

MINUTES
FINANCE AND NEGOTIATIONS COMMITTEE MEETING
of McHENRY COUNTY COLLEGE

A meeting of the Finance and Negotiations Committee of the Board of Trustees of McHenry County College was held on Thursday, September 15, 2011, in the Board Room, Room A217, in Building A on the Campus. Chair Adams called the meeting to order at 8:03 a.m. When Mr. Adams called the roll, the following were present:

Mr. Parrish
Mr. Adams
Ms. Miller

Ms. Walters was absent at roll call and arrived at 8:05 a.m.

ACCEPTANCE OF AGENDA

The agenda was accepted as presented.

ACCEPTANCE OF MINUTES

The minutes of the Finance and Negotiations Committee Meeting, August 18, 2011, were accepted as presented.

OPEN FOR RECOGNITION OF VISITORS AND PRESENTATIONS

No one signed in to address the Committee.

PRESIDENT'S REPORT

Dr. Smith spoke about a report from RuckPate Architecture about a server room study that the Board approved at a previous meeting. The study resulted in a recommendation for a long-term solution rather than a Band-Aid solution. The Facilities and Planning Committee received that report, indicated they were supportive of moving it forward, and will inform the Finance and Negotiations Committee of their decision to send this item to the full Board. The study showed that the server room did not have enough cooling capacity to take care of current needs and the generator was not sized sufficiently, in case of a power outage, to keep the room at 68-70 degrees. The study recommends a new 150kW generator, a new 25 ton cooling unit and relocating the current 3-ton cooling unit to the telephone room. Sump pumps, cell phone repeaters and outlets in the Campus Public Safety office will be connected to the new generator,

which will have enough additional capacity to serve as backup for coolers and freezers in the cafeteria and culinary arts lab area. The cost of these improvements will not exceed \$450,000.00. Dr. Smith stated that she is working with Internal Auditor Ms. Nancy Gonsiorek on developing a charter for the internal auditor function.

INTERNAL AUDITOR REPORT

Ms. Gonsiorek explained that she and Dr. Smith are working to develop the Internal Auditor Office charter, a quality control document which outlines her responsibilities and how she performs her job. She stated that the Bookstore audit work continues, and plans to report on this audit in October. She will follow up on the Purchasing department audit and report on it in 2013.

FY 2011 AUDIT UPDATE

Mr. West reported on the FY 2011 Audit, which is behind schedule. He plans to ask the ICCB for an extension to present the audit at the October Board meeting. Ms. Miller noted that the auditors will report to the Finance and Negotiations Committee in October; she explained that in the past, the auditors reported to the full Board in the absence of a Finance Committee.

DISCUSSION OF PURCHASING THRESHOLD

The Committee discussed a purchasing threshold; state statute changed in 2009 and the statutory current limit is \$25,000.00 on goods and services and up to \$50,000.00 on construction projects. Mr. West surveyed Illinois community colleges and found that most follow state statute; some are lower and a few were higher. Mr. West outlined the various levels of internal control and the procedures that comprise each level.

A discussion followed about operational efficiency, emergency purchase situations and employee training on purchasing policies. After extensive discussion, Committee members agreed to wait to make a decision on the purchasing threshold until all ERP processes are in place. During a subsequent discussion about purchasing practices, the Committee agreed to send to the October Evaluation and Policies Committee a “zero tolerance policy” on purchasing policy violations.

NEW BUDGETED POSITIONS

Dr. Smith discussed sharing the process for creating the budget with the Finance and Negotiations Committee and sharing in addition the process for determining new budgeted positions so that the Committee will know why monies are being placed in the budget. Dr. Miksa explained the process used by the Academic and Student Affairs division to determine fiscal year needs. He spoke about the request for a half-time chemistry lab coordinator position, which will back up the biology lab coordinator position. Dr. Miksa then provided the rationale for a new Instructor of Philosophy position. He noted that enrollment in Philosophy classes has increased, as students in health professions must take one philosophy class as part of the program.

DISCUSSION OF PRIVATE/PUBLIC PARTNERSHIPS

Mr. Parrish spoke about an alternative financing method called Tax Exempt Financing. He explained how the method works and outlined its benefits to the College. A presentation will be scheduled for the next meeting of the Finance and Negotiations Committee meeting in October. Dr. Smith explained how this process was used at her previous institution.

UPDATE ON GMH PROPERTY

Dr. Smith provided a brief update on the GMH property; the judge will make a ruling on October 5 whether to remove the automatic stay. The U.S. Trustee has filed a motion regarding tactics used by the bankruptee in this case.

SUMMARY COMMENTS BY BOARD MEMBERS

Mr. Adams spoke about the President's job program, which contains a provision for a minimum of \$2.5 million per state, to be made available for campus renovation and modernization.

FUTURE AGENDA ITEMS

An audit presentation will be given at the October meeting, and a presentation on tax-exempt financing.

CLOSED SESSION

Ms. Walters moved to go into Closed Session to discuss matters covered under the Illinois Open Meetings Act, 120/2 (c), Exception #2, *Collective negotiating matters between the public body and its employees or*

their representatives, or deliberations concerning salary schedules for one or more classes of employees,
and Exception #21, *Discussion of minutes of meetings lawfully closed under this Act, whether for*
purposes of approval by the body of the minutes or semi-annual review of the minutes as mandated by
Section 2.06. Mr. Parrish seconded the motion. There was/was no discussion. The roll was called; and all
present were in favor. The motion carried. A break was taken at 9:03 a.m. and Closed Session began at
9:14 a.m.

Trustee Adams made a motion to come out of Closed Session and Trustee Walters seconded the motion.
There was no discussion. A voice vote was taken and all were in favor. Closed Session ended at 9:58
a.m.

ACCEPTANCE OF CLOSED SESSION MINUTES

The minutes of the meetings of the Finance and Negotiations Committee on June 29, 2011, July 21, 2011
and August 18, 2011 were accepted as presented.

ADJOURNMENT

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

Patricia Kriegermeier, Recording Secretary