

<p><i>1. Board Convenes the Regular Meeting</i></p>	<p><i>1.1 (a) Call to Order and Roll Call</i>  Vice Chair Shroka called the meeting to order at 5:01 pm.</p> <p>Trustees Present: Mr. Newsome, Ms. Shroka, Ms. Songer, Mr. Virgilio  Trustees Not Present at Start of Meeting: Ms. Howland, Mr. Stanton, Mr. Tomei and Student Trustee Mr. Blaine</p> <p>Others Present: Dr. Suddick, President; Mr. Appleton, Vice President of Business Services and Finance; Ms. Fay, Executive Director of Human Resources; Mr. Harden, Vice President of Strategy Planning and Support; Ms. Hlavin, Vice President of Student Development; Mr. Kozak, Chief Information Officer; Dr. O’Brien, Vice President of Community and Workforce Partnerships; Dr. Williams, Vice President of Education; Ms. Laba, Executive Assistant to the President &amp; Recording Secretary; Ms. Dikelsky, Assistant Chief of Staff; Ms. Siegfried-Wilke, Strategic Projects Coordinator; Ms. Locallo, Legal Counsel, Robbins Schwartz; and other guests.</p> <p><i>1.1 (b) Trustee Attending Meeting Via Videoconference</i>  Vice Chair Shroka requested a motion to allow Trustee Tomei to attend the meeting by video conference for reasons permitted by the Open Meetings Act and Board Policy 129.  <b>It was moved</b> by Trustee Newsome and seconded by Trustee Virgilio for approval to allow Trustee Tomei’s attendance via videoconference.</p> <p>Upon roll call, the vote was as follows:  Student Advisory Vote: None  Ayes: Newsome, Shroka, Songer, Virgilio  Nays: None  The vote being (4) Ayes and (0) Nays, the Vice Chair declared the motion carried.</p> <p><i>1.1 (c) Roll Call</i>  Vice Chair Shroka called for a new Roll Call.  Trustees Present: Mr. Newsome, Ms. Shroka, Ms. Songer, Mr. Tomei, Mr. Virgilio  Trustees Not Present at Second Roll Call: Ms. Howland, Mr. Stanton and Student Trustee Blaine</p>
<p><i>2. Approval of the Agenda</i></p>	<p>Vice Chair Shroka requested a Closed Meeting under the Illinois Compiled Statutes 5 ILCS 120 for the following reasons: Section 2(c)(1) and Section 2(c)(2), and announced that no action would be taken after Closed Session.</p> <p>Vice Chair Shroka called for a motion for approval of the agenda.</p> <p><b>It was moved</b> by Trustee Newsome and seconded by Trustee Songer for approval of the agenda as presented.</p> <p>Upon roll call, the vote was as follows:  Student Advisory Vote: None  Ayes: Newsome, Shroka, Songer, Tomei, Virgilio</p>

