

commission, we are an oversight board for that; they are the ones that basically administer grants and loans and they have their own board. The state university retirement system SURS we oversee that, they also have their own board. The Illinois community college board: we have 38 community college districts in the state, 48 community colleges. Mr. Bergman indicated that he has been on the board since last December and is also a member of the board of trustees of Illinois State University. We have a new master plan which is the third master plan for higher education in Illinois. The first one was initiated in the early 1960's and in that master plan the Illinois Board of Higher Education created the community college districts in Illinois. There was a second master plan in 1970. There are three groups of stakeholders: IBHE, public universities board of trustees, and the commission. Copies of a couple of drafts were passed out that Mr. Bergman thought would be the most interest to the Board. Starting in 2011 in the state of Illinois high school grads are going to begin to decline. There are fewer numbers of European whites and greater number of minorities that generally attend college in lesser numbers and that has to be dealt with. Mr. Bergman reviewed the different geographic areas in the state. The northeast is us and is the only area projected to grow in the next twenty years. The other areas are virtually flat. According to this chart in 0-14 years, African Americans are going to decrease in population that's not really true and Mr. Bergman indicated that he would explain that in a minute. You'll see that there will be an increase in Hispanics, increase in Asians, a big increase in other. and way over on the left hand side it doesn't show anything European white people. The next group of 15-24 years, you'll see there will be a decline in European white people, a decline according to this African Americans and increase in Hispanics and Asians and others. The others are basically those of mixed race and those that chose not to declare themselves being a member of certain race. The others are primarily African Americans, Hispanics some combination there of, so when you see in certain areas a reduction in a amount of African Americans there really is not going to be one. Mr. Bergman reviewed the statistics on college degree holders as follows: associates degree and higher 2006, age 25-54 whites are about 50%, African Americans 25%, Hispanics 16%. If you look all the way across you'll see essentially the same thing, whites have the largest percentage of those with college degrees, African Americans are pretty much flat, and Hispanics are pretty far down the list. Let me indicate why that is an important thing as I mentioned before in Illinois the actual number of high school graduates is going to begin to decrease every year beginning in 2011 there's going to be fewer high school graduates. We will need to try to get more individuals into the higher education system. The biggest demand in the future will be nursing as our population is aging. Actually the number of caregivers in about twenty years is projected to increase by 4% but those needing caregivers is projected to increase by 40%. The second need is secondary vocational education. The third need will be computer engineering and fourth is special education, and fifth is computer systems. Community colleges will benefit greatly with the fact that you have good students that don't want to go into debt and can't afford to go away for college. Joliet Junior College will benefit more than most because it is in an area where all the growth is going to be. Trustee Dystrup thanked Mr.

Bergman for addressing the Board and indicated that it was refreshing that he reinforced many things that we work with at our level every month. Trustee Dystrup commented that he thinks many community colleges don't feel very supported from the state because the universities gobble up most of the dollars but we know where the majority of the students come from. We know what we do in development, we know what we do across the board and feels that we both need to understand each other a little bit better. Mr. Bergman indicated that he would be happy to meet with the Board in the future once things in the IBHE master plan are at the point for discussion on the community college aspect. Let me address one more thing you mentioned regarding the universities getting all of the money; universities are not doing any better than community colleges. The K-12 schools is where the increases are going. Trustee Mihelich commented that Mr. Bergman had indicated that the master plan for Higher Ed is evolutionary and revolutionary, but does it support changes in funding based on growth, especially for schools in northeastern Illinois? Mr. Bergman indicated that he is unsure if there are other community colleges receiving a larger portion of funding than JJC. Trustee May stated that yes they do. There are a lot of schools down state that don't have a very strong tax base so they get more state dollars. Our share of state dollars from our total budget is around 11% and the average in Illinois is like 26%. Mr. Bergman stated that in terms of changing in funding it would be nice if we could say we should take the money from here and put it over there. The problem is where does the money come from. Concerns were voiced relative to the public the notice you had on the public briefing for the agenda and the validity of the data in the report by Student Trustee Wilson. Mr. Bergman indicated that the information that was gathered came primarily from state agencies and he does not have a great deal of confidence in some of the things that some state agencies do. Student Trustee Wilson asked Mr. Bergman if he had heard of the Achieving the Dream Foundation. Mr. Bergman stated that he was not aware of this organization. Student Trustee Wilson encouraged him to look into that organization, as they actually work with the community colleges to create some of the initiatives and provide some of the funding to create these initiatives. Mr. Bergman stated that he would go the website and review their mission. Mr. Bergman stated that his suggestions were to look at expanding the programs in the areas of greatest need, such as the nursing program which is probably the most expensive program, but it's what we need. Also information technology is an area that will be in need in the future, as well as special education. Mr. Bergman stated that he understood that Joliet Junior College takes pride in its culinary arts program and they may want to host a board of higher education meeting to showcase that program. There is a reception and generally what happens is the university presidents meet on Monday afternoon followed by a working session of the board of trustees. Monday night whoever is sponsoring the meeting will have some type of event/dinner and the university presidents attend as well as the members of high education.

2.2
Tax
Abatement

Grundy County Tax Abatement for Northfield Block Company

Mike Finnegan thanked the board for the opportunity to speak with them on the two applications for tax abatements. The first one is Northfield Block. These taxes were abated when they first came to Grundy County. There is a summary sheet that has the tax abatements information in front of the Board. Joliet Junior College will receive after the three year abatement, an ongoing amount \$5357 per year. They are a quality company and we are glad to have them in Grundy County. Trustee May stated that this was the second time for a tax abatement request from Northfield Block and asked whether they met all the conditions the first time of their first tax abatement. Mr. Finnegan replied, yes they did; they provided the wages, the benefits and the number of jobs created during year three of the first abatement.

