

BOARD OF TRUSTEES
McHENRY COUNTY COLLEGE DISTRICT #528

Tuesday, November 7, 2017
6:00 p.m.



Board Room
8900 U.S. Highway 14
Crystal Lake, IL 60012

COMMITTEE OF THE WHOLE MEETING

AGENDA

1. Call to Order
2. Roll Call
3. Acceptance of Agenda
4. Acceptance of Minutes: Committee of the Whole, October 19, 2017
5. Open for Recognition of Visitors and Presentations
Three (3) minutes per person or less.
6. President's Report
Update on HESI/Ad Astra Software
7. Preliminary October Financial Statements: Mr. Bob Tenuta
8. Discussion of Board Policy 3.8, Emeritus Program
9. Capital Campaign Update: Dr. Clint Gabbard and Ms. Christina Haggerty
10. Future Agenda Items
11. Summary Comments by Board Members
12. Closed Session
 - A. 120/2(c) Exception #1, Personnel (*President's Evaluation*)
 - B. 120/2(c) Exception #21, Review of Closed Session Minutes
 - C. Other matters as pertain to the exceptions of the Open Meetings Act
13. Acceptance of Closed Session Minutes, Committee of the Whole Meeting, October 17, 2017
14. Adjournment

A handwritten signature in black ink, appearing to read "Diane Evertsen".

Diane Evertsen
Chair

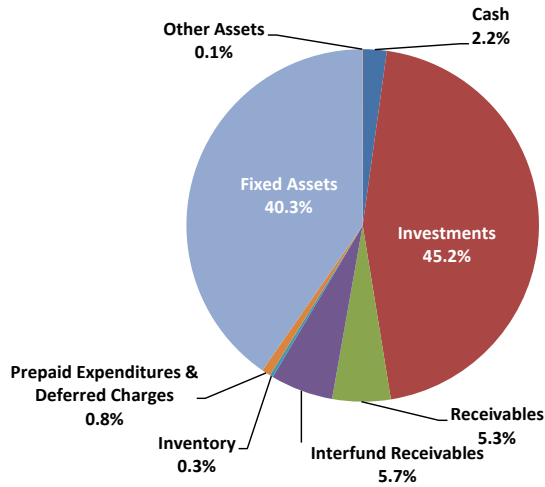
All Funds Statement of Net Position (Balance Sheet)
October 31, 2017

