

**JOHN A. LOGAN COLLEGE**  
**Carterville, IL 62918**

Minutes of the special meeting/retreat of the Board of Trustees of Community College District No. 530, Counties of Williamson, Jackson, Franklin, Perry, and Randolph, State of Illinois, held at Carterville, Illinois, on November 2, 2009.

The Board of Trustees had dinner at 5:00 p.m.

The meeting was called to order by Board Chair David Hancock at 5:25 p.m.

The chair directed the recording secretary to call the roll:

John Sanders	–	present
Jake Rendleman	–	present
Bill Kilquist	–	present
Michael Hopkins	–	present
Jim Snider	–	present
John O’Keefe	–	present
Rachel Grasher	–	absent
David Hancock	–	present

Also present were: Robert L. Mees, President; John Huffman, College Legal Counsel; Mike Monaghan, Executive Director of the Illinois Community College Trustees Association; and Donna Glodjo, Recording Secretary to the Board of Trustees.

**PUBLIC AUDIENCE FOR COMMENTS/QUESTIONS**

None.

**DISCUSSION ITEMS**

**A. John A. Logan College Foundation**

Board Chair David Hancock reported on several contacts he had received from Foundation board members and a member of the Board of Trustees regarding concerns with the state of the John A. Logan College Foundation. Some of the concerns included the lack of a quorum at Foundation meetings resulting in overall inactivity, and the need for hiring a permanent executive director for the Foundation.

Mr. Hancock and College legal counsel John Huffman discussed the laws of the State of Illinois pertaining to Foundations and the master agreement between the Board of Trustees of John A. Logan College and the John A. Logan College Foundation. It was clarified that the John A. Logan College Foundation is a separate 501C3 corporation and a separate legal entity from the College. The purpose of the master contract is to identify this relationship and to state that the Foundation will do fundraising and hold gifts of the College. In return, the College agrees to provide space and employees for the Foundation. Legal counsel Huffman said this is an acceptable legal relationship in the State of Illinois and stressed the importance of having a master agreement in place. A copy of the master agreement was distributed to the trustees. There was discussion on the advantages and disadvantages of having a Foundation that is a separate corporation versus having it as just another department of a college.

Attorney Huffman shared his experiences and expertise gained from serving as legal counsel for the SIU Foundation. Mr. Huffman stated that he has consistently indicated he cannot serve as the attorney for both John A. Logan College and the JALC Foundation. President Mees said the JALC Foundation realizes it needs to get an attorney and is pursuing that.

There was discussion on what degree the Board of Trustees wishes to become involved in the current issues facing the Foundation. It was stressed that the Board of Trustees cannot dictate to the Foundation Board, but can advise and support. Board Chair Hancock said current Foundation Board members have indicated they need reassurance from the Board of Trustees that the Foundation Board is indeed running the Foundation.

The lack of successful fundraising efforts over the past several years was discussed. It was stressed that no one executive director could be blamed for this, and it was pointed out that the whole Foundation Office staff had turned over, presenting a challenge just to get the office operating efficiently again. President Mees said the office is running much better now, but there is a definite need for a person dedicated to fundraising. A discussion followed on what drives successful fundraising. There were suggestions that perhaps the Foundation employee dedicated to fundraising could be paid on some type of commission basis in order to give greater performance incentive. The need for key people who would serve actively on the Foundation Board was also discussed at length. It was reported that a committee of active Foundation Board members has been formed to attempt to find out why other current members are not active. Board Chair Hancock stated it is his understanding that the current president of the Foundation Board is attempting to form an executive committee, get the constitution and by-laws out to all members, and have the Foundation Board meet every other month. President Mees noted the Foundation does have a strong Finance Committee that meets with the Board of Directors. He stated that both currently and historically the College's Vice-President for Business Services and College Facilities meets with this committee and serves as treasurer of the Foundation. It was noted that this should probably not be the case.

Other suggestions received by the Board Chair regarding hiring of an executive director for the Foundation were discussed. The need for a strong, motivational leader was stressed. It was the consensus of the Board of Trustees that they should support hiring of an executive director for the Foundation, with involvement and approval from the Foundation Board in the search and hiring process. It was determined that, according to the bylaws, President Mees should head up this process. Board Chair Hancock said that he, Dr. Mees, and Jake Rendleman should meet with the Foundation leadership and pass this information on to them. President Mees said it is important that the Board of Trustees and administration convey that they would support reorganization of the Foundation, but it is also important for all to realize this is not a directive.

President Mees passed out information on the current Foundation Annual Campaign, stating that he hopes to help make this the best in recent history.

## **B. Budget**

Mike Monaghan, Executive Director of the Illinois Community College Trustees Association (ICCTA), distributed a handout containing his observations regarding state funding and community colleges. He reported in depth on the status of the state's finances and the implications for community college funding. In addressing the state budget situation, Mr. Monaghan pointed out that a budget is *not* money, but is spending authority of approved amounts *if* revenue is collected by the State and available for expenditure. He noted the following:

- < The state budget is shrinking and it is highly probable that the state will not collect revenue that is sufficient to fund the Fiscal year 2010 budget.
- < The FY 2010 budget relies on borrowing, i.e. issuing short term pension notes, and rather than paying the state's pension obligations, it will be used to pay for other state services. Another \$3 million is "borrowed" by delaying payment of bills until next year – meaning an increase in the delay of payments to community colleges.
- < The FY 2010 budget uses federal stimulus funds – a one-time revenue source that will not be available beyond this fiscal year.
- < The FY 2010 budget "swept" \$352 million from fees collected for special purposes and deposited into the General Revenue Fund for ordinary state expenditures.
- < The state will soon have over \$5 billion in unpaid bills, and this amount is expected to grow to \$12 billion by the end of the fiscal year.
- < State general revenue collections are down compared to last year -- \$900 million below the first quarter in FY 2009.
- < State bonds are going to become increasingly more expensive and cause higher repayment costs.
- < FY 2011 is predicted to be worse than this year. Approximately one-third of the FY 2010 budget is based on borrowing, one-time stimulus revenue, and delayed bill payments.