2.3
Tax
Abatement

Grundy County Tax Abatement for Primus Electronics Corporation

Primus Electronics is in Will County on the frontage road on Rt 52. They are a whole food distributor of health communication equipment products and they warehouse and put together kits for cell towers. They are going to add twenty two jobs and are considering a site in the Grundy County area, not in any particular municipal. Joliet Junior College will receive an ongoing amount of \$1530 after the three year abatement. Mr. Finnegan stated that he has met with all the other districts and JJC is the last district to meet with. What we do every year is check with all the companies who receive a tax abatement and they fill out a report that has to satisfy the original agreement. If they don't satisfy the agreement they lose their abatement.

2.4
FY 2009
Budget

FY 2009 Budget Presentation

Dave Agazzi stated that this is the time of the year when we present our annual budget and we have traditionally put together a presentation on the entire budget and all the outcomes as well as talking about capital. A power point presentation was made and included the following: the budget process; the budget goals; budget priorities; revenue assumptions; proposed tuition summary; affordability of JJC; peer group comparisons; course fees; education fund changes from three year financial plan-revenue; operating fund revenues FY09; impact of state funding; expenditure assumptions; education fund changes from three year financial plan-expenditures; operating fund expenditures FY09; budget highlights; budget facts; summary of requests; why a budget increase of \$5.584 million; new full-time positions; other expenditure changes; other funds; outstanding items; and summary. The target for the budget started back in January with a three-year financial plan with the increasing focus on the budget tonight with the expectation to approve a preliminary budget or lodge it at the May meeting for the 30 day public notice that is required and then approval at the June board meeting. Trustee May asked in which areas the faculty and new staff positions would be located. Mr. Heap indicated that one is counseling, three are English, and one is under biology. Trustee May asked if the rationale is based on student growth or is it based on curricular needs. Dr. Haynes replied that the

population is growing by leaps and bounds and in order to address this, you have to put resources in that area. Trustee May asked if we have strategies in place so that we can be successful in those programs. Dr. Smith commented that assessment in developmental education is something that we have to work on. In one presentation we showed that about 89% of our students placed in developmental ed. When we look at our success in math and English they are pretty low anywhere from 3 to 12 percent. Trustee May commented that he just doesn't know why we are making this a priority in the budget if we are not successful in terms of what we are doing. Its one thing to add the positions and do it well but just to throw in money for more positions and not have the increased success in a tight budget is questionable. Trustee May asked what kind of plan, what kind of resources and how are we going to allocate them and what kind of goals are we going to set and how will that lead to a programs that pertain to higher retention. Trustee May indicated that in terms of these additional costs before he votes for them he would like to see strong rationale that we are going to see increases in the numbers of students that we serve. Trustee Block commented that there is money coming from many different areas, not just in tax dollars. Trustee DeLaney inquired whether the dollar increase on the student service fee is per credit hour. Mr. Heap indicated that it was per credit hour and the last time it was changed was in 1991 or 1992. Trustee May asked what the \$200,000 new technology initiatives were. Mr. Serr responded that was part of our technology advisory council new project request process that we go through each year. This year we had about sixty plus new technology initiatives submitted across the entire college community. That \$200,000 in new initiatives is what funds those projects. Mr. Agazzi stated that the entire technology fee is devoted to technology and we are able to fund the \$200,000 within the confines in what we raise for the technology fee. Trustee Dystrup asked if a report on the difference our full time grant writer has made in our institution could be given; however, if that person has not been here for a full year then he wouldn't want to ask for that information. Dr. Proulx stated that June is one year for the grant writer. Trustee DeLaney asked if administration felt that one additional recruiter was sufficient. Mr. Agazzi stated that there is more than one recruiter actually requested; one position is a recruiter and the other position would follow up with prospects and would use communication management tools to send letters out to students. It would be more of a technology outreach position and probably not so much somebody physically going to the high schools but doing all of the other follow up technology so that would give us two and half new positions. Trustee May indicated that one of the things the board wanted was an emphasis on the budget for recruitment and retention and it doesn't seem like we've been asking for more money than the normal \$2 per credit hour. It doesn't seem like administration took those recommendations to heart and made that an emphasis in the budget. Trustee DeLaney commented that after the presentation that Mr. Bergman gave, perhaps the other recruiter should be going to the high schools as there is such a high drop out rate. Dr. Oudenhoven indicated that the other thing that we looked at was moving a half position to a full time position and we could continue to consider that. We don't want to lose the coaching portion of that position, so we