	01	02	03	04	05	06	07	08	09	10	11	12	
All Funds	Education Fund	Operations & Maintenance Fund	Operations & Maintenance (Restricted) Fund	Bond & Interest Fund	Auxilliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	General Fixed Asset Fund	General Long-Debt Fund	Trust & Agency Fund	Audit Fund	Liability Protection & Settlement Fund	
Assets													
Cash	2,760,304	-	680,366	-	422,509.15	10,822	1,112,946	95,646	-	-	368,973	69,041	-
Investments	56,934,598	30,026,992	947,896	21,234,381	-	-	-	2,773,650	-	-	-	-	1,951,679
Receivables	6,729,160	5,864,461	817,690	-	-	28,488	-	-	-	-	-	946	17,576
Accrued Revenue	139,158	55,731	3,776	65,423	-	-	-	7,752	-	-	-	-	6,475
Interfund Receivables	7,217,408	1,386,456	7,150,314	(47,257)	114,351	(102,935)	(1,283,522)	-	-	-	-	-	0
Inventory	379,525	-	-	-	-	379,525	-	-	-	-	-	-	-
Prepaid Expenditures & Deferred Charges	1,018,889	786,978	33,488	-	-	6,665	1,667	-	-	35,452	-	-	154,639
Fixed Assets	50,712,795	-	-	-	-	-	-	50,712,795	-	-	-	-	-
Other Assets	81,736	-	-	-	-	-	-	-	81,736	-	-	-	-
Total Assets	125,973,574	38,120,618	9,633,531	21,252,548	536,860	322,566	(168,910)	2,877,049	50,712,795	117,188	368,973	69,987	2,130,369
Liabilities													
Payroll Deductions Payable	1,064,151	899,787	52,830	-	-	94,611	1,088	-	-	-	(8,031)	-	23,866
Accounts Payable	228,695	251,881	-	-	-	4,344	(27,531)	-	-	-	-	-	-
Interfund Payable	7,150,314	6,007,716	-	97,929	-	-	-	-	-	-	-	-	1,044,669
Accrued Expense	505,549	505,549	-	-	-	-	-	-	-	-	-	-	-
Deferred Revenue	9,713,628	8,637,234	829,824	-	-	-	3,951	-	-	-	-	12,496	230,123
Fixed Liabilities	14,141,164	-	-	-	-	-	-	-	14,141,164	-	-	-	-
Other Liabilities	1,198,923	60,266	-	-	-	8,900	-	-	752,753	377,004	-	-	-
Total Liabilities	34,002,424	16,362,434	882,655	97,929	-	107,855	(22,492)	-	-	14,893,916	368,973	12,496	1,298,658
Designated Fund Balance	91,971,150	21,758,184	8,750,876	21,154,618	536,860	214,711	(146,418)	2,877,049	50,712,795	(14,776,728)	-	57,491	831,711
Assigned Fund Balance													
33% Unassigned for annual budgeted expenditures	17,034,708	15,280,210	1,754,498	-	-	-	-	-	-	-	-	-	-
Other Designated Reserves	0	-	-	-	-	-	-	-	-	-	-	-	-
Capital Improvement/Investment in Capital Assets	71,867,413	-	-	21,154,618	0	-	-	50,712,795	-	0	-	-	-
Liabilities, Protection, and Settlement	-13,309,453	-	-	-	-	-	-	-	-14,141,164	-	-	-	831,711
Working Cash/Other Restricted	1,661,074	-	-	-	-	-146,418	1,750,000	-	-	-	57,491	-	-
Remaining Unassigned Balance	14,717,409	6,477,974	6,996,378	0	536,860	214,711	0	1,127,049	0	-635,564	0	0	0

