

BOARD OF TRUSTEES
McHENRY COUNTY COLLEGE DISTRICT #528

Tuesday, October 17, 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, September 19, 2017
5. Open for Recognition of Visitors and Presentations
Three (3) minutes per person or less.
6. President's Report
Construction Update and Discussion
7. Preliminary September Financial Statements: Mr. Bob Tenuta
8. FY 2017 Audit Presentation, Mr. Fred Lantz, Mr. Ray Krouse, and Mr. Tom Siwicki, Sikich LLP
9. Review and Discussion of Board Policy 3.6, Emeritus Program
10. Review and Discussion of Board Policies on Board Self-Evaluation and Board Retreat
11. Discussion of Tax Increment Financing Districts
12. Proposal for Updated Memorandum of Understanding Between the College and the Friends of MCC Foundation
13. Capital Campaign Update: Dr. Clint Gabbard and Ms. Christina Haggerty
14. Future Agenda Items
15. Summary Comments by Board Members
16. Closed Session
 - A. 120/2(c) Exception #1, Personnel (*President's Evaluation Process*)
 - B. 120/2(c) Exception #21, Review of Closed Session Minutes
 - C. Other matters as pertain to the exceptions of the Open Meetings Act
17. Acceptance of Closed Session Minutes, Committee of the Whole Meeting, September 19, 2017
18. Adjournment

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

Diane Evertsen
Chair

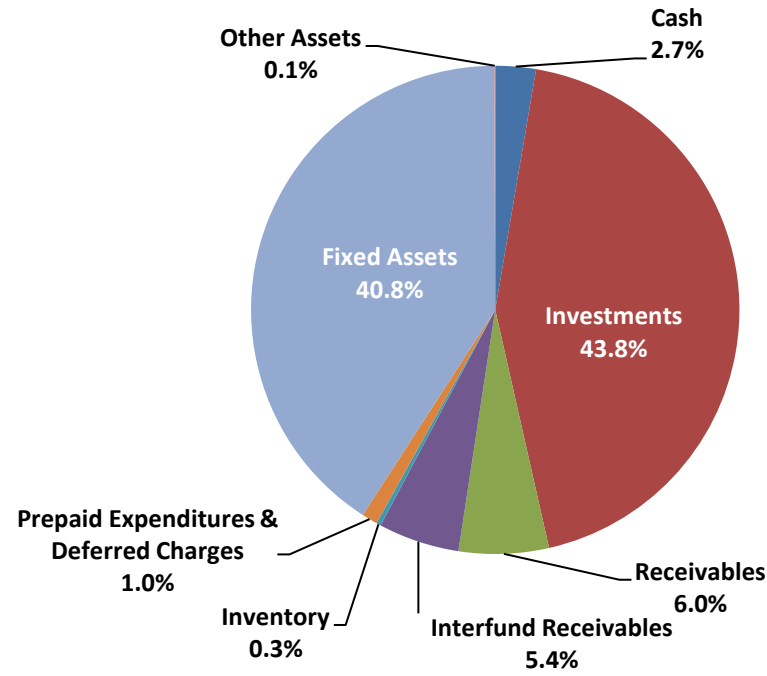
All Funds Statement of Net Position (Balance Sheet)
September 30, 2017

	01	02	03	04	05	06	07	08	09	10	11	12	
	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	
All Funds													
Assets													
Cash	3,296,179	-	1,084,416	-	421,889.03	83,619	1,129,758	95,646	-	-	366,762	114,088	-
Investments	53,876,906	26,925,019	950,833	21,264,659	-	-	2,779,680	-	-	-	-	-	1,956,715
Receivables	7,326,410	6,237,131	909,669	-	-	27,751	95,430	-	-	-	2,899	-	53,530
Accrued Revenue	119,484	47,825	3,325	55,808	-	-	6,826	-	-	-	-	-	5,701
Interfund Receivables	6,607,358	1,386,456	6,653,995	(47,257)	620	(102,935)	(1,283,522)	-	-	-	-	-	-
Inventory	379,525	-	-	-	-	379,525	-	-	-	-	-	-	-
Prepaid Expenditures & Deferred Charges	1,276,085	989,150	43,647	-	-	9,537	5,000	-	-	35,452	-	-	193,299
Fixed Assets	50,217,479	-	-	-	-	-	-	50,217,479	-	-	-	-	-
Other Assets	81,736	-	-	-	-	-	-	-	81,736	-	-	-	-
Total Assets	123,181,163	35,585,581	9,645,884	21,273,209	422,509	397,498	(53,334)	2,882,153	50,217,479	117,188	366,762	116,987	2,209,246
Liabilities													
Payroll Deductions Payable	1,274,541	1,107,328	52,830	-	-	94,611	1,058	-	-	(5,153)	-	-	23,866
Accounts Payable	199,232	220,956	-	-	-	5,787	(27,511)	-	-	-	-	-	-
Interfund Payable	6,653,995	2,136,714	-	3,531,888	-	-	-	-	-	-	-	-	985,393
Accrued Expense	485,692	485,692	-	-	-	-	-	-	-	-	-	-	-
Deferred Revenue	15,893,665	14,031,700	1,372,776	-	-	-	3,951	-	-	-	24,991	-	460,247
Fixed Liabilities	14,268,967	-	-	-	-	-	-	-	14,268,967	-	-	-	-
Other Liabilities	1,205,521	71,579	-	-	-	9,274	-	-	752,753	371,915	-	-	-
Total Liabilities	39,981,613	18,053,970	1,425,606	3,531,888	-	109,672	(22,502)	-	15,021,720	366,762	24,991	-	1,469,506
Designated Fund Balance	83,199,550	17,531,611	8,220,278	17,741,321	422,509	287,826	(30,832)	2,882,153	50,217,479	(14,904,531)	-	91,996	739,740
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	67,958,800	-	-	17,741,321	0	-	-	50,217,479	-	0	-	-	-
Liabilities, Protection, and Settlement	-13,529,227	-	-	-	-	-	-	-	-14,268,967	-	-	-	739,740
Working Cash/Other Restricted	1,811,164	-	-	-	-	-30,832	1,750,000	-	-	-	91,996	-	-
Remaining Unassigned Balance	9,924,105	2,251,401	6,465,780	0	422,509	287,826	0	1,132,153	0	-635,564	0	0	0