would have to rethink that position. Mr. Agazzi stated that there has been a lot of discussion about this and we need to increase staff in this area to get close to our peers in terms of financial aid advisors and counselors. We know getting the students from the application to the classroom is the challenge. Dr. Oudenhoven indicated that she thinks that the recruiters aren't going to be in the position to address the drop out issue with the high schools but one of the things we also need to take a look at is how can we do a better job transitioning our GED and ESL students to the college. There are a lot of ways to address that issue, maybe not necessarily going to the high schools but by partnering with some of our own programs and doing a better job in transitioning. Dr. Smith stated that some of the things that we are going to do will be to look at the marketing for financial aid; it's one of our goals. We will be working on getting information about financial aid to students. We want to develop marketing plans so when people look at JJC they see a consistent message that is instantly recognizable. Trustee May stated that he hopes with the dollars that we put into the student services areas, goals will be set in terms of recruitment and retention. Student Trustee Wilson asked if the student ID's are a voluntary system. Dr. Oudenhoven indicated that right now it is entirely voluntary and the hope is not too far down the road to be able to have students use it in the cafeteria, fitness center, bookstore and etc. on campus. Trustee Mihelich commented that in the budget booklet itself we have the 2006-2007 information and asked what this is based on. Mr. Heap stated that those are audited numbers from last fiscal year. Trustee Mihelich indicated that he would like to follow up in relationship to some of these measurable goals that Jeff was talking about. Can anybody answer for me what is the projection of this budget on an increase in market share. Mr. Agazzi indicated that when the budget is presented in final form, we will have an operating plan along with our strategic plan that will have measureable goals. Trustee May indicated that he thought we talked about goals we wanted to establish for the Board, but it doesn't seem like those are being incorporated into the budget presentation. It seems to him that administration should take the goals that the board gave them several months ago and use them in terms of planning the budget. Trustee May stated that there is a disconnect here in terms of what the board's priorities are and how the budget was planned. We talk about one thing and you guys do another thing it seems like there are two completely different things. Trustee Block commented that now that administration has heard the Board loud and clear they might make the changes. Dr. Oudenhoven indicated that on the student involvement side, she does not understand where that disconnect was. Dr. Oudenhoven felt that we were trying to be responsive and looked at a lot of the information that we have received from the marketing study and through conversations here about improvement and concerns about enrollment and concerns about financial aid getting in the hands of students. She thought that we were addressing those concerns so it would be helpful to know where the Board feels we lose the mark in terms of what we were trying to do. Trustee May stated that you are putting dollars into student support which I know is going to be focused on retention, but we need to know that you are going to hire a person to work on this specific issue and would like to see goals attached. Trustee May would like the operation plan presented at the same

time that the budget is so that we can see that connection and indicated that he is going to have a hard time at this point approving \$3 increase in tuition, I can accept \$2 but at this point I have a hard time with \$3. Student Trustee Wilson wondered if any consideration was given regarding the fact that we are going to be in competition with another community college. Mr. Agazzi stated that we have looked at facilities and the types of programs that they propose to offer in our area. We didn't just create a master plan to respond to the competition but that was one of the driving elements that we discussed at the master plan steering committee. Student Trustee Wilson emphasized the fact that with his discussions with students over the years, affordability is one of the biggest selling points of this institution. Trustee May indicated that he believes that Rasmussen is about \$300 per credit hour so even if we went up to \$115 they aren't anywhere near as competitive as we are in terms of affordability. Trustee Mihelich stated that in terms of \$2 or \$3 tuition increase this was the first time hearing about it, outside of the financial plan and the first time that we are hearing of the \$1 student fee. Trustee Mihelich asked if Moraine Valley was planning a campus within one or two miles from our district. Trustee Dystrup indicated that they were planning a facility in Tinley Park. Trustee Mihelich commented that there has not been any discussion on a JJC facility in the Lincoln-Way area since he has been on the board and feels we need to take the initiative to address this with some discussion in the future. Trustee Dystrup indicated that as a matter of fact, we have heard about the eastern campus and it was made clear to us that at the present time an eastern campus had been ruled out from the very first presentation of the master plan. Trustee Dystrup stated that he knows that we have gotten back reports and has talked personally to people in the Lincoln-Way area and we were told repeatedly that the distance between new Lenox but will not go so far to say Mokena or Frankfort, was not a big deal to travel to our downtown campus or the main campus. So there's no question that we have to watch the eastern border and the eastern front in the future. Trustee Mihelich asked where he would find the money in the Budget book for the ramp projects, specifically the chiller project. Mr. Agazzi indicated that would be in the capital improvement plan which will be presented later in the meeting. Trustee Mihelich asked if that would be in the capital improvement plan. Mr. Agazzi commented that the capital improvement plan has always been included that project. Whether its been funded or not has been a question and we have always left it unfunded, waiting funding from the state since it is such a high priority. We presented this with the master plan and recommended not funding that project out of our new capital dollars because that was a project that we thought had a good chance to get funded from the state. We did, however, ensure that dollars are in the budget to rent a backup or redundant chiller in the amount of \$100,000. Trustee Mihelich commented that we have a \$4 million project sitting out there and if we don't get funding our backup plan is \$100,000. Mr. Agazzi stated that no that isn't our backup plan we are funding that ourselves and we want to rely on our initial plan being funded by the state. If the bill does go through we have discussed that we would reallocate existing capital funds that we have in our budget or we would come back in the following year to request additional funding. The options that we have already presented to the