All Funds Statement of Net Position (Balance Sheet)
October 31, 2017

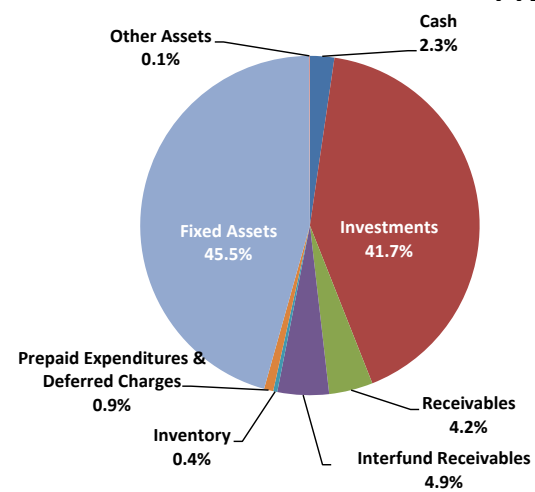
Total Assets = \$ 125,973,574

FY18 Assets - All Funds

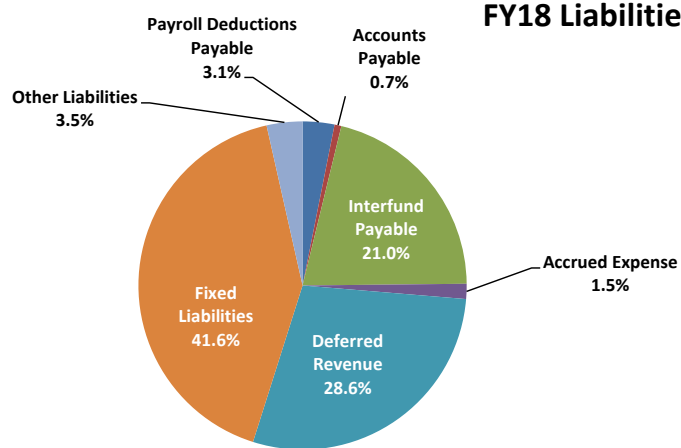


Total Assets = \$ 107,774,422

FY17 Assets - All Funds

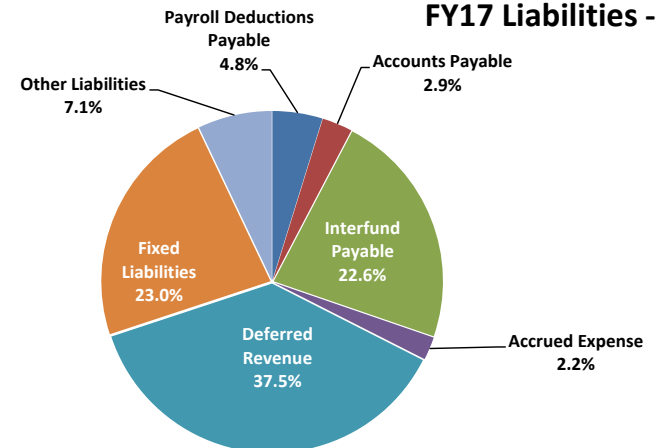


FY18 Liabilities - All Funds



Total Liabilities = \$ 34,002,424

FY17 Liabilities - All Funds



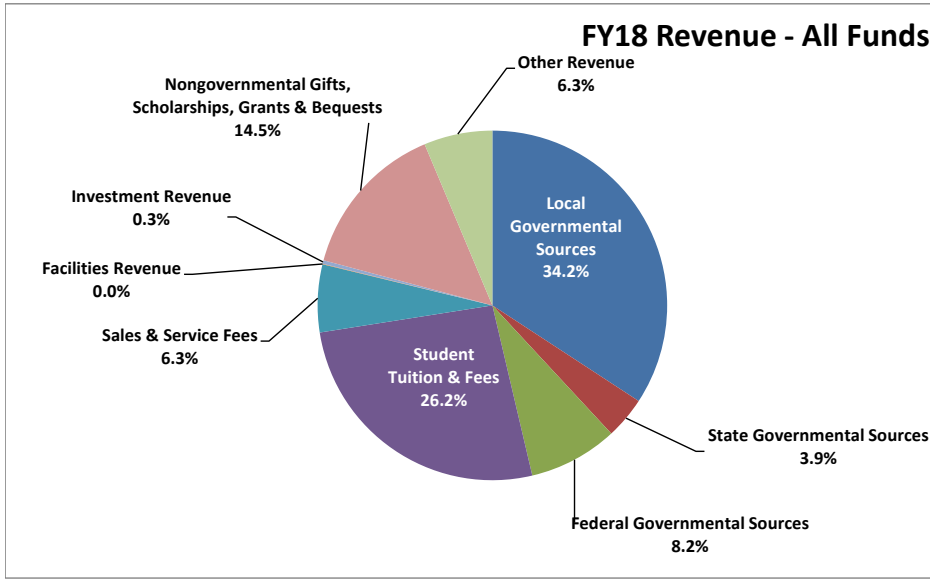
Total Liabilities = \$ 23,352,843

All Funds Statement of Activities (Income Statement)
October 31, 2017

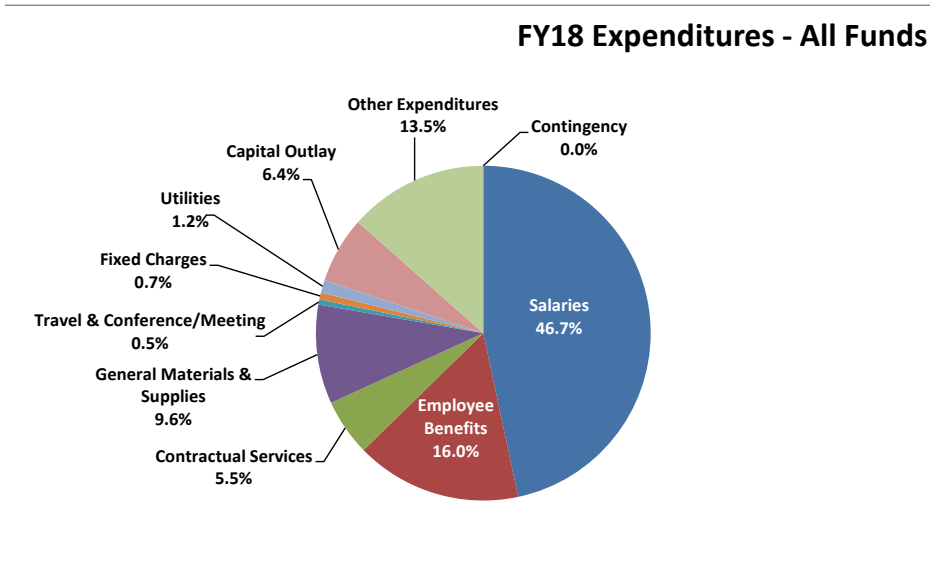
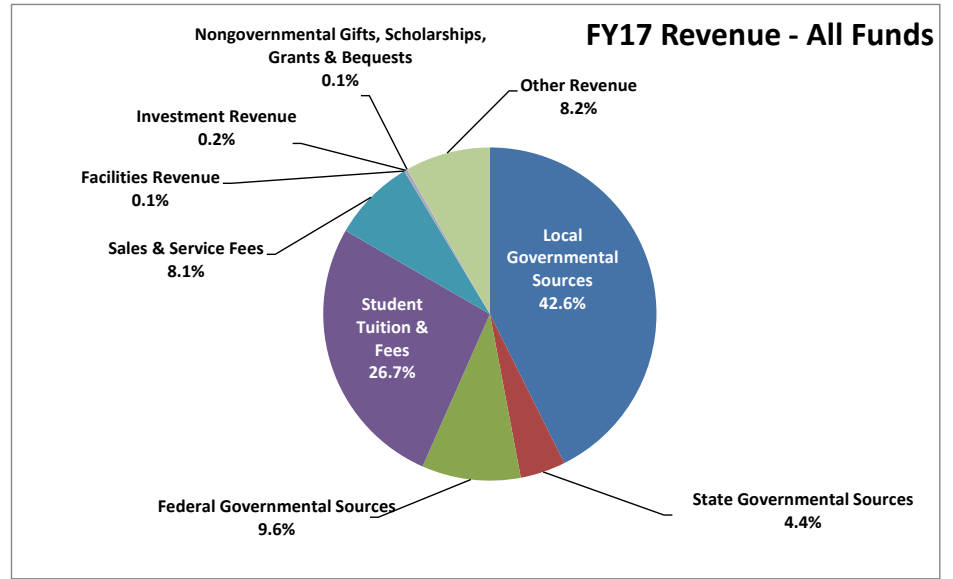
	01	02	03	04	05	06	07	08	09	11	12	
All Funds	Education Fund	Operations & Maintenance Fund	Operations & Maintenance (Restricted) Fund	Bond and Interest	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	General Fixed Asset Fund	General Long-Debt Fund	Audit Fund	Liability Protection & Settlement Fund	
Revenue												
Local Governmental Sources	9,434,877	8,016,509	933,130	-	-	-	-	-	-	24,991	460,247	
State Governmental Sources	1,070,262	779,703	191,249	-	-	99,311	-	-	-	-	-	
Federal Governmental Sources	2,270,793	-	-	-	-	2,270,793	-	-	-	-	-	
Student Tuition & Fees	7,221,021	5,922,688	598,554	76,694	536,860	86,223	-	-	-	-	-	
Sales & Service Fees	1,727,558	109,353	-	-	-	1,618,206	-	-	-	-	-	
Facilities Revenue	13,260	-	-	-	-	13,260	-	-	-	-	-	
Investment Revenue	90,000	33,090	1,810	48,282	-	-	3,715	-	-	-	3,103	
Nongovernmental Gifts, Scholarships, Grants & Bequests	4,000,082	-	-	4,000,000	-	-	82	-	-	-	-	