All Funds Statement of Net Position (Balance Sheet)
September 30, 2017

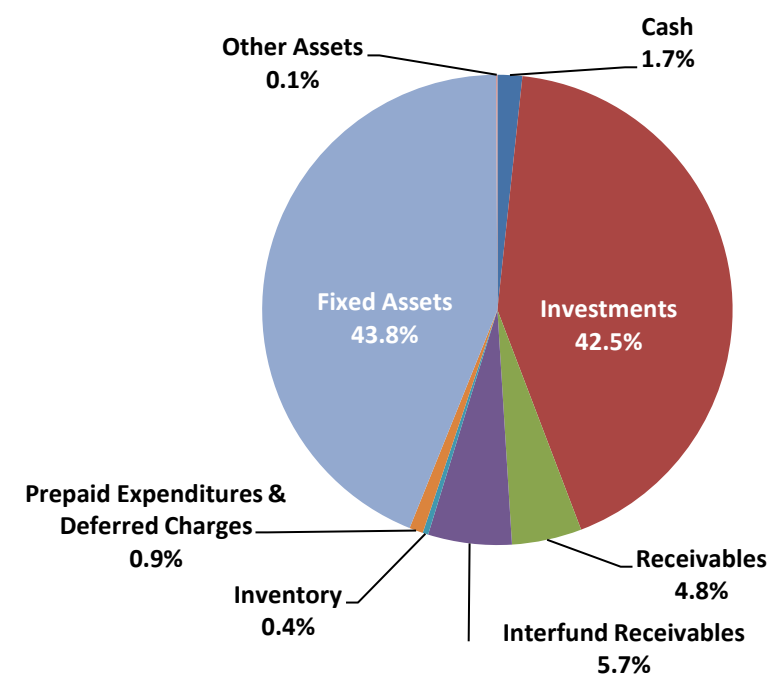
Total Assests = \$ 123,181,163

FY18 Assets - All Funds

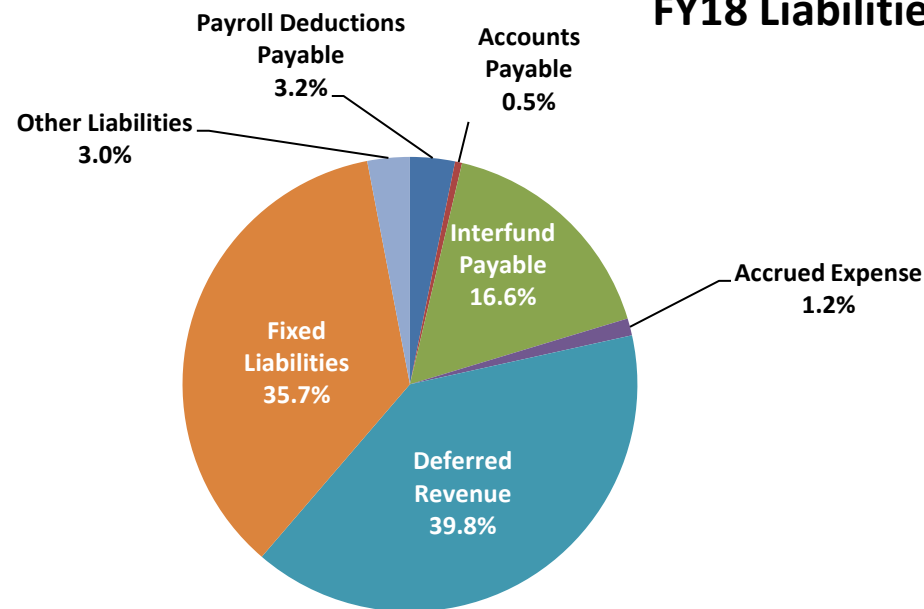


Total Assests = \$ 110,584,574

FY17 Assets - All Funds

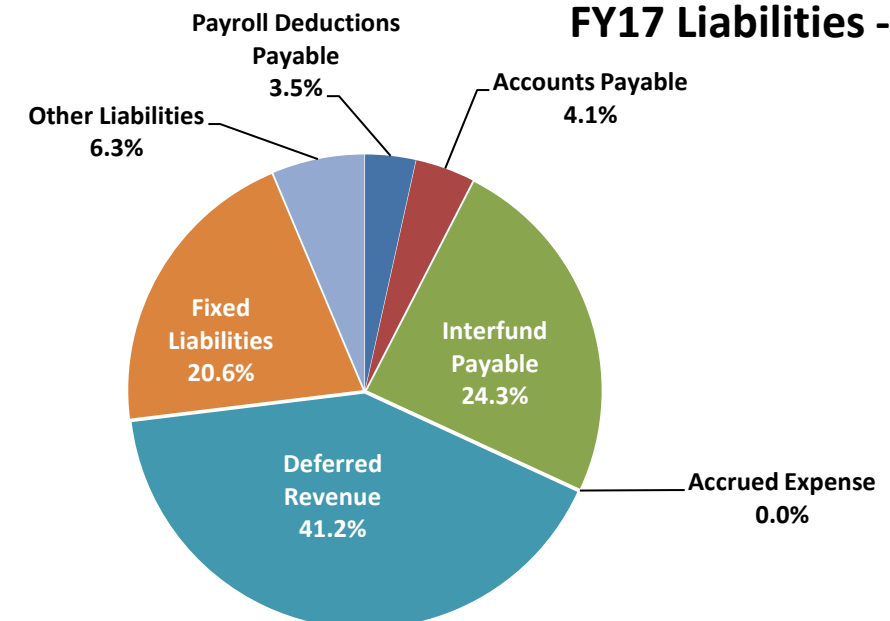


FY18 Liabilities - All Funds



Total Liabilities = \$ 39,981,613

FY17 Liabilities - All Funds



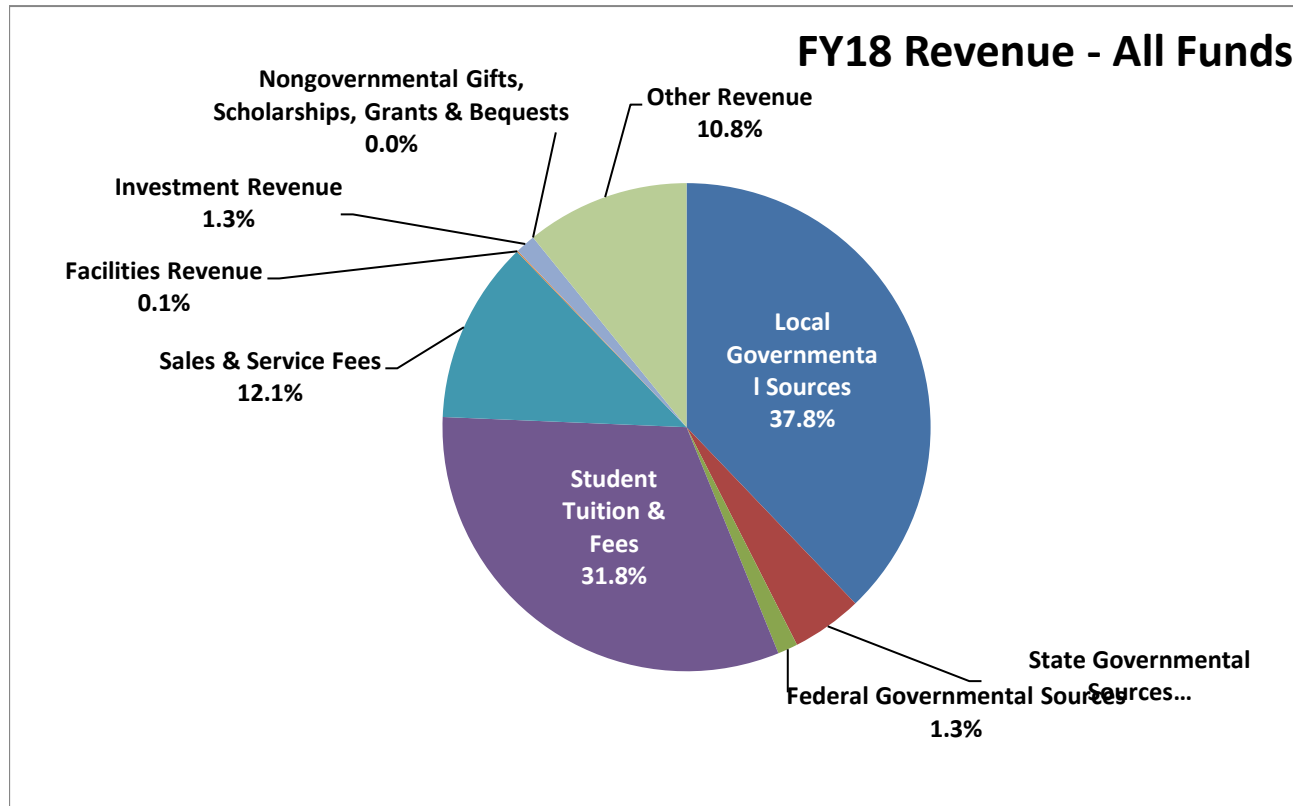
Total Liabilities = \$ 26,087,535

All Funds Statement of Activities (Income Statement)
September 30, 2017

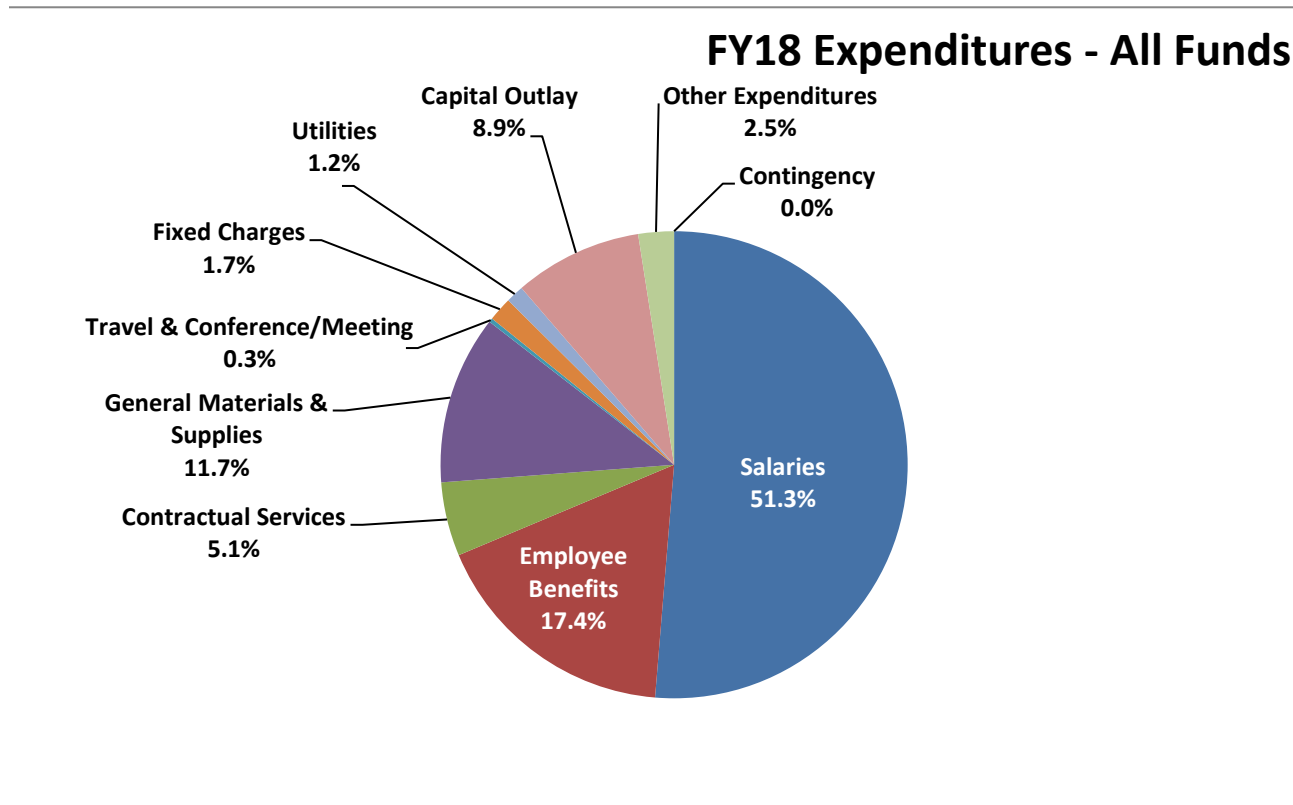
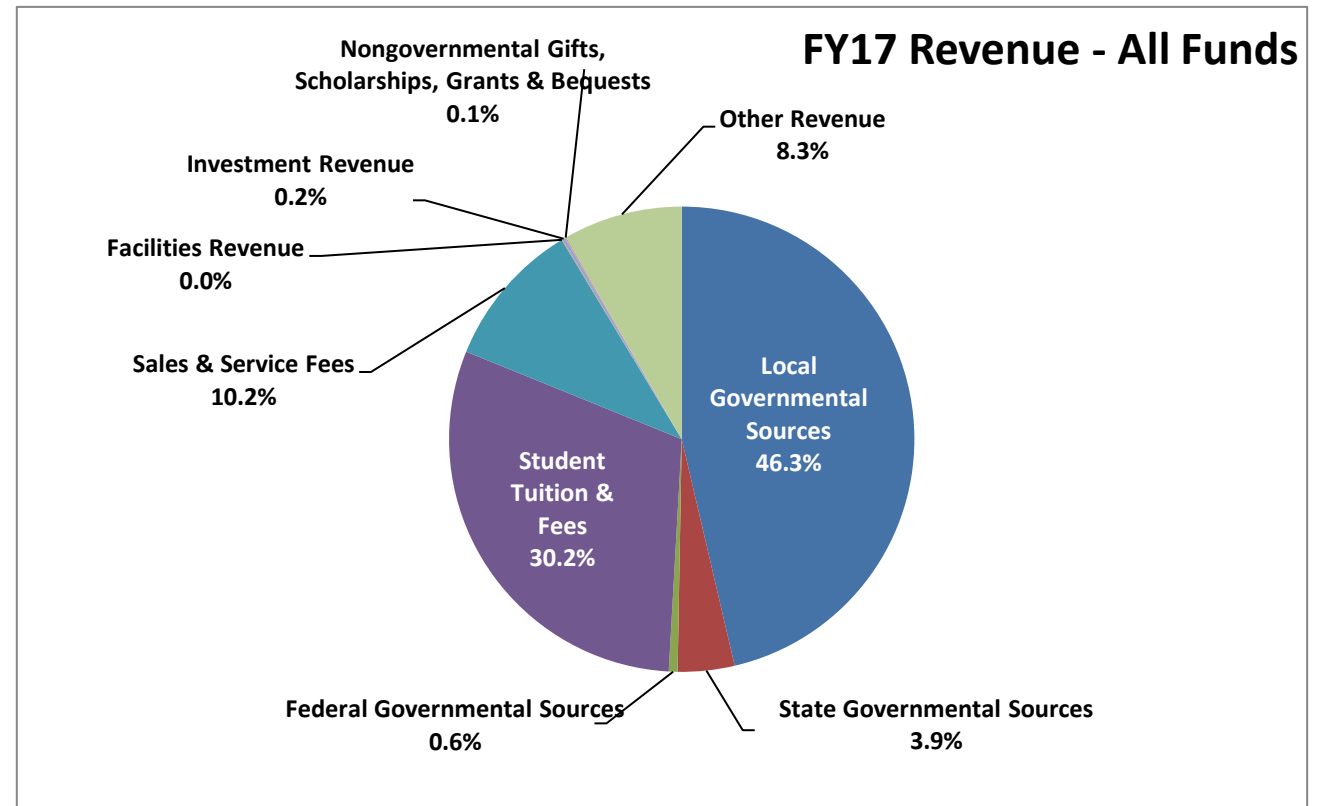
	01	02	03	04	05	06	07	08	09	11	12