board are: option 1: state funding, option 2: reallocate within our budget, or option 3: to come back and ask for additional funding. Trustee Mihelich would like to see a priority of projects that would be potentially utilized if we cannot secure state funding if we have a problem where we are forced to do those projects ourselves. A plan needs to be developed that shows the dollars that we are reserving for potential use for the chiller project. Trustee Mihelich commented that he wasn't sure that it was being reserved in the budget and now wants to know the details of the budget. Mr. Agazzi indicated that we have reserved a 25% maximum and have prepared training emergency in case the planning didn't come through. Mr. Heap indicated that a special part of our budget presentation, because there has been so many security concerns around the state and country, is on security and the effects on our budget. Chief Comanda indicated that over the last five years we have made huge strides in the security area as far as the college is concerned and feels that we are ahead of the game. We are upgrading our camera systems on both internal and external cameras that will cover all campuses. These cameras can be viewed from remote locations. As far as equipment, you've heard a lot about lockdowns we will be putting locks on all classrooms, labs, etc. that give someone the ability to lock themselves in should some type of a shooting situation begin on campus. We will also be initiating a new process on the external doors on campus as well as some other selective areas, which will allow for some remote opening of these doors. It will also give us the ability to tell who goes in what door at what time and can tie into the camera system. As far as other equipment, we are looking at an emergency notification system that will send out messages through email, voicemail and text messaging. In addition, it will tie into the PA system that we already in place. Chief Comanda commented that in a true emergency the PA can be the primary initial announcement followed up by all of these other systems that we have. The emergency phones have already been budgeted. There will be a need for an increase in personnel and a need for additional squad cars. With the LEMAP study there was talk about coming up with a defined number of officers in the college setting and I think a fair number is one to every 500 - 1000 members of the community. If we got to 15 that would put us right in that upper level end of those figures. In the next few years we would like to add an additional dispatcher to cover those busier times. We will still be in need of CSO's. We have created a safety training video that will cover most situations to give faculty and staff a place to go to get an orientation. We plan to do our first drill for faculty and staff during the personal & professional development week in the fall and hopefully in the late fall do one for the students. We will begin the first pharmaceutical distribution drill, that's through Will County Health Department, this is in case of any kind of epidemic or biological incidents. The federal government will distribute medications that we will have here to our staff and faculty before it goes to the general public. This is an important practice should it happen. We did our first annual NIMS tabletop drill with our administrative staff about three weeks ago. NIMS is the National Institute Management System, which is a federally mandated method of dealing with disaster and we do have a whole NIMS plan. We plan to conduct a live disaster drill sometime in the summer of

'09, we hope to involve a lot of outside agencies. Our police officers continue to do the active training and drills, we do them both internally and we want to expand that over the next year to include the outside agencies. We now have an officer that's a member of Joliet's SOS team and we also have an officer who is on the ILEAST, which is the Illinois Emergency Alarm System Team and this brings us a valuable asset. Thank you to Dr. Oudenhoven for her hard work in getting the Crisis Assessment Team organized over the past year or so. The team is in place but we are just tweaking some things on it and the name may change for this group. In summary, this group can be contacted at any time by a staff member, a student, or faculty member if they are concerned about someone not acting quite right and there is concern either for their safety or the safety of other people in the school. Once that call is put in that triggers this team into action. Trustee Dystrup stated that he would like to commend Chief Comanda, the staff and administration for being so proactive. Is it safe to say that there is now in place standards which all institutions of higher education are attempting to meet. Mr. Comanda indicated that having met with a lot of our counterparts there still seems to be a lot of confusion around set standards, but a lot of the things we've done are things that people hope to do. Trustee Dystrup asked what administration's estimate is for the total cost of security to the college, let's say 3 or 4 years ago versus what we're proposing the cost for security will be in next year's budget and then by the time we get to 2011. Mr. Agazzi that we have an additional officer budgeted for this year with benefits that works out somewhere between \$60 and \$70 thousand dollars and an additional part-time CSO that's about \$17 and \$20 thousand dollars depending on how many hours we are able to find there, so we are recommending in the budget about \$1.3 million dollars. We have compiled a much longer list that includes additional items that we want and will need at the college. Let's say we have compiled that and have given it to our lobbyists and our lobbyists were surprised to find out we were one of the few, if not only, colleges that went to Springfield and asked for an appropriation in this regards so we are hopeful that something will still come out of that. Chief Comanda indicated that we have done about 75 percent of what the LEMAP study recommended, as not everything was mandatory. Trustee Dystrup asked if there were any online materials that students could access when in a state of depression. Dr. Oudenhoven stated that she knew a site that is geared towards college counseling centers that allows students to get general information about all issues. If you customize the site they can get information about local resources. There is also a group that works on suicide prevention that has done a lot for crisis assessment for colleges and universities, and its not information that we publicize for our students but we certainly could.

2.5

FY 2009 Capital Improvement Program

Mr. Van Duyne this presentation is going to be a brief overall of that twenty-eight page document that is inside of your board packet. The purpose of a capital improvement plan is to integrate the master plan, infrastructure and the annual improvements that provides us with the ability to plan for infrastructure upgrades and ageing equipment. The objectives of the master plan were to review the

current use of the facilities and land for all of the campuses, prioritize the recommendations from the committee and to identify space that we build in the next ten years and that produced twenty two projects that were identified in detail through the capital improvement program. The twenty-two projects were highlighted and the proposed funding sources the tuition bond, referendum bond, and private and not for profit partnerships. The objective of the capital improvement plan is to compile an annual list of capitol renewal per maintenance try to find funding and build that project list, schedule work within the fiscal year we also wanted to make sure that all projects compliments the strategic and master plan and address the safety and security. This year facility services used the faculty's condition assessment for the first time to prioritize any existing maintenance we worked with Mr. Heap to determine the available funding and then prepared a project list. The six funding sources that were reviewed RAMP, protection, health and safety fund, state capital renewal grants, operations and maintenance restricted funds, bond funding and the capital assessment fee. We are third on the list for the chiller project from the state. In the project summary, it lists the project by the fund source it organizes projects into fourteen categories with statements that it also estimates cost for each project and each fund and those projects are all detailed. Mr. Van Duyne highlighted this year's projects. Mr. Agazzi indicated that we need a map of where all our utilities are here on campus and it is something that needs to be mapped out and digitized particularly before we break ground on any of our projects and it's something Mr. Van Duyne came up with. Trustee Delaney asked what specialty projects are. That was a category that we've been carrying in this capital improvement program, for example, fixing up the lake. Mr. Van Duyne indicated that there are a lot of details in this book if the Board has the opportunity to read them. Mr. Agazzi offered compliments to Jeff Heap and Judy Buccifferio on the budget, to Pete Comanda, for what he has provided for you tonight and his extra work on security, and Pat Van Duyne, for the remarkable job he did this evening and here in facilities.