Other Revenue	1,747,349	1,742,446	4,903	-	-	-	-	-	-	-	-	
Total Revenue	27,575,202	16,603,789	1,729,646	4,124,977	536,860	1,717,689	2,370,185	3,715	-	-	24,991	463,350
Expenditures												
Salaries	8,609,420	7,493,364	204,461	-	-	535,706	231,402	-	-	-	-	144,487
Employee Benefits	2,958,622	2,555,768	41,417	-	-	86,721	22,767	-	-	-	-	251,950
Contractual Services	1,011,994	567,458	243,128	-	-	120,836	24,736	-	-	47,000	-	8,837
General Materials & Supplies	1,764,970	508,206	55,713	3,284	-	1,174,724	19,778	-	-	-	-	3,265
Travel & Conference/Meeting	90,847	67,324	4,201	-	-	10,886	6,285	-	-	-	-	2,152
Fixed Charges	125,189	528,379	6,060	926	-	10,800	15	-	-	(446,455)	-	25,464
Utilities	227,309	49,184	176,844	-	-	453	-	-	-	-	-	828
Capital Outlay	1,182,512	18,724	257,964	1,591,449	-	-	-	(685,625)	-	-	-	-
Other Expenditures	2,482,960	236,153	-	-	-	1,481	2,245,326	-	-	-	-	-
Contingency	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	18,453,822	12,024,559	989,788	1,595,659	-	1,941,607	2,550,307	-	(685,625)	(446,455)	47,000	436,983
Excess/(deficit) of revenues over expenditures	9,121,380	4,579,230	739,858	2,529,318	536,860	(223,918)	(180,122)	3,715	685,625	446,455	(22,009)	26,367
Operating transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Beginning Fund Balance	82,849,768	17,178,954	8,011,018	18,625,300	-	438,628	33,704	2,873,334	50,027,169	(15,223,183)	79,500	805,344
Ending Fund Balance	91,971,148	21,758,184	8,750,876	21,154,618	536,860	214,710	(146,418)	2,877,049	50,712,794	(14,776,728)	57,491	831,711

