

**MINUTES OF THE FINANCE COMMITTEE MEETING
OF THE HEARTLAND COMMUNITY COLLEGE BOARD OF TRUSTEES
February 16, 2016**

Members present: Jim Drew, Jeff Flessner, Doug Minter, Sue Gilpin
Others present: Lenore Sobota of The Pantagraph

The meeting was called to order at 6:00pm by Mr. Jim Drew.

FINANCE COMMITTEE MINUTES

Mr. Jeff Flessner moved to approve the minutes from the January 12, 2016 meeting; Mr. Doug Minter seconded and the motion was approved.

FINANCE REPORT

Mr. Minter provided an overview of the Bills paid during January, the Investment Report as of January 31, 2016, and the Report of Revenues and Expenses through January 31, 2016. There was discussion about how much the State owed the College at this point. The Wire Transfer Log was reviewed by the Committee and signed by Mr. Flessner.

DISCUSSION ITEMS

Parkside Road Property Statement of Final Completion

Mr. Minter reported that this action is required by the Illinois Community College Board. The project has been completed for quite some time.

Parkside Road Property Annexation

Mr. Minter reported that the annexation adds this property to Normal, and among other things, makes the Normal Fire Department responsible for coverage. The College incurred some costs for legal and architect fees.

Tuition and Fees Recommendation

Mr. Minter reported that he and President Widmer met with the Student Government Association, including the Student Trustee, regarding an increase in tuition and solicited their feedback. The students prefer more frequent and smaller increases to less frequent and large increases. They would understand and support up to a 3 or 4 percent increase at this time. They are appreciative and respectful of what the College provides to students, and want to see the current levels of programming and services maintained. There was discussion about how much revenue would be generated with a \$2 per credit hour increase. Concerns about State funding uncertainty continue, and Mr. Minter described multiple funding scenarios for both FY16 and FY17, and what the financial impact of the tuition increase would be on those budgets, respectively.

Biennial Technology Funding

Mr. Minter noted that this Board action item is the final step in the process for issuing \$4.5 million in technology funding bonds. The sale of the bonds is scheduled for February 17, 2016.

Advance Refunding of Outstanding General Obligation (GO) Bonds

Mr. Minter presented a brief overview on the possibility of an advanced refunding on the College's \$72 million 2007 General Obligation (GO) Bonds, which could provide a sizable interest cost-savings opportunity. He noted the College's Standard and Poor's credit rating has been affirmed as an AA+ and explained factors being considered for the decision on an advance refunding. These include timing (depends on expectations for increases in interest rates), whether to issue bank-qualified or non-bank-qualified debt, and how much to advance refund each year. The conversation will continue at next month's meeting and staff may present a recommendation to proceed with advance refunding of a portion of the outstanding GO Bonds.

Caterpillar Tax Abatement Agreement

Mr. Minter reported that President Widmer would be presenting this agenda item tonight for Board action. Livingston County has supported this initiative, which is a subset of a broader economic package being funded by the County. The 4-year total loss of property tax revenue for Heartland is estimated at approximately \$43,000. Heartland is the final taxing body to approve this abatement agreement.

State Farm Tax Abatement Agreement Amendment

Mr. Minter explained that this is a 5-year abatement agreement, very similar in terms to the previous 5-year agreement. It will keep taxing streams level for the taxing bodies and predictable for State Farm. College legal counsel has advised that challenging the assessments of parcels covered in this agreement could result in a reduction in tax revenue and recommends proceeding with approval. District 87 has approved this abatement agreement amendment.

Other

There were no other items for discussion.

Closed Session

There was no closed session.

ADJOURNMENT

Mr. Flessner moved to adjourn the meeting; Mr. Minter seconded and the motion was approved.

The meeting was adjourned at 6:37 pm.

Jim Drew, Chair Board Finance Committee

Jeff Flessner, At-large Member, Board of Trustees