	<p>Nays: None The vote being (5) Ayes and (0) Nays, the Chair declared the motion carried.</p>
<p>3. <i>Receipt of Notices, Communications, Hearings, and Petitions</i></p>	<p>Vice Chair Shroka announced that this was the point in the meeting reserved for those in the audience to address the Board. Instructions were given on how speakers would be able to offer their public comment at the podium.</p> <p>No individuals requested to speak to the Board.</p>
<p>4. <i>Financial Overview</i></p>	<p>Dr. Suddick welcomed the Board to the Financial Planning Retreat.</p> <ul style="list-style-type: none"> <li>• Two core purposes for retreat. <ul style="list-style-type: none"> <li>○ First, to build Trustee knowledge on components of CLC finances and partner with the Board in budget development.</li> <li>○ Second to obtain guidance on four specific areas, recommended financial policy modifications, Flexible Work Policy development, Compensation and Benefit items relative to the FY23 budget development, and Tuition and fee setting for FY23.</li> </ul> </li> </ul> <p>Student Trustee Blaine joined the meeting in person at 5:11 pm.</p> <p>Dr. Suddick invited Kevin Appleton, Vice President of Business Services and Finance, to present CLC’s Finance and Budget Components.</p> <ul style="list-style-type: none"> <li>• <b>Overview:</b> Community colleges, including CLC, serve the local region by offering degree attainment and workforce needs. To meet this mission, community colleges revenue resources come from three primary sources: State funding, tuition and fees, and property taxes. <ul style="list-style-type: none"> <li>➤ <b>State Funding (7.2% of revenue)</b> is determined by a formula that accounts for credit hours and unit costs, inflating rates by applying weighting and direct expenditures, and calculating revenue and adjusting for appropriation. Variability on amount reimbursed depends on types of credit hours and a formula developed each year. <ul style="list-style-type: none"> <li>○ With the Board’s support of strategic investments, the College has been able to flatten enrollment declines that positions CLC ahead of peer colleges. Also, since 2018 (not including 2020 and 2021 of pandemic years), college credit hours flattened and did not decline more than 2.5%.</li> <li>○ State of Illinois – Base Operating Grant: Even with enrollment shifts, CLC’s share of the base operating grant holds steady at 4.5%, which makes up part of the 7.2% of revenue.</li> <li>○ The State of Illinois provides \$55 million on behalf of CLC in SURS contributions for employees.</li> </ul> </li> <li>➤ <b>Tuition and Fees (24.5% of revenue):</b> Revenue fluctuates along with enrollment. In-district fees are \$125 per credit hour, with a comprehensive fee of \$22. CLC currently is below average in tuition and fees among peer colleges.</li> </ul> </li> </ul> <p>Discussion: Trustee Songer inquired if an assessment of student affordability and average household income was conducted. Mr. Appleton responded that an assessment could be conducted.</p>

➤ **Property Tax (63.7% of revenue):** The Board approved a property tax levy of 4.8%. Lake County applies PTELL Law, which limits the rate of levy increase to the rate of inflation or 5%, whichever is lower. CLC's portion represents only 2.2% (approximately \$291) of overall property tax on a home with a fair market value of \$300,000.

- **CLC Expenditures (FY2022):** Salaries and benefits are the majority of expenses at 75.5%, with insurance costs at 10.2%. The College's fixed costs are at 24%.
- FY2023 Budget Plan General Obligation Debt Service totals \$6,760,237. Budget Plan Go-Limited Tax (GOLT) Debt service total at \$1,919,200; a portion of the debt service is covered by refunds.
- The fund balance is important in offsetting any unexpected revenue or adverse expenditures, is necessary for cash flow purposes, and to ensure the College's bond rating. College Policy 704, Fund Balance, was amended in December 2018 to be set at 30%. The College maintained operating fund balances in excess of 30% to meet highest AAA bond rating category standard.
- Cash flow is typically low from March through May with the typical higher education business cycle. The bulk of spring tuition is received in January and February and the second half of property tax revenue is not received until late May. Cash on hand from the fund balance is used to cover expenditures until the second half of property taxes are received. The College also maintains a working cash fund to assist in cash flow needs.
- Historically, the College uses surplus fund balance from Operating Funds to fund capital projects or one-time strategic investments, such as to fund other post-employment benefits (OPEB). Funds are transferred out of the Operating Fund into another designated fund.
- Policies Recommended for Modification:
  - Policy 119 – Financial Reports and Fiscal Accountability: Revise dates for accountability and audit reports, allowing time to ensure all relevant entries are posted before closing monthly accounting records, providing for greater accuracy and completeness in reporting, and to provide time for completion of year-end audit. Proposed new dates are February for Mid-Year Accountability Report, May for Third-Quarter Accountability Report, October for Year-End Accountability Report and Independent Auditors Report.

Discussion: Trustee Songer asked if these changes would affect pensions or alter the fiscal year. Mr. Appleton assured her that it would not.

- Policy 915 – Disposal: Currently, sale or disposal of damaged or surplus property is subject to approval by Board. Proposed revision to the policy would shift the sale or disposal of damaged or surplus property to be approved by the President or designee. The Board would receive routine, quarterly reports of all disposed or sold items.
- Policy 701 – Budget and Fiscal Year: This policy states that all transfers shall be approved by the Board (with no dollar threshold). Proposed revision is for a \$25,000 threshold for approval by the Board, with the President or designee giving authority to approve transfers up to \$25,000. All transfers exceeding \$25,000 would be approved by the Board and the Board would receive quarterly reports detailing all transfers.