All Funds Statement of Activities (Income Statement)
October 31, 2017

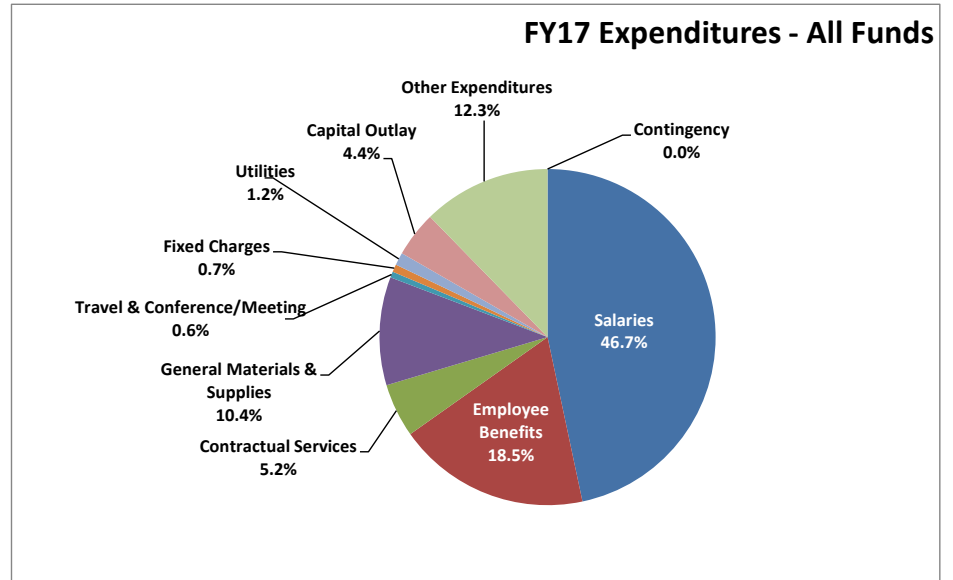
Total Revenue = \$ 27,575,202



Total Revenue = \$ 22,141,172



Total Expense = \$ 18,453,822



Total Expense = \$ 19,091,433

Operating (Funds 01 & 02) Statement of Activities

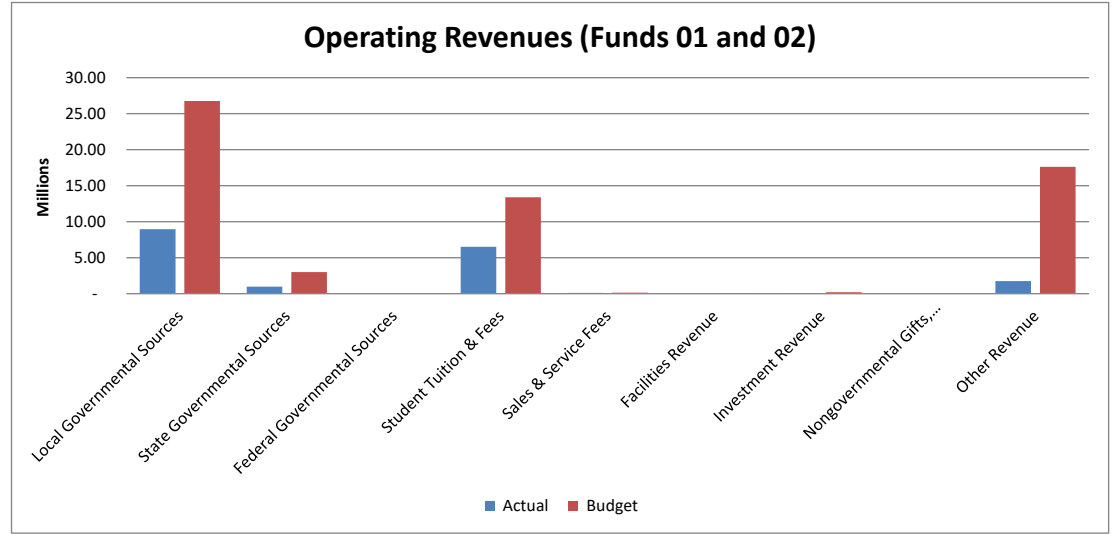
October 31, 2017

	FY18			FY17			FY18	
	Actual	Budget	%	Actual	Budget	%	Change Over FY17	% Change
Revenue								
Local Governmental Sources	\$ 8,949,639	\$ 26,772,195	33.4%	\$ 8,953,365	\$ 26,818,195	33.4%	\$ (3,726)	0.0%
State Governmental Sources	970,951	2,998,730	32.4%	814,823	2,654,715	30.7%	\$ 156,128	19.2%
Federal Governmental Sources	-	-	0.0%	-	-	0.0%	\$ -	0.0%
Student Tuition & Fees	6,521,243	13,388,138	48.7%	5,806,024	14,229,788	40.8%	\$ 715,219	12.3%
Sales & Service Fees	109,353	134,150	81.5%	111,761	150,400	74.3%	\$ (2,408)	-2.2%
Facilities Revenue	-	11,100	0.0%	-	11,000	0.0%	\$ -	0.0%
Investment Revenue	34,900	188,203	18.5%	29,236	185,712	15.7%	\$ 5,664	19.4%
Nongovernmental Gifts, Scholarships, Grants & Bequests	-	-	0.0%	-	-	0.0%	\$ -	0.0%
Other Revenue	1,747,349	17,631,608	9.9%	1,825,708	15,102,534	12.1%	\$ (78,358)	-4.3%
Total Revenue	\$ 18,333,435	\$ 61,124,124	30.0%	\$ 17,540,916	\$ 59,152,344	29.7%	\$ 792,519	4.5%
Expenditures								
Salaries	\$ 7,697,825	\$ 26,050,874	29.5%	\$ 7,921,377	\$ 26,514,982	29.9%	\$ (223,553)	-2.8%
Employee Benefits	2,597,185	22,297,765	11.6%	3,129,743	19,113,381	16.4%	\$ (532,559)	-17.0%
Contractual Services	810,585	4,104,952	19.7%	763,445	4,662,823	16.4%	\$ 47,140	6.2%
General Materials & Supplies	563,919	2,314,288	24.4%	625,000	2,881,736	21.7%	\$ (61,081)	-9.8%
Travel & Conference/Meeting	71,524	481,588	14.9%	95,490	660,484	14.5%	\$ (23,965)	-25.1%
