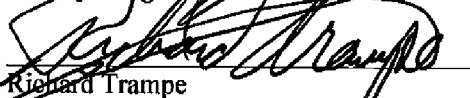
Submitted By:



Cathy Belcher, Secretary

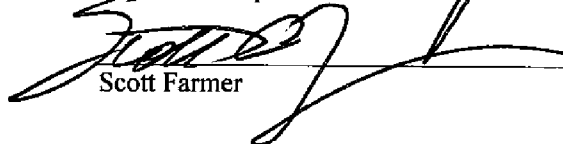
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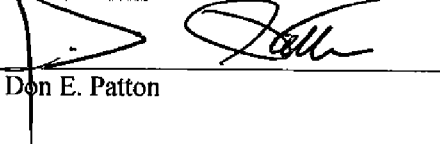

Wesley Wright


Maxine Russell


Richard Trampe


Manul Goins


Scott Farmer


Don E. Patton