2.6

Financial Plan Presentation

Mr. Agazzi introduced Ms. Linda Jankowski from PMA and she is here this evening to give some clarification on the financial options for the master plan. Ms. Jankowski thanked the Board for the opportunity to work with them on the financial options. Ms. Jankowski explained the financing options based on a total project size of \$159 million: Option A: \$70 million alternate revenue bonds (tuition backed) and \$89 million referendum bonds; Option B: \$159 million alternate revenue bonds (tuition backed) and Option C: \$159 million referendum bonds. Ms. Jankowski stated that they were asked to put together for the board today sort of a continual so that we got perspective on possible ways to handle Financing on the facility plan. There has been prior discussion I am aware of, whereby administration has laid out for the board of trustees sort of an initial review of both projects and thoughts on how to fund them. Basically projects that seem to be best categorizes projects that are for the students or for the users of facilities on campus for a fee structure might be appropriate versus something that will enhance the colleges contributions on a more global basis with respect to job

creation, job development, community wide activities look more appropriate if they are asked of the general tax base in some sort of a referendum option. The continuum that we have tonight includes one end of the spectrum which is to look at the fee & revenue support to provide entirety of the projects or financing the entirety of the projects verses entirety going to referendum and then a middle option which basically supports where administrations views have come from with respect for some of the projects really needs to be fee supported. Option A is \$70 million in alternate revenue bonds and are tuition backed. This is debt based on student increase which will occur through the tuitioning process and again as discussed tuition will get to a certain point and those dollars will be allocated towards the repayment of debt service over a period of time. Mr. Agazzi explained that the reason they use the word alternate is because its not property tax supported. Alternate revenue bond is a term used so that you do what is called in the industry a double barrel backing and that double backing is property taxes. We did that when we built the vet tech building and every fall the Board approves an abatement of those taxes so we have to go through a whole process of hearings. This means that we raise enough revenue to pay back the debt certificates. Trustee Block asked if we will still have to pay them back with tuition from the future. Mr. Agazzi indicated that we would have to pay them back with 100% tuition. Ms. Jankowski stated that most public bodies use the alternate revenue bonds because it is a more efficient way to borrow funds. The other key to option A is going to voters on the other portion of projects which will be \$89 million referendum. Option B is doing the entire project facility master plan with alternate revenue bonds and option C is doing the entire facility plan going to the voters. Trustee Mihelich indicated as a point of clarity, he believes that Ms. Jankowski is referring to this incorrectly and he would like her to refer to this correctly. Our total master plan is \$220 million option B or C only addresses the projects identified in option A and the activities funded under the referendum it does not have the activities included under the not-for-profit and the other sections. Mr. Agazzi commented that was correct and noted that half of the funding of the entire city center project will be privately funded. Trustee Mihelich stated that options B and C are not the entire plan and is being referred to as the entire master plan. Ms. Jankowski indicated that she stands corrected--the portion of the master plan that the college feels appropriate to finance. She reviewed the summary chart in option A of the alternate revenue bonds which are backed by increases in tuition and \$89 million referendum with a tuition increase of \$3 for four years so accumulative increase in option A of \$12 in tuition. Ms. Jankowski indicated that the EAV shows as no increase, but cautioned the Trustees that is still an unknown. Mr. Agazzi pointed out that our tax rate has dropped Ms. Jankowski stated that the information with respect to the tuition increase in option A is consistent with the presentation that has occurred tonight. Option B is if \$159 million of the entire capital plan is financed using alternate revenue bonds. You would be talking about a tuition increase that is \$9 every four years to \$36 total. Trustee Block commented that the Board had discussed a \$2 tuition increase previously. Mr. Agazzi indicated that we originally discussed \$2 and that was to provide \$57 million. As we presented in our master plan presentation we

presented a number of unfunded items that totaled approximately \$13 million. At that time we indicated that we would be proposing \$3 to fund the entire \$70 million. Trustee Block commented that originally we said \$2 and the board didn't find out until this evening that it had been changed. Mr. Agazzi indicated that was not true, in fact I remember Trustee Dystrup saying that he would support \$3 tuition increase to pay for the entire \$70 million. Ms. Jankowski again there is no tax rate increase on alternate revenue bonds and there is no referendum. If the college would chose to fund a portion of the capital plan with a \$159 million referendum then we are talking publically two to three cent increase with respect to changing the tax rate. If the college would look and try to do the other \$15 million for the YMCA project the tuition impact would be approximately be \$1 additional dollar in tuition increase. In that instance \$159 million portion of the capital plan plus the \$15 million using alternate revenue you are looking at \$10 over a four year period for a forty dollar tuition increase. Right now you are either looking at a \$70 million alternate revenue bond, for \$3, \$159 million for \$9 or the \$159 million and \$15 million for the YMCA at \$10. Again those are cumulative tuition increases over the next four years. Option A shows the allocation of the tuition dollars on paying off debt service at \$3 for four year and basically over four years you will hit a point that there is enough tuition dollars that can be captured to cover debt service and from there on out the college would simply allocate up to \$21 for the remaining term of the repayment cycle from tuition. What is the variable here it's the credit hours continuing to grow at 3% which based on historical behavior of the college. Student Trustee Wilson commented that in the future we are projected to have huge growth in the community and at the college and wondered how necessary would the increases be if we were to take this into account. Mr. Agazzi indicated that once you sell your debt and dedicate a certain portion of tuition to that debt, you are always going to do that. We make a promise to those people who buy those bonds that we are going to pay them off. Any additional revenue that we get over projections is the thing that offsets operating increases. Also, if we don't meet these projections we would still, as an administration, recommend that we pay this amount of money in tuition to pay off our debt service. We also would recommend reductions in our budget. Ms. Jankowski commented that in a very simplistic way, the financing of the alternate revenue bonds with tuition dollars is comparable to a mortgage payment. Student Trustee Wilson indicated so that means if you wanted to, you could pay more. Ms. Jankowski not necessarily, lets assume that you had ten years in the alternate revenue bond and you had more than enough monies to allow you to start doubling up on your payments, then the recommendation would be lets refinance it and shorten the outstanding debt and pay as much debt as we can. Again the use for the alternate revenue bond is done over a lease or a loan to be taken out because from a credit perspective the capital markets view it as a more solid credit. The \$89 million for the referendum means that the college will go for the referendum sometime in the next year that it will hit the 2008 tax levy cycle. This is predication on some EAV growth assessments the college believes right now are workable the referendum financing strategy is not fine tuned and I recommend that you do not fine tune until we get economic data in. The general