Fixed Charges	534,439	1,774,375	30.1%	348,278	1,849,310	18.8%	\$ 186,161	53.5%
Utilities	226,028	1,022,200	22.1%	231,365	1,027,945	22.5%	\$ (5,337)	-2.3%
Capital Outlay	276,688	1,954,704	14.2%	1,831,027	3,939,844	46.5%	\$ (1,554,339)	-84.9%
Other Expenditures	236,153	853,378	27.7%	221,611	882,200	25.1%	\$ 14,541	6.6%
Contingency	-	270,000	0.0%	-	500,000	0.0%	\$ -	0.0%
Total Expenditures	\$ 13,014,347	\$ 61,124,124	21.3%	\$ 15,167,338	\$ 62,032,705	24.5%	\$ (2,152,991)	-14.2%
Excess/(deficit) of revenues over expenditures	\$ 5,319,088	\$ -		\$ 2,373,579	\$ (2,880,361)		\$ 2,945,510	124.1%
Net Transfers Out/(In)	\$ -	\$ -		\$ -	\$ -		\$ -	0.0%
Net Operating Funds Surplus/(Deficit)	\$ 5,319,088	\$ -		\$ 2,373,579	\$ (2,880,361)		\$ 2,945,510	124.1%
<i>Operating Fund Balance Unassigned @33% based on Total Budgeted Expenditures*</i>		<i>20,374,708</i>			<i>20,677,568</i>			
<i>Less : Adj. for budgeted SURS Pass Thru (\$9.75m & \$9.00m, respectively) *.3334</i>		<i>3,250,000</i>			<i>3,000,000</i>			
<i>Adj. for Contingency (\$0.5m & \$1.45m, respectively) x .3334</i>		<i>90,000</i>			<i>166,667</i>			
Unassigned Fund Balance needed @ 33% of adjusted budgeted expenditures (a)		17,034,708			17,510,902			
Unaudited Beginning Fund Balance	25,189,972	25,189,972		25,479,514	25,479,514			
<i>Net Operating Funds Surplus/(Deficit)</i>	<i>5,319,088</i>	<i>-</i>		<i>2,373,579</i>	<i>(2,880,361)</i>			
<i>Add back Contingency (assumption is it is not used)</i>		<i>270,000</i>			<i>500,000</i>			
Calculated YTD Ending Fund Balance (budget estimate) (b)	\$ 30,509,060	\$ 25,459,972		\$ 27,853,093	\$ 23,099,153			
Amount Over/(Under) Fund balance reserve (b)-(a)		8,425,264.00			5,588,251			