All Funds	Education Fund	Operations & Maintenance Fund	Operations & Maintenance (Restricted) Fund	Bond and Interest	Auxilliary Entrerprises Fund	Restricted Purposes Fund	Working Cash Fund	General Fixed Asset Fund	General Long-Debt Fund	Audit Fund	Liability Protection & Settlement Fund
Revenue											
Local Governmental Sources	4,719,522	4,006,294	470,609	-	-	-	-	-	-	12,496	230,123
State Governmental Sources	583,776	388,840	95,624	-	-	99,311	-	-	-	-	-
Federal Governmental Sources	166,261	-	-	-	-	166,261	-	-	-	-	-
Student Tuition & Fees	3,966,517	3,010,516	412,407	60,358	422,509	60,727	-	-	-	-	-
Sales & Service Fees	1,509,531	106,062	-	-	-	1,403,469	-	-	-	-	-
Facilities Revenue	9,785	-	-	-	-	9,785	-	-	-	-	-
Investment Revenue	165,209	75,786	4,296	68,944	-	-	8,818	-	-	-	7,366
Nongovernmental Gifts, Scholarships, Grants & Bequests	82	-	-	-	-	82	-	-	-	-	-
Other Revenue	1,350,166	1,345,337	4,828	-	-	-	-	-	-	-	-
Total Revenue	12,470,848	8,932,835	987,764	129,302	422,509	1,473,982	265,653	8,818	-	12,496	237,489
Expenditures											
Salaries	6,218,161	5,406,501	153,571	-	-	394,599	156,033	-	-	-	107,458
Employee Benefits	2,106,078	1,809,972	32,201	-	-	68,517	17,883	-	-	-	177,506
Contractual Services	620,776	319,656	202,634	-	-	75,512	17,368	-	-	-	5,606
General Materials & Supplies	1,417,053	302,419	34,120	2,156	-	1,070,452	5,909	-	-	-	1,998
Travel & Conference/Meeting	33,734	23,710	2,846	-	-	5,689	1,141	-	-	-	348
Fixed Charges	201,798	498,351	3,358	926	-	8,190	-	-	(318,652)	-	9,626
Utilities	149,300	34,732	113,703	-	-	313	-	-	-	-	551
Capital Outlay	1,075,200	19,238	236,072	1,010,199	-	-	-	(190,310)	-	-	-
Other Expenditures	298,968	165,599	-	-	-	1,512	131,857	-	-	-	-
Contingency	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	12,121,069	8,580,178	778,504	1,013,281	-	1,624,784	330,190	(190,310)	(318,652)	-	303,093
Excess/(deficit) of revenues over expenditures	349,779	352,657	209,260	(883,979)	422,509	(150,803)	(64,537)	8,818	190,310	318,652	12,496
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
Ending Fund Balance	83,199,547	17,531,611	8,220,278	17,741,321	422,509	287,825	(30,833)	2,882,152	50,217,479	(14,904,531)	91,996