view now is to look at the \$89 million and try and get through the worse case assessment of what the tax cap really is and it looks like it's a little under 2 cents which corresponds with an estimated 2 cent drop in the operating side so the expectation is that there's a mutual impact. Option B is very similar to slide A with respect to the discussion on the Illinois revenue bonds other than the fact that the tuition increases that's inspired to \$459 million in revenue bonds to \$9 accumulatively over four years to get up to this \$45 allocation on the tuition. Option B was the referendum, this is if the entirety of the project would be financed, again similar concepts to what we talked about with the \$89 million dollar referendum and it presumes that the college goes for a referendum in the next year. We are talking about probably a 2 or 3 cent increase, so coupled again with any kind of drop in the operating sizes probably ends up resulting in something that's about a 2 cent increase overall for the taxpayers essentially, so there is an impact there that they would see over their current tax rate. We did put in a homeowner impact chart, this is essentially if you were going to do that sort of net 2 cent increase to a homeowner on the \$159 million dollar referendum. Ms. Jankowski stated that she wanted to make sure we were clear on this especially in case these conversations get out. When we talk about holding the tax rate we are not talking about holding the tax bills, as your home values go up homeowners will pay more money so you can hold your tax rate at 19-1/2 cents for the next twenty years, never, ever doing anything to change that tax rate and homeowners will still continue to pay more on their tax bill by the virtual fact that their homes have started to increase in value. It isn't anything the college can do, anything now, this is outside of every municipal entities ability to control it's really a function of the tax cap language. So again this will be something, as we walk through, especially with the referendum we are going to want to be very, very careful that the trustees and the college are accurately portraying what's going to happen with enrollment so there's no miscommunication on that part. Trustee Dystrup asked for clarification on the costs to our taxpayers for the referendum. Ms. Jankowski stated that on one page that for the \$89 million referendum the cost would be about a \$17 increase and for the \$159 million referendum the cost would be about an increase of \$30 to the taxpayer. Ms. Jankowski reviewed the information on tuition and fees with our peer colleges for all three options. Ms. Jankowski also reviewed the 2008 alternate revenue bonds key dates. Mr. Agazzi indicated that there were green sheets that were at the Board's places of what the operating impacts will be as we move forward with the master plan. These are very, very conservative numbers right now but we estimate starting in 2010 that in addition to the increase for the master plan, you would see at least an additional \$3 to \$4 increase request to start planning for new academic programs and start hiring and wrapping up the new operational and maintenance programs. In 2011, the year prior to the opening of our expanded academic buildings, working in consultation with Dennis Haynes and Michalene Nash, we estimate as much as a \$5 fee tuition increase as a result of hiring new nursing instructors, new radiology instructors, new dental hygiene instructors and whatever the programs are we end up funding. We see a relatively large increase in 2011 and 2012 for operation maintenance. That's when you start to see the utilities go up but what's much

