

BOARD OF ILLINOIS COMMUNITY COLLEGE DISTRICT #523
Finance Committee Meeting
September 5, 2017

CALL TO ORDER

The Finance Committee meeting of the Board of Illinois Community College District #523, held at Kishwaukee College, Malta, Illinois, was called to order at 8:00 am. by Finance Committee Chair, Dr. Robert Hammon, on September 5, 2017, in room C-2175.

ROLL CALL

Members Present:

Laurie Borowicz
Bob Hammon
Bob Johnson
Linda Mason
Kevin Fuss

Visitors:

Member(s) Absent:

None

Others present were:

RJ McGarry, Executive Director of IT
Kayte Hamel, Executive Director of Marketing & Public Relations
Dr. Joanne Kantner, Vice President of Instruction
Michelle Rothmeyer, Vice President of Student Services
Dr. Bill Nicklas, Executive Director Development
Kevin Fuss, VP Institutional Effectiveness
Cindy McCluskey, Executive Director Board Relations & Human Resources
Michelle Ohlinger, Executive Assistant to the President

Dr. Hammon appointed Mr. Fuss to the Finance Committee.

APPROVAL OF FINANCE
COMMITTEE MEETING
MINUTES

The minutes of July 26, 2016, were presented for approval. On a motion by Mr. Johnson seconded by Ms. Mason and on a voice vote the minutes were approved as presented.

OLD BUSINESS – Bond
Refinancing Update

Mr. Fuss noted that he is having our options for bond refinancing reviewed. We hope to be able to present some opportunities to the Board if there are any available. Mr. Fuss stated they will also review our debt capacity.

Dr. Hammon stated that if we can save money by refinancing it would put us into a better picture to do things we want to do down the road.

OLD BUSINESS – Facility Plan
Update

Mr. Fuss provided the finance committee with a facilities plan update. The ICCB recommends a facilities master plan be completed every 5 years. Our last plan was primarily focused on external facilities. This time we are looking at how to utilize our internal spaces and where are program needs are at this time.

The College needs to develop a consensus plan. The finance committee was presented with the necessary steps to implement the plan. Our architects will look at a HVAC zone report. They will bring back concept development plans and then the finance committee will elect the one that works best and use this as a preliminary plan.

Mr. Fuss stated he would like to bring a facility plan to the December Board meeting. The final master plan document is anticipated to be complete by February 2018.

Dr. Borowicz stated our enrollments have really declined. We have researched enrollment trends and have discovered that our enrollments are directly related to enrollment at NIU. We are looking at where enrollments are in our district high schools. Our enrollments look like they did in the 1980's and our building was a fraction of the size it is now. We realize we need to look at condensing utilization of our facilities.

We are looking at our reverse transfer rate to NIU. Dr. Borowicz will provide information at an upcoming Board meeting.

Dr. Borowicz reviewed remodeling needs in the President's office area. The Board would like to receive a facilities update report monthly such as the one presented today. Dr. Hammon asked if it would be better to put sprinklers etc. in now even if we may not use those areas at this time. Mr. Fuss stated we would probably do an entire area rather than do it in pieces.

Dr. Borowicz reviewed staffing needs. We need to appropriately plan for future reductions in staffing, while being mindful of the culture of the organization.

NEW BUSINESS – PHS Projects

Mr. Fuss reviewed the PHS Funding availability and several possible areas to use PHS funding. Mr. Fuss provided information regarding our wastewater treatment plant. Mr. Fuss stated it might be worth having conversations about methane gas. There may be some options with the City of Malta.

Dr. Borowicz stated that at this point she would like the finance committee's approval to continue to explore options.

NEW BUSINESS -

The College's auditing firm has stated that several colleges have taken a portion of their fund balance and moved it to fund 3. It moves this from the operating fund to a restricted fund. They have a targeted fund balance. When they get money from the state, they move it to operations and maintenance restricted. Moving funds between accounts does require Board approval.

The Finance committee felt this makes sense. The Board will be asked to take action at the September Board meeting. The Board would take this year's operating budget, state what we need for reserves, and then put the remaining dollars in the restricted fund.

We anticipate putting 25% in the fund balance and transferring the remaining state money to a restricted account. We budgeted 1.5 million for FY18 and we are scheduled to receive close to 5 million.

The finance committee would like to meet again in November to review where we are at that point. Dr. Borowicz stated we would bring some options to the committee. We can look at having a two-tier tuition rate for those individuals coming from in-district high schools.

The Finance Committee discussed scholarship options. A proposal will be brought back to the full Board at a later date.

Mr. Johnson provided a 5-year analysis of tuition increases. The operating budget has gone down during this same period. He stated that their jobs as trustees is to consider tuition and remain fiscally responsible.

ADJOURNMENT

With no further business coming before the Finance Committee, Dr. Hammon asked to adjourn the meeting at 9:25 a.m. On a motion by Dr. Borowicz, seconded by Mr. Johnson and on a unanimous vote, the meeting was adjourned.

The next meeting of the Finance Committee will be scheduled as needed.