All Funds Statement of Activities (Income Statement)
September 30, 2017

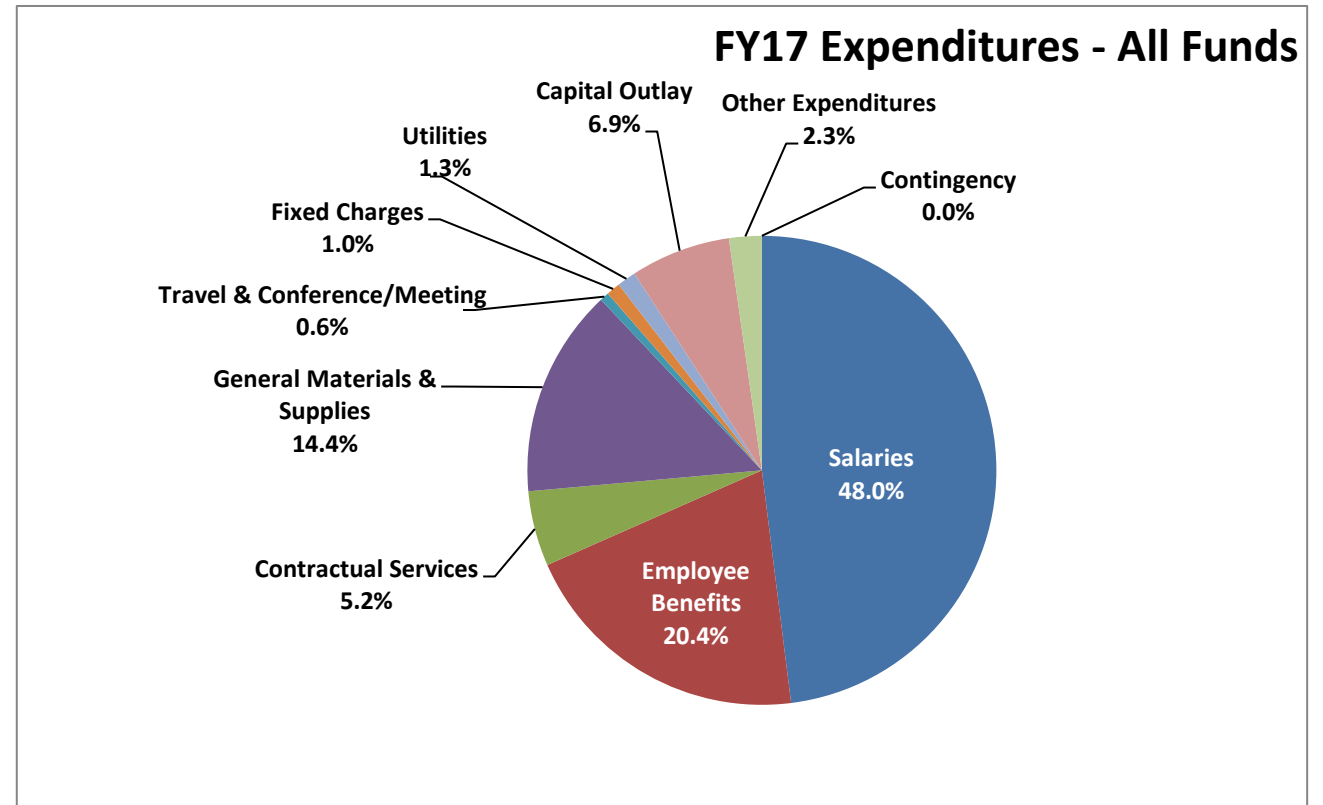
Total Revenue = \$ 12,470,848



Total Revenue = \$ 15,225,726



Total Expense = \$ 12,121,069



Total Expense = \$ 12,100,526

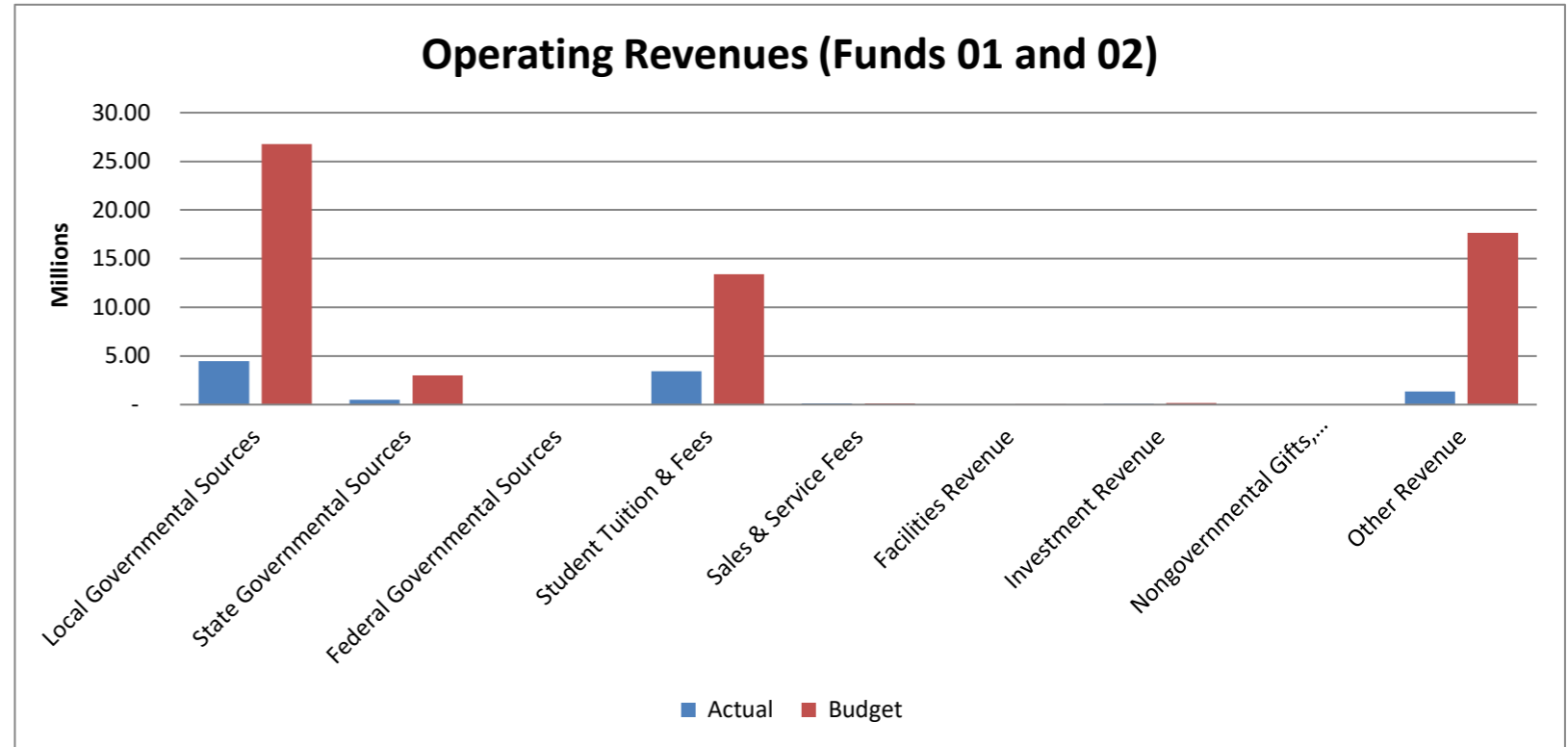
Operating (Funds 01 & 02) Statement of Activities
September 30, 2017

