

**MINUTES
SPECIAL OPEN SESSION
Monday, May 6, 2013
5 p.m.
Black Hawk Board Room**



BOARD OF TRUSTEES

I. CALL TO ORDER

Chair David Emerick called the meeting to order on Monday, May 6, 2013 at 5 p.m., in the Black Hawk Board Room, 6600 – 34th Avenue, Moline, Illinois.

II. ROLL CALL

Present: Trustees Dorothy W. Beck, Tim A. Black, Donna M. Frye, Kylee L. Fox, David L. Emerick, Jr., Student Trustee David Edge (Note: Trustee Doug Strand joined the meeting shortly after 7:00 PM.)

Absent: John D. McCooley

Others Present: President Thomas Baynum, Executive Assistant to the President Karen Mowers, Vice President for Instructional Services Bettie Truitt, Vice President for East Campus Chanda Dowell, Vice President for Finance and Board Treasurer Leslie Anderson, Director of Educational Services Bruce Storey, Coordinator of Student Engagement Tiffany Hamilton, UAW Support Staff Union President Gloria Nelson

BUDGET WORKSHOP

Dr. Baynum gave opening remarks and turned the meeting over to VP Anderson.

Anderson noted numerous challenges facing the Board for the 2014 Fiscal Year budget.

These include:

An anticipated 10% decrease in the State Equalization Grant

A 90.20% decrease in interest

Managing the costs associated with the Affordable Care Act's provisions for part-time employees

Late payments from the State of Illinois

To meet these and other challenges, the proposed budget assumes:

A \$7.50 per credit hour increase in tuition rate (now \$115.00 total tuition)

and fees per credit hour)

Credit hours for FY 2014 equal to FY 2013

2% increase in Equalized Assessed Values

2.75% increase in Operating Fund Salaries (most of this increase is stipulated within union contracts)

4.15% increase in Operating Fund expenditures

15.50 % decrease in Operating Fund contractual services expenditures

6.69% decrease in Operating Fund conferences and meetings expenditures

14.05% decrease in Operating Fund Utilities expenditures

\$100,000 of SURS annual employer contribution to be paid by BHC. This is an amount the College is budgeting because of the very strong likelihood that the District will be expected soon to start sharing the costs of retirees pensions.

While that decision had not yet been determined, it soon will be.

During and following her presentation Anderson answered numerous questions. Among the clarifications sought by trustees were the following:

The preliminary budget does not include salary for a Vice President for Administration. The position vacated by Mike Phillips is not being filled at this time. President Baynum is assuming those responsibilities.

The preliminary budget does include a 3% salary increase for all full-time non-represented employees, including President Baynum.

State and Federal revenues have been steadily declining while the College expenses are increasing.

Anderson is looking into alternatives to offset the effects of the major drop in interest revenue.

Anderson agreed to make the following changes to the Preliminary Budget:

Eliminate the "Average All Columns," "Median All Columns," and "Standard Deviation All Columns" entries in the FY14 Operating Funds Budget. (These columns had been added at the request of a Trustee no longer serving on the Board.)

Change the "Budget Expenditures by Org" lines to show consistency among the different offices' expenditures (page 3)

BOARD OF TRUSTEES BUDGET

(Trustee Strand joined the meeting for this discussion)

Chair Emerick led a discussion about the preparation of the Board of Trustees budget for FY2014. The discussion focused on past spending practices and possible changing expectations. Several items were discussed at some length:

57000 The preliminary budget includes \$5,000 for Trustees' phone and internet costs ("Telephone"). This line supports Board Policy 10.46. "Members of the Board shall serve without compensation but shall be reimbursed for their reasonable expenses incurred in connection with their service. *Recurring expenses to be reimbursed include basic internet and basic phone service up to a determined maximum charge [\$55.00] per month. . . .*" Discussion included the possibility that it might be time to reconsider that portion of 10.46.

56000 The FY 2013 budget notes a \$200.00 expenditure for Rental Equipment. It was determined that this expense was associated with the rental of gowns for trustees for the September 2012 Presidential Installation Ceremony. However, there should have been no expenses to the College for any of the events of Celebration Week. These events were funded through generous donations to a separate fund set up for those specific purposes. Chair Emerick will follow up.

55000 The preliminary budget includes \$25,000 for Conferences and Meetings. Discussion focused on increasing this line to \$26,000 even though overall the College is reducing its conference and meeting costs for FY 2014. It was noted that there are greater expectations for trustee involvement and presence now than in the recent past. It was also noted that there is no policy on Board travel. The BOT may want to consider developing such a policy.

53000 The preliminary budget includes \$3500 for contractual services – mostly food. The consensus was that this could be lowered by \$500

54000 – Past expenditures seem to indicate that the Supplies and Materials budget line of \$2,000 could be lowered by \$500

56000 – Fixed Costs - unchanged

57000 – Utilities - unchanged

59000 – Other Expenses - unchanged

III. **ADJOURN**

Motion by Trustee Black to adjourn; Seconded by Trustee Fox.

David L. Emerick, Jr., Chair
Board of Trustees

Dorothy W. Beck, Secretary
Board of Trustees