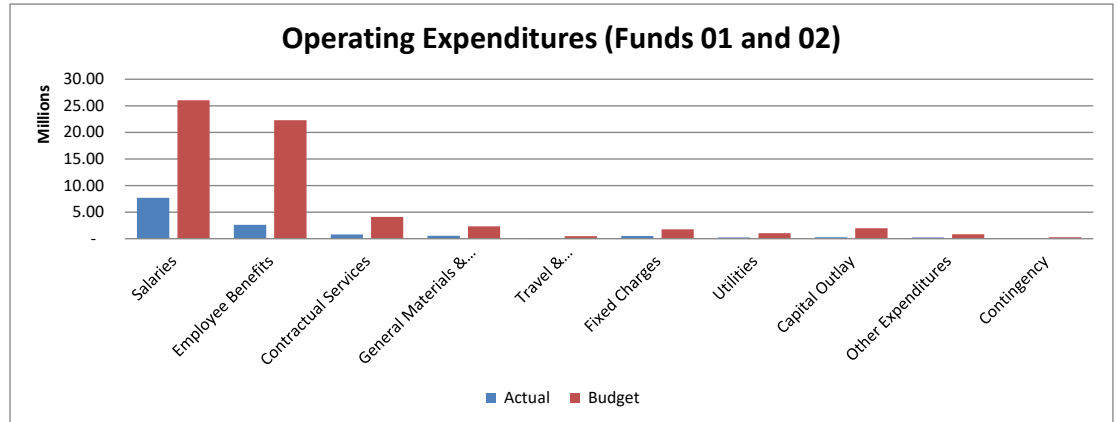
*Net of Transfers Out/(In) and contingency

Operating Funds - Statement of Activities
October 31, 2017

	Actual	Budget
Revenue		
Local Governmental Sources	8,949,639.01	26,772,195.00
State Governmental Sources	970,951.20	2,998,730.00
Federal Governmental Sources	-	-
Student Tuition & Fees	6,521,242.63	13,388,138.00
Sales & Service Fees	109,352.55	134,150.00
Facilities Revenue	-	11,100.00
Investment Revenue	34,900.10	188,203.00
Nongovernmental Gifts, Scholarships, Grants & Bequests	-	-
Other Revenue	1,747,349.39	17,631,608.00
Total Revenue	18,333,434.88	61,124,124.00