	FY18			FY17			FY18	
	Actual	Budget	%	Actual	Budget	%	Change Over FY17	% Change
Revenue								
Local Governmental Sources	\$ 4,476,903	\$ 26,772,195	16.7%	\$ 6,691,886	\$ 26,818,195	25.0%	\$ (2,214,983)	-33.1%
State Governmental Sources	484,465	2,998,730	16.2%	601,390	2,654,715	22.7%	\$ (116,925)	-19.4%
Federal Governmental Sources	-	-	0.0%	-	-	0.0%	\$ -	0.0%
Student Tuition & Fees	3,422,922	13,388,138	25.6%	4,523,826	14,229,788	31.8%	\$ (1,100,904)	-24.3%
Sales & Service Fees	106,062	134,150	79.1%	107,511	150,400	71.5%	\$ (1,449)	-1.3%
Facilities Revenue	-	11,100	0.0%	-	11,000	0.0%	\$ -	0.0%
Investment Revenue	80,081	188,203	42.6%	19,731	185,712	10.6%	\$ 60,350	305.9%
Nongovernmental Gifts, Scholarships, Grants & Bequests	-	-	0.0%	-	-	0.0%	\$ -	0.0%
Other Revenue	1,350,166	17,631,608	7.7%	1,258,677	15,102,534	8.3%	\$ 91,488	7.3%
Total Revenue	\$ 9,920,599	\$ 61,124,124	16.2%	\$ 13,203,021	\$ 59,152,344	22.3%	\$ (3,282,422)	-24.9%
Expenditures								
Salaries	\$ 5,560,071	\$ 26,048,862	21.3%	\$ 5,196,212	\$ 26,514,982	19.6%	\$ 363,860	7.0%
Employee Benefits	1,842,173	22,297,765	8.3%	2,181,724	19,113,381	11.4%	\$ (339,551)	-15.6%
Contractual Services	522,290	4,042,642	12.9%	505,527	4,599,114	11.0%	\$ 16,763	3.3%
General Materials & Supplies	336,538	2,334,288	14.4%	471,244	2,943,160	16.0%	\$ (134,706)	-28.6%
Travel & Conference/Meeting	26,556	481,588	5.5%	67,421	662,769	10.2%	\$ (40,865)	-60.6%
Fixed Charges	501,709	1,774,375	28.3%	332,238	1,849,310	18.0%	\$ 169,470	51.0%
Utilities	148,435	1,022,200	14.5%	155,883	1,027,945	15.2%	\$ (7,448)	-4.8%
Capital Outlay	255,310	1,999,704	12.8%	1,203,578	3,939,844	30.5%	\$ (948,268)	-78.8%
Other Expenditures	165,599	852,700	19.4%	181,801	882,200	20.6%	\$ (16,203)	-8.9%
Contingency	-	270,000	0.0%	-	500,000	0.0%	\$ -	0.0%
Total Expenditures	\$ 9,358,682	\$ 61,124,124	15.3%	\$ 10,295,629	\$ 62,032,705	16.6%	\$ (936,947)	-9.1%
Excess/(deficit) of revenues over expenditures	\$ 561,917	\$ -		\$ 2,907,393	\$ (2,880,361)		\$ (2,345,475)	-80.7%
Net Transfers Out/(In)	\$ -	\$ -		\$ -	\$ -		\$ -	0.0%
Net Operating Funds Surplus/(Deficit)	\$ 561,917	\$ -		\$ 2,907,393	\$ (2,880,361)		\$ (2,345,475)	-80.7%
<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>			
<i>Unassigned Fund Balance needed @ 33% of adjusted budgeted expenditures (a)</i>		<i>17,034,708</i>			<i>17,510,902</i>			
<i>Unaudited Beginning Fund Balance</i>	<i>25,189,972</i>	<i>25,189,972</i>		<i>25,479,514</i>	<i>25,479,514</i>			
<i>Net Operating Funds Surplus/(Deficit)</i>	<i>561,917</i>	<i>-</i>		<i>2,907,393</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>			
<i>Calculated YTD Ending Fund Balance (budget estimate) (b)</i>	<i>\$ 25,751,889</i>	<i>\$ 25,459,972</i>		<i>\$ 28,386,907</i>	<i>\$ 23,099,153</i>			
<i>Amount Over/(Under) Fund balance reserve (b)-(a)</i>		<i>8,425,264.00</i>			<i>5,588,251</i>			

