

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, June 16, 2011, in the Board Room, Room A217, in Building A on the Campus. Chair Adams called the meeting to order at 8:06 a.m. When Ms. Larson called the roll, the following were present:

Mr. Adams  
Ms. Larson

Mr. Parrish was absent. Ms. Miller arrived at 8:07 a.m. Ms. Walters was absent at roll call and arrived at 8:08 a.m.

ACCEPTANCE OF AGENDA

The agenda was accepted as presented.

ACCEPTANCE OF MINUTES

The minutes of the May 19, 2011 Finance Committee meeting were accepted as presented.

OPEN FOR RECOGNITION OF VISITORS AND PRESENTATIONS

No one signed in to address the Finance and Negotiations Committee.

INTERNAL AUDITOR REPORT

Ms. Gonsiorek reported that she has completed two weeks of part-time work and the staff has been helpful and friendly. She and Dr. Smith meet weekly to discuss current issues. Ms. Gonsiorek is preparing for an audit of the Purchasing department and is setting up an Office of Internal Audit. She has joined the Association of College and University Auditors (ACUA) and the Institute of Internal Auditors (IIA), which sets standards for auditing work. As a member of these organizations, Ms. Gonsiorek will be able to access practice aids on behalf of the College. She has met with the Information Technology department and plans to share findings with them to update paperwork and processes accordingly.

After her report, Ms. Gonsiorek received questions and comments from Trustees. Her attendance at Board and Committee meetings will be determined as needed, she will report to the Board as audits are completed, and areas to audit will be determined in order of priority.

#### FY 2012 BUDGET UPDATE

Mr. West provided a review of revenue assumptions: Local tax revenue will increase by 1.5% (\$1.1 million). A flat amount has been budgeted for state funding. Student tuition and fees credit hours have been reduced by 3%. A slight increase in interest income is projected. A total figure to be transferred for the ERP system has not yet been determined.

Mr. West then provided a review of expenditure assumptions: Salary projections were considered for any FY12 new positions, contractual raises and any other contingencies on the salary side. Health insurance costs were projected to rise 18%; but through negotiation with the vendors, that figure originally was lowered to 6.7%. To build a reserve, an 8.5% increase will be used in the budget. A 3% increase is projected in contractual services, fixed charges, and capital outlay. Utilities will show a 6% increase due to telecommunications expenses. Chair Miller suggested separating out telephone and internet charges.

Mr. West stated it is still planned to transfer \$2.5 million from Operations & Maintenance unrestricted to the restricted fund.

Discussion followed; consensus was reached to hold two budget workshops at Finance and Negotiation Committee meetings, both to be held at 8:00 a.m. on Thursday, July 14, 2011 and Thursday, July 22, 2011.

#### AUDIT UPDATE

Mr. West stated that the auditors were on campus in May and will continue through early June. The audit began with Financial Aid, and everything looked great. Preliminary field work was conducted the first week of June, and the Bookstore will do inventory June 29 and 30. It was noted that Sikich has been retained on a five-year appointment.

SUMMARY COMMENTS BY BOARD MEMBERS

No comments were made.

CLOSED SESSION

At 8:55 a.m., Ms. Walters moved to go into Closed Session to discuss matters covered under the Illinois Open Meetings Act, 120/2 (c), Exception #2(c)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 Ms. Larson seconded the motion. There was no discussion. The roll was called and all were in favor; the motion carried. A short break was announced at 8:57 a.m., after which Closed Session would begin. Closed Session began at 9:06 a.m.

At 9:47 p.m., Ms. Miller moved to come out of Closed Session and Ms. Walters seconded the motion. There was no discussion. A voice vote was taken and all were in favor; the motion carried. Closed Session ended at 9:47 a.m.

FUTURE AGENDA ITEMS

A budget workshop will be placed on the next agenda. When the Audit Team begins their work, SAS 99 interviews will be conducted.

ACCEPTANCE OF CLOSED SESSION MINUTES, Finance Committee, May 19, 2011

Ms. Walters moved to accept the minutes and Ms. Miller seconded the motion. A voice vote was taken and all were in favor; the motion carried.

ADJOURNMENT

Hearing no further business, Chair Adams adjourned the meeting at 9:49 a.m.