Mr. Monaghan stated that when combining the revenues that will not be available with \$800 million in interest payments coming due, accelerating Medicare payments, and repayment of \$3.7 billion in short term borrowing, the FY 2011 budget cycle will open on July 1, 2010 with a shortage of revenue approaching \$12 billion. He noted that a cash flow calamity will occur.

Mr. Monaghan went on to discuss the impact of this on community colleges. He noted the fact that community colleges received \$16 million in federal stimulus funds just to maintain level funding for this fiscal year. Next year, community colleges will not receive this money. He stated that community college enrollment is increasing in record numbers, and pointed out that with high enrollment numbers and level or declining funding, community colleges will receive less state reimbursement per credit hour than they did in previous years. The delay of quarterly payments for credit hour grants are expected to get increasingly delayed throughout the year and colleges should plan to receive no more than two quarterly payments in FY 2010. Equalization grant payments have not been distributed and no apparent plan to pay is in sight. Mr. Monaghan said Fiscal Year 2011 and Fiscal Year 2012 could be even worse for community colleges. Reduced property tax revenues or no growth in property tax revenues could become evident for the FY 2012 budget which begins July 1, 2011. Mr. Monaghan explained how this could impact the community college distribution formulas. He briefly discussed some of the ways community colleges can accelerate property tax revenue and issue bonds for anticipated state revenue.

Mr. Monaghan spoke briefly on the possibility of a state income tax increase, stating that it probably has less than a 50% chance of passage – primarily because the income tax increase would not produce enough revenue to solve the budget problems. He commented this presents an especially difficult vote for legislators, because services would still have to be cut at the same time the tax is increasing. This would also be a delayed source of revenue.

Mr. Monaghan concluded his comments by reiterating that he cannot see how the community colleges can possibly receive more than half of their money in this fiscal year and that the budget picture for FY 2011 will be worse than FY 2010.

There was discussion on efforts John A. Logan College is making in anticipation of the gloomy budget forecast. President Mees reported that the Planning Council is working on a sustainable financial planning model which plans for various stages of potential budget cuts. The council is currently soliciting input from people on campus before making further recommendation and decisions. Dr. Mees noted that the College does currently have \$2 million in surplus operating funds, and plans call for continuing to attempt to build this. He said that many community colleges are looking at huge tuition increases. Dr. Mees stressed that without the equalization funding, some colleges will not be able to survive. He said that recommendations from the Planning Council will be brought to the Board of Trustees in February or March.

Dr. Mees said that some of the special events the College holds during the year are being looked at (fall faculty/staff meeting breakfast and lunch; Christmas luncheon; retirement luncheon; annual picnic) to make expenditure reductions.

Trustee John O'Keefe suggested that the Board of Trustees may want to set an example by cutting back on travel – perhaps traveling on a rotation basis. There was a brief discussion on the current travel budgets. Trustee Rendleman expressed his feeling that Board travel to conventions is very important, and if that travel is cut, it should be cut throughout the campus.

Trustee Mike Hopkins reported on the effort that has been made at the College under Vice-President McCormick's direction to increase the amount in the auxiliary fund balance. He stated that balance has gone from 1.9% to 3.6%. President Mees noted that while the College is higher than most colleges in operating fund balances, we need to continue building the auxiliary and working cash funds.

Board Chair Hancock lauded the ongoing efforts of the Planning Council.

### **C. Discussion of Other Pertinent Items**

Board Chair David Hancock gave the Board a report on a situation that occurred at the West Frankfort Extension Center involving a student that was threatened on the parking lot. Because the situation involved a man threatening to shoot the student and everyone in the building, the decision was made to close down the classroom and move the students out. However, because the incident took place on the parking lot and not in our facility, we could not file charges. As a result of the incident, a JALC security officer has been placed at the facility on Tuesday and Thursday evenings, and security cameras will be installed. There are also plans to do the same at the Du Quoin Alongi Extension Center. The JALC officer in charge when the West Frankfort incident occurred, J. R. Alongi, was commended for the excellent manner in which he handled the situation. Mr. Hancock stated that the John A. Logan College campus safety department is an actual police department with officers trained and qualified to carry weapons, and the officers have jurisdiction in the five counties included in the John A. Logan College district when a college student is involved.

President Mees reported that the mock active shooter exercise conducted on the JALC campus went exceptionally well, and the media coverage let people know the College is prepared to deal with such events.

### **ANNOUNCEMENTS**

None.

### **ADJOURNMENT**

John O’Keefe and Mike Hopkins moved and seconded that the special meeting/retreat of the John A. Logan College Board of Trustees be adjourned.

A voice vote showed all in favor. Motion carried.  
(Resolution #16-2400)

The meeting was duly adjourned.

Respectfully submitted: Donna Glodjo, Recording Secretary to the Board of Trustees

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David Hancock, Chair

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Jim Snider, Secretary