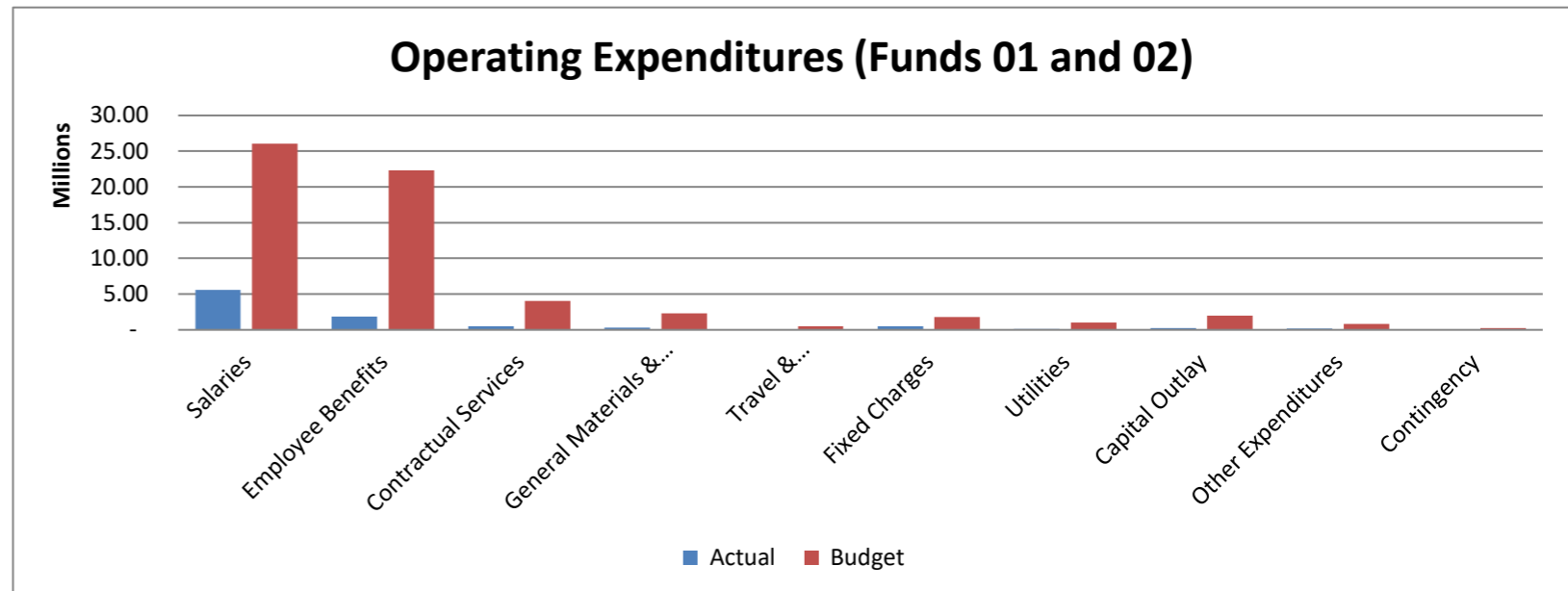
*Net of Transfers Out/(In) and contingency

Operating Funds - Statement of Activities
September 30, 2017

	Actual	Budget
Revenue		
Local Governmental Sources	4,476,903.04	26,772,195.00
State Governmental Sources	484,464.80	2,998,730.00
Federal Governmental Sources	-	-
Student Tuition & Fees	3,422,922.30	13,388,138.00
Sales & Service Fees	106,061.80	134,150.00
Facilities Revenue	-	11,100.00
Investment Revenue	80,081.49	188,203.00
Nongovernmental Gifts, Scholarships, Grants & Bequests	-	-
Other Revenue	1,350,165.60	17,631,608.00
Total Revenue	9,920,599.03	61,124,124.00



Expenditures		
Salaries	5,560,071.46	26,048,862.00
Employee Benefits	1,842,173.25	22,297,765.00
Contractual Services	522,289.89	4,042,642.00
General Materials & Supplies	336,538.22	2,334,288.00
Travel & Conference/Meeting	26,555.95	481,588.00
Fixed Charges	501,708.64	1,774,375.00
Utilities	148,435.28	1,022,200.00
Capital Outlay	255,310.40	1,999,704.00
Other Expenditures	165,598.74	852