

MINUTES
FINANCE AND NEGOTIATIONS COMMITTEE MEETING
OF McHENRY COUNTY COLLEGE

A meeting of the Finance and Negotiations Committee of McHenry County College was held on Thursday, July 14, 2011, in the Board Room, Room A217, in Building A on the Campus. Chair Adams called the meeting to order at 8:05 a.m. When Mr. Adams called the roll, the following were present:

Mr. Adams
Ms. Larson

Ms. Miller was also present. Ms. Walters and Mr. Parrish were absent.

ACCEPTANCE OF AGENDA

The agenda was accepted as presented.

BUDGET WORKSHOP

Dr. Smith stated that the materials and numbers discussed at this meeting are very tentative. She added that the purpose of the meeting was to obtain policy direction from the Trustees present on how they wish the administration to move forward in finalizing the budget.

Budgets presented were Fund 01: Education Fund and Fund 02: Operations and Maintenance Unrestricted. Funding was proposed to cover recommendation and implementation of AQIP teams, including \$100,000.00 to cover a Classification and Compensation Study of employees, excluding faculty; the salary and benefit ramifications of all reorganizations included Academic and Student Affairs, the Business Office and Institutional Advancement. Funds were proposed to implement Strategic Plan initiatives and the President's Goals and Objectives.

Ms. Larson inquired about program review, and Dr. Miksa explained the process. Every five years, academic and non-academic areas submit a program review document to Executive Council for review. Representatives from the area present information to Executive Council and a determination is made whether to retain the program. Dr. Miksa cited an example in which one program was blended with another, similar program and a second example in which courses were placed as electives in a related area. He added that the goal is to balance effective use of funds with student success.

Mr. West introduced Mr. Kevin Ihetu, Controller.

Mr. West presented the revenue picture. Local tax revenue will be up by \$579,230.00, state aid is flat, and student tuition and fees are budgeted to be up \$634,948.00, representing 97% credit hours of FT 11 fall and spring semesters. Mr. West shared that Fund 01 will budget using \$2,379,455.00 from the fund balance to pay for ERP implementation. This means building a deficit budget in Fund 01 to be able to use funds designated for ERP out of the fund balance.

Mr. West shared that there will be a surplus of approximately \$3 to 4 million left from the FY 11 budget. This surplus will be placed in the Fund 01 and 02 fund balances.

Dr. Smith presented a summary of the expenditure side of the Fund 01 and 02 budgets. Costs are mostly in the salary and benefit lines; equipment and capital costs are down 34% in Fund 01. Costs are stable in supplies and contractual services.

Dr. Smith stated that the College has not budgeted enough over the years in Fund 02 to maintain and clean the facilities properly; equipment has not been purchased over the past twenty years and this practice has caught up with the College. A new cost center was added to the Operations & Maintenance budget to start implementing projects from the ISES Facility Condition Analysis report. She added that the ISES recommendations will be folded into the Facility Master Plan.

Mr. Manke discussed Fund 02, Operations and Maintenance, Unrestricted. He indicated that the budget was up \$3,580,213.00 over FY 11, or 61%. This increase is due to funds added to cover equipment needed for maintenance and custodial departments and the addition of \$2,475,500.00 in the ISES cost center to start addressing infrastructure problems. Items in that budget include fire alarm system replacement or refurbishment, replacement of inefficient lights, replacement of carpet which presents a safety hazard, replacement of parking lot lights and bollard light replacement, and some HVAC replacement.

Chair Miller indicated that funds could be Board designated for the ISES repairs as was done for the ERP implementation.

SUMMARY COMMENTS BY BOARD MEMBERS

No summary comments were made.

CLOSED SESSION

There was no Closed Session.

ADJOURNMENT

Hearing no further business, Chair Adams adjourned the meeting at 9:57 a.m.

Patricia Kriegermeier, Recording Secretary