Expenditures		
Salaries	7,697,824.74	26,050,874.00
Employee Benefits	2,597,184.70	22,297,765.00
Contractual Services	810,585.17	4,104,952.00
General Materials & Supplies	563,919.24	2,314,288.00
Travel & Conference/Meeting	71,524.39	481,588.00
Fixed Charges	534,439.14	1,774,375.00
Utilities	226,028.36	1,022,200.00
Capital Outlay	276,688.18	1,954,704.00
Other Expenditures	236,152.70	853,378.00
Contingency	-	270,000.00
Total Expenditures	13,014,346.62	61,124,124.00
Excess/(deficit) of revenues over expenditures	5,319,088.26	-



Board Policy Revision
3.6 Emeritus Program First Reading

Information

After discussion at the November Committee of Whole meeting, the following policy has been forwarded to the Board of Trustees for a first reading. Revisions are shown in red and struck through language below.

Current Policy

3.6 EMERITUS PROGRAM

Consideration for Emeritus status will be given to select employees who meet the current criteria, and who have retired from the College and have served the College with distinction for a minimum of five consecutive years. There shall be no salary or any other monetary rewards associated with this status. It is an honorary designation, granted in appreciation of the employee's service and desire to continue a relationship with the College during retirement years.

Proposed Changes

3.6 EMERITUS/~~EMERITUS~~ LEGACY PROGRAM

Consideration for Emeritus status will be given to select employees who meet the current criteria; ~~and who have retired from the College and have served the College with distinction for a minimum of five consecutive years.~~

Full-time Faculty/Instructor: Minimum of ten (10) years as a full-time faculty member of McHenry County College and must be nominated for the honor by the President.

Adjunct Faculty/Instructor: Must have served a minimum of 10 years (a total of 20 spring or fall semesters; does not need to be consecutive semesters) as a part-time faculty member of McHenry County College and must be nominated for the honor by the President.

Consideration for Legacy status will be given to select employees who meet the current criteria:

Staff/Administrator: Must have served a minimum of ten (10) years as a full-time staff member/administrator of McHenry County College and retire from the College, and be nominated for the honor by the President.

NOTE: The Board of Trustees reserves the right to assign Emeritus and/or Legacy status to any employee at their collective discretion.

There shall be no salary or any other monetary ~~payments~~ ~~rewards~~ associated with ~~this~~ ~~either~~ status. It is an honorary designation, granted in appreciation of the employee's service and desire to continue a relationship with the College during retirement years. **The privileges of Emeritus or Legacy status are as follows:**

- A. Emeritus or Legacy personnel qualify for tuition waiver for credit and noncredit classes (excluding all trips). The spouse and dependent children of Emeritus or Legacy personnel qualify for tuition reimbursement for credit classes that are successfully completed (successful completion is defined as a grade of C or higher).

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- B. Upon request, Emeritus or Legacy personnel receive MCC business cards indicating their status.
- C. Emeritus or Legacy personnel will be invited to college functions and will be kept on the College mailing list.
- D. Emeritus or Legacy personnel will be included on the employee newsletter distribution list after providing a personal email address.
- E. Emeritus or Legacy personnel will qualify for the employee rate in the MCC Fitness Center.

Final Policy

3.6 EMERITUS/LEGACY PROGRAM

Consideration for Emeritus status will be given to select employees who meet the current criteria:

Full-time Faculty/Instructor: Minimum of ten (10) years as a full-time faculty member of McHenry County College and must be nominated for the honor by the President.

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- D. Emeritus or Legacy personnel will be included on the employee newsletter distribution list after providing a personal email address.
- E. Emeritus or Legacy personnel will qualify for the employee rate in the MCC Fitness Center.

Recommendation

It is recommended that the Board of Trustees approves the revision to Board Policy 3.6 Emeritus/Legacy Program.



Clint Gabbard
President