

MINUTES
FINANCE AND NEGOTIATIONS COMMITTEE
OF McHENRY COUNTY COLLEGE

A meeting of the Finance and Negotiations Committee of the Board of Trustees of McHenry County College was held on Tuesday, April 17, 2012, in the Board Room, Room A217, of Building A on the Campus. Chair Adams called the meeting to order at 8:03 a.m.

When Ms. Larson called the roll, the following were present:

Mr. Parrish
Mr. Adams
Ms. Larson

Ms. Walters was absent.

ACCEPTANCE OF AGENDA

The agenda was accepted as presented.

OPEN FOR RECOGNITION OF VISITORS AND PRESENTATIONS

No one signed in to address the combined Committees.

PRESIDENT'S REPORT

Dr. Smith stated she had nothing to report.

FY 2013 BUDGET UPDATE

Mr. West stated that Executive Council is looking at budgets and reviewing justifications. There are still concerns of unknown expenses on the pension side with CIP (College Insurance Program) and SURS (State Universities Retirement System). Mr. West stated that it may be better this year to approve the budget later rather than sooner so that, if necessary, the CIP and SURS information is included in the College's budget. Mr. West clarified that the College went out for a levy representing a 9.9% increase, but the actual levy, once figured by the County, came out to a modest levy increase of 1.97%. The prior year's levy increase was 3%.

Mr. West noted there was very little discretionary room in the budget, as 75% is taken up with salaries and benefits, and another 10-15% is fixed charges, leaving a small percentage of actual discretionary

spending that can be manipulated. Dr. Smith has challenged senior staff to run operations as cost efficiently as possible while still providing quality service. Various approaches for cost savings have been brought to the Board over the past year for utilities and the Building Automation System to control energy use. Dr. Smith noted she has directed that ancillary services must break even and can no longer be subsidized by the College. She stated that the preliminary budget could be brought to the May Finance Committee meeting, to receive insights from the Board about where budget emphasis should be placed. In response to Ms. Larson's question, Mr. West noted that MCC receives \$2.3 million from the state, which represents less than 5% of the College's budget. Discussion followed on curriculum areas such as robotics, graphic arts and manufacturing. It was noted that the Program Review process reviews and eliminates programs that are no longer viable. A full budget workshop will be held in June; the budget must be done by September 30. Mr. West followed up on the process of refunding the College's 2004 debt certificates; he noted that the College retained its AA1 credit rating.

DIALOGUE ON PARTNERSHIPS

Dr. Smith spoke about the possibility of sending a Request for Ideas and Proposals to select companies or individuals that may be interested in partnering with the College to meet both their needs and the College's needs. Ms. Brown spoke about this RFIP process and stated that something may be brought forward that the College has never thought of. After discussion, the Committee members present agreed that this should be done.

SUMMARY COMMENTS BY BOARD MEMBERS

During Summary Comments by Board Members, Mr. Adams spoke about the budget on the Building B renovation project. Mr. Manke will provide an update at the May Finance & Negotiations Committee meeting and at future meetings. Mr. Adams spoke also about pinning down a budget number for next fiscal year's branding costs. Dr. Smith responded that some costs, such as the catalog, are already budgeted.

FUTURE AGENDA ITEMS

Dr. Smith stated that a budget update can be given at the May Finance and Negotiations Committee meeting on additional costs needed to implement rebranding. Mr. West stated that the College's auditing firm Sikich asked whether Trustees would be willing to submit SAS99 interviews electronically again this year. He predicted that the audit would be brought to the September Board meeting and submitted to ICCB in mid-October.

Mr. Adams spoke about refilling the Internal Auditor position; discussion followed. This item will be discussed at the next full Board meeting.

Mr. West spoke about the services of HigherOne, a third party administrator to handle all financial aid and student refund checks. He reviewed the benefits of using this company and will provide answers to Trustee questions.

CLOSED SESSION

No Closed Session was needed.

ACCEPTANCE OF CLOSED SESSION MINUTES: Finance and Negotiations Meeting, March 15, 2012

Those present reviewed the Closed Session minutes of the March 15, 2012 Finance and Negotiations meeting. The minutes were accepted as presented.

ADJOURNMENT

Hearing no further business, the meeting was adjourned at 10:00 a.m.

Patricia Kriegermeier, Recording Secretary