more expensive than the utilities is making sure we maintain our custodial, maintenance and grounds ratios that we currently have. Also, the security items previously mentioned are included in those numbers. You start with 2009 with a \$14 tuition increase, in 2010 it would be a \$16 tuition increase, in 2011 it would be a \$21 tuition increase, and in 2012 it would be a \$17 tuition increase and it wouldn't be until 2013 that we got back to a normal rate of tuition increase. Trustee May asked if the capital fees listed three times, \$70 million, \$159 million, and \$174 million, were different options and questioned whether we were paying for all of these or if they were different options. Trustee May indicated that the dollar figures for total increase under FY 2009 do not add up to \$14 and if you're only going to take one of those options, those figures are not accurate down at the bottom so we are not going to see an accumulative grand total 77 and a grand total of 90 because you're only going to select one or the other. Mr. Agazzi indicated that he would like to re-clarify the information. If the board wanted to fund the entire amount with a tuition increase, it would be \$3 plus \$6 plus \$1 which is a \$10 increase over the four proposed today, that's \$3 for tuition, \$1 for the student service fee, that plus \$76 brings it to a grand total of \$90 per credit hour. In the following fiscal year assuming the same rates of increase except an additional \$2 for academic programs and \$1 for operational maintenance the increase in that year would be \$16 that added to the prior year amount brings you to \$106 and you can see how it carries through. Trustee Dystrup asked if you went with option A only the first year, that number would be \$84, since you didn't add the \$6 or could we say the \$6 and the \$1 or is the one added on no matter what. The \$1 for student service fees we have added to one year, that's just in one year. Trustee Dystrup stated that roughly these numbers are \$6 less per year on the bottom versus the full tuition business. The \$1 is the fitness center portion of it that we added. Mr. Agazzi stated that what we have on the agenda to vote on tonight is the \$70 million bond backed by a \$3 tuition increase in each of the next 4 years. We were asked to take a look at if we funded everything with tuition and that's why it is laid out this way. Trustee Block indicated that she was appalled with this whole referendum. Over the past year people just assume, the administration just assumes that they are just going to bring it the board and we should just go for a referendum and I am appalled by that. Right now the economy in Will County has one of the highest taxes, property taxes probably in the whole United States. We raise tuition here and there but to go further out like this is just appalling and ridiculous. We need to live within our means just like the people do at home. This will probably pass with the board, but Trustee Block does not feel it will pass in November. Trustee Dystrup indicated that this was just an option. If we don't want to go to referendum at all we have that option as well, but would like the decision to be a consensus of the Board as whole. Trustee Block commented that it is not their taxes their values will go up it is nothing about tax rate it's about tax dollars. Trustee May commented that one thing we weren't aware of up until tonight was that our EAV isn't growing at the rate that it was in the past, so it is putting more of a burden on our operating budget to increase tuition from that route. The voters are going to be really unhappy and the timing is just not good. Trustee May feels from a practical standpoint it will be

extremely hard to pass a referendum. When it comes down to it we are going to have to tighten our belt and make some tough decisions on what we are going to fund and make some hard decisions and prioritize. Trustee Dystrup commented that this board since 2003 has not only tightened its belt but also implemented many cost cutting saving programs to get us where we are today. Trustee Block indicated that she might have thought differently if we wouldn't have spent thousands and thousands of dollars remodeling administrator's office in the amount of \$50,000 or \$60,000 worth of furniture that could be used in classrooms for our students. Trustee Dystrup indicated that by statistics students make their decision on where they are going to go to school based on what they see. I say that it was a good investment and thinks if we can get the board to rally behind option A and then if it fails we can come back in April with plan B and ask the students to totally fund the plan. We have been very sensitive to raising tuition rates and feels that the community has some responsibility to support this institution. Trustee Block commented that she found it amazing to have someone come before us and ask if we would give tax abatement for two large companies and give the businesses a tax break, but now we are saying lets stick it to the taxpayers. Trustee Block feels our taxpayers are paying too much in taxes now. Trustee Dystrup feels it has been way too long since a referendum has been passed for JJC. Trustee Block commented that we get an opportunity that grade schools and high schools don't; if we need money we raise tuition, so we will always have a balanced budget for the next fifty years. Grade schools and high schools can't do that. Student Trustee Wilson indicated that he feels that the taxpayers are getting a bang for their buck and would like to see the taxpayer help the student to ensure they can continue to get a good affordable education. Trustee DeLaney indicated that from her own personal experience of being a student at JJC, when she first came here she went to school on Pell grants, and scholarships. There are many options available to the student if they want to come to JJC. We shouldn't have to depend on the taxpayers like Trustee May just said the student is responsible for their education and they always say that timing is everything and I'm going to agree with the other trustees that this is not the right time to be going out for a referendum. Trustee Mihelich indicated that prior to the meeting he was talking to our attorney regarding amending a motion. Attorney recommended that an alternate motion be proposed. Trustee Mihelich would like to propose an alternate option. He would like to propose that we generate alternative revenue bonds equal to a \$36 tuition increase that would cover the projects funded in the tuition bonds and referendum bonds. We would fund that at the end of year one and we would also go for a referendum for the \$89 million in the November election. If that referendum passes, then we would decrease tuition by the amount of the referendum. Trustee May asked if we go up \$36 this year what about the second, third and so on. Trustee Mihelich indicated it would be zero. Trustee Mihelich indicated that there is uncertainty with the referendum but we would have that in the alternate revenue bonds. We have the not-for-profit in the other sections as part of the master plan package, not to even mention the assessment fee projects that were identified in 6.0. We have no plan for an east campus, so any of those additional dollars raised by increasing the first year and