	<p>Discussion: Trustees discussed the threshold amount and agreed to review and provide recommendations at the first reading of the proposed policy revision.</p> <ul style="list-style-type: none"> <li>○ Policy 703 – Investment of College Funds: Proposed revisions will include language to align the policy with the Illinois Sustainable Investing Act and to align the policy with Public Funds Investing Act revisions.</li> <li>○ Policy 705 – Debt Management: Proposed revisions will align the policy with the Securities and Exchange Commission’s continuing disclosure requirements.</li> </ul> <p>Student Trustee Blaine left the room at 5:55 pm and returned at 6:00 pm.</p> <p>Dr. Suddick invited Sue Fay to present the Compensation and Benefit Overview.</p> <ul style="list-style-type: none"> <li>• CLC’s Human Capital Strategy is embodied in the Employee Success Framework, which outlines the plan and actions taken to recruit and retain top talent.</li> <li>• CLC’s Total Rewards Philosophy is embedded throughout the employee experience. Key concepts are link (competitive pay and benefits, an inspirational work culture), launch (a first-year mentoring program for new hires), learn, (recognition programs for employees providing great service) and leap (opportunities for employees to take on leadership roles).</li> <li>• The College has gathered feedback from employees on the philosophy and specific action items directly through surveys and individual and team feedback. In December, the HR Commission provided input on the philosophy document to HR staff, and in January, the staff senate leaders presented requests and recommendations to the College Leadership Team.</li> <li>• As a result, the College seeks Board guidance on the adoption of the updated Total Rewards Philosophy and for a flexible work arrangement policy.</li> </ul> <p>Discussion on Flexible Work Arrangements: Trustee Songer expressed support for a policy related to flexible work arrangements. Trustee Newsome agreed, and recommended that the policy should be adaptable to future changes. Vice Chair Shroka noted that some positions require presence on-campus, and the importance of maintaining a sense of community on campus.</p>
<p><i>5. Closed Meeting</i></p>	<p>It was moved by Trustee Newsome, seconded by Trustee Songer and unanimously carried to enter into a Closed Meeting 6:25 p.m. under the Illinois Compiled Statutes 5ILCS 120 Sections 2(c)(1) and 2(c)(2) of Open Meetings Act.</p> <p>A brief recess was taken before the Closed Meeting began.</p>
<p><i>6. FY 2022 Budget Development</i></p>	<p>As the Open Meeting resumed, Dr. Suddick reviewed the FY2023 and Budget Process timeline.</p> <p>Based on early assumptions, the projected budget gap is \$5,238,149.</p>

	<p>Expense assumptions primarily include salary and benefits for employees in bargaining and non-bargaining units. A budget forecast will be modified based on Board guidance related to these areas.</p> <p>Carryover items from FY 2022 and significant key areas of change were noted, including computer maintenance, debt issuance and new rental costs.</p> <p>Benefits renewal will be estimated based on trend data, with recommendations for employee benefits brought to the Board for approval at a future meeting.</p> <p>Board support was sought for a recommendation to increase tuition by 2% (\$3) per credit hour, with fees to remain flat at \$22.</p> <p>A part-time student would see an increase of \$36 for annual tuition and the average full-time student would see a \$72 increase in tuition. Overall, the Board supported the increase to tuition and keeping fees flat. The Board also supported establishing fees for new courses and modifying course fees to address critical gaps.</p>
<p>7. <i>Adjournment</i></p>	<p>Vice Chair Shroka called for an adjournment.</p> <p><b><u>It was moved</u></b> by Trustee Newsome, seconded by Trustee Songer, and unanimously carried that the meeting be adjourned at 7:20 pm.</p> <p>Upon roll call, the vote was as follows: Student Advisory Vote: Aye Ayes: Newsome, Shroka, Songer, Tomei, Virgilio Nays: None The vote being (4) Ayes and (0) Nays, the Vice Chair declared the motion carried.</p>

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Julie Shroka, Vice Chair

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Torrie Newsome, Secretary