

MINUTES
FINANCE COMMITTEE OF
McHENRY COUNTY COLLEGE

A meeting of the Finance Committee of the Board of Trustees of McHenry County College was held on Wednesday, July 18, 2007, in the Board Room in Building A on the Campus. In the absence of Chair Kurtz, Ms. Miller called the meeting to order at 6:07 p.m.

The roll was called and the following were present: Mr. Lowe, Mr. Summers, Mrs. Larson, and Ms. Miller. Ms. Kurtz arrived at 6:10 p.m.

Attorney Kerrick was not in attendance.

Approval of Agenda

Acting Chair Miller stated that hearing no objections, the agenda stands approved as presented.

Open for Visitors and Presentations

Mr. Lantz and Mr. Krouse of Sikich LLP signed in to address the Board. They were already listed on the agenda.

Overview of Audit – Fred Lantz, Sikich LLP

Mr. Lantz gave an overview of the audit activities, and walked through the Proposed Audit Time Schedule. Because of Board attendance at ACCT in September, the Regular Board Meeting will be held one week earlier. Discussion followed on the possibility of a Special Board Meeting, or sending the Budget to ICCB prior to it being approved by the Board. A decision was made to have a Finance Committee meeting at 6 p.m. on Thursday, October 4, and follow with a Special Board meeting at 7 p.m. on the same day. In response to an inquiry from Ms. Kurtz about reporting on the HWAC project, Mr. Lantz explained that contracts would be looked at and a footnote put on the audit report.

Mr. Lantz proceeded with information on the engagement letter, their audit approach, high risk areas, and areas of particular concern of committee members.

Ms. Matthys of Sikich arrived at 6:35 p.m. New ICCB requirements were then explained by Mr. Lantz, who followed with information on the Implementation of new GASB pronouncements.

Ms. Matthys talked about the interview process and stated that it went smoothly. Mr. Lantz spoke about new and continuing auditing standards. He noted that due to these standards, there will be a big change in the Management Letter this year. Trustee Lowe expressed his pleasure with the current audit procedure.

Finance Committee Member Interviews – Fred Lantz, Sikich LLP

Interviews of the Finance Committee members will be held after the meeting.

HWAC Contract

Dr. Packard handed out material regarding the selection process of the architect and explained the items. Trustee Kurtz questioned the qualifications of the architectural firm and other aspects of the HWAC projects. Trustee Miller stated that since this has already been voted on, it is not necessarily the time for questions. Trustee Summers expressed his concern for not receiving adequate information in Board Reports, especially those involving large amounts of money. He noted that he would like to see vendor websites included in Board reports. Ms. Miller suggested listing larger ticket items separate from the Consent Agenda. This would include anything related to the project, computer items, and items that would change College operations.

Chair Kurtz suggested that we need to see key milestones and key approval points, what is being approved and when. Reports should be tied into milestones. Mr. Summers stated that we need criterion to prioritize things for the Board.

FY 2008 Budget

Dr. Packard stated that this was on the agenda in response to questions by the Board for further clarification on the Budget. Ms. Miller noted that trustee involvement in the Budget will be discussed at the upcoming Board retreat. Mr. McDonald explained the budget preparation process. Ms. Kurtz asked how we match up the budget with the missions and the objectives, and Dr. Gray furnished information. Ms. Kurtz asked how we measure the success of our operational activities to ensure that the money we're spending is delivering for us. Dr. Gray gave information in response to this about the College's assessment program, and will present further information

on this. Ms. Kurtz stated that we need to have a semester-by-semester report that helps Board members understand the health of the university. Mr. Summers stated that we lack a coordinated planning process at the College, and noted that we need to bring the Budget and the Five-Year Financial Plan together for the Board. He asked to get the Five-Year plan in advance. Ms. Miller clarified that possibly he is asking for a yearly overview of the plan, and suggested a workshop atmosphere.

Ms. Kurtz asked that the minutes show that Mr. Summers and Ms. Miller expressed a concern for a drive-by budget.

Goals for Upcoming Year

Ms. Kurtz stated that committee members should look at the Bridger Report and identify what is specific to the Finance Committee and that would be part of the goals for the upcoming year. Ms. Miller stated that when she was chair she did not have specific goals for the committee, but rather they worked on the issues that were timely. This will be discussed further after the board retreat.

Future Meetings

Ms. Kurtz expressed the need to have a regular meeting time set for Finance Committee meetings, and stated that she would be looking at the Monday of the Board meeting at 6 p.m. for the Finance Committee meeting, which would then be followed by the Committee of the Whole meeting.

Open for Board Members

Chair Kurtz called a recess for auditor interviews of the Board.

The Board returned to the meeting at 9:16 p.m.

Dr. Packard explained the process for approval of new Board policies, and also gave information on Board Report #07-150, Emergency Change Orders for Construction Projects. Ms. Kurtz suggested that approval could come from the president and/or vice president for administrative services along with the Board Chair and/or vice chair. Dr. Packard will consult with Attorney Slutzky regarding the \$100,000 limit. Mr. Summers suggested having the four people bonded.

Closed Session

There was no Closed Session.

Adjournment

At 9:40 p.m., with no further business, the meeting adjourned.