the second and the third because we take it all in the first year, those would be put into a separate pool so that at some future date these dollars could be applied to projects identified in the not-for-profit category, in the other category plus the east campus. This would give us the option to fund something else. Trustee Mihelich believes that if we go for a larger bond that would be advantageous to the project all in the first year. Mr. Agazzi indicated that what you are also doing is layering your debt so you would have lower interest cost. Trustee May commented that his understanding is its \$36 in the first year and then there is no increase in the future; it's a flat \$36 for the referendum. Trustee Mihelich stated that was correct for the projects that were identified in tuition bond, referendum bond, not for profit and other. We might have a normal tuition increase. Trustee May commented it could be \$40 or \$45 Trustee Mihelich commented that if we add all of those things in yes, but what he is proposing is just for the master plan and those four items for \$36 in the first year. Trustee Block indicated that she thinks that it's ridiculous to ask for that kind of tuition because some students can't afford it now. Trustee Mihelich indicated that as he said earlier, he is in favor of differentiated tuition, so those students that may have hardships have an alternative option and also differentiated tuition by subject matter. Additional tuition will stimulate more students to respond to financial aid and move forward in that direction. Trustee May commented that \$36 times 15 or 30 hours for a full year, would be \$1,080 plus fees. Chairman Wunderlich asked if we would still go for the \$89 million referendum and if that passed would we lower the tuition, because, think about it, all the students would help push through the referendum. Trustee Block asked if there was a cap on how much tuition can be raised. Mr. Agazzi indicated that there is a cap and believes it to be one-third the cost per capita of instruction. As you all have asked us to look at these options, he talked to Ed Smith of ICCB about this. Mr. Agazzi indicated that he would feel more comfortable with doing \$9 over each of the four years. Trustee Mihelich indicated that he would change his motion to be up to the amount of the cap in the first year with the balance in the second year. Mr. Serr asked Trustee Mihelich how this plan could be marketed to the residents of the district. Trustee May stated that it could be marketed as a choice for the master plan implementation: through tuition or through a referendum, or some through tuition and some through a referendum. Trustee Mihelich indicated that it took a long time to develop this master plan and it should be funded. Trustee May indicated that his sister-in-law was unable to get in our nursing program and went to the University of St. Francis and paid \$300 per credit hour and feels she would have been happy to pay the additional few dollars to come to JJC. If we have a state-of-the-art allied health facility students will flock here. Attorney Ward indicated that Trustee Mihelich's question to him was a little different than what was actually said. His question was specifically about the building bond referendum not directed towards the tuition increase. Attorney Ward indicated that Trustee Mihelich is really talking about making a motion with respect to the tuition increase which is probably much more appropriate like 3.0 which is 7.0. Trustee Mihelich we can come back with the tuition increase at the \$2 or \$3 which is in the financial plan. Trustee May but what you are proposing is actually 6.0 is

increasing the capital assessment fee to \$36. Trustee Mihelich stated that no that's for all of these other side projects the difference between the \$70, \$89 to get to the 20 million. Trustee Block requested that the board chairman can get a handle on this. Chairman Wunderlich indicated that we are going to go back to agenda item 2.7.

2.7

Auditor Selection

Mr. Heap indicated that the quotes for the college's audit services were obtained from four firms and reviewed their quoted fees with the Board. We need to make our selection at the May 6, 2008 Board meeting so the auditors can begin scheduling preliminary work during the summer months. Trustee Block suggested that the Board review this information and if they have any questions they could contact Mr. Heap or Mr. Agazzi before the May 6th meeting so that this can be voted on at that meeting.

Trustee Mihelich moved seconded by Trustee Dystrup to vote on agenda item 7.0 at this time. The motion **carried**. Ayes: Mihelich, O'Connell, DeLaney, Dystrup, May and Wunderlich. Nays: Block. Student Trustee Wilson favored the motion.

Trustee Mihelich moved seconded by Trustee Dystrup that the Board of Trustees of Joliet Junior College approve the recommended motion be changed to propose that we generate alternative revenue bonds equal to a \$36 tuition increase that would cover the projects funded in the tuition bonds and referendum bonds. We would fund that at the end of year one and we would also go for a referendum for the \$89 million in the November election. If that referendum passes, then we would decrease tuition by the amount of the referendum. Trustee May commented that a \$36 increase is high and it would be better if we could spread it out over a period of years, but understands that we lose some of the advantages. Trustee Mihelich indicated that this will get us better rates on the bonds and this should entice more individuals to vote in the referendum. Trustee May is concerned about the media coverage on this increase. Trustee Mihelich stated that this is an increase needed to fund the master plan and does not have a problem with media coverage, as long as it is accurate. Student Trustee Wilson asked if the Board would consider tabling this, as this was just dropped on them this evening. Attorney Ward indicated that the Board may want to wait until they have a certain dollar amount rather than voting on a "cap" amount. Attorney Ward indicated that there appears to be a good deal of confusion and a vote is not legally required on any of these items tonight, so the Board may want to table this recommendation and permit the administration to work up the suggested changes. Mr. Agazzi indicated that he would work very diligently to get this information completed for the mailing. Trustee Mihelich withdrew his motion.

Trustee May moved, seconded by Student Trustee Wilson that the Board of Trustees of Joliet Junior College approve the tabling of agenda items 3.0, 4.0, 5.0, 6.0, and 7.0. The motion **carried**: Ayes: May, Mihelich, O'Connell, DeLaney,

Dystrup, and Wunderlich. Nays: Block (feels the vote should have been taken on what was on the agenda). Student Trustee Wilson favored the motion.

8.0

Review of Agenda

The agenda for the May 6, 2008 meeting was reviewed. Trustee Block asked what the name was of the individual for 2.1.1. President Proulx indicated the individual's name was Dwayne Cable. Trustee Block asked what bid item 4.2.2 included. Ms. Mitchel indicated this had come before the Buildings and Grounds committee and it was scheduled in two different pieces, but was combined into one for better pricing. Trustee DeLaney asked if additional information would be forthcoming on the auditor selection. Mr. Agazzi stated that there was information in the packet for tonight's meeting and pointed out that the auditor does not report to administration, rather works for the Board of Trustees. Trustee Block asked how long we have had Virchow Krause & Company as auditors and what administration's recommendation would be on this auditor. Mr. Heap indicated that we have had them for five years and it is recommended that every five to seven years auditors be changed.

Student Trustee Wilson indicated that he would like to do a presentation on a potential scholarship program and wondered if he would be able to present it at the May Board meeting. The Board was in agreement with this request.

Chairman Wunderlich indicated that the May 6, 2008 Board meeting is scheduled to be off campus and recommended that the meeting be held at the Weitendorf Center.

10
Adjourn

Trustee Mihelich moved, seconded by Student Trustee Wilson for the meeting to adjourn at 9:45 P.M. A voice vote was taken. The motion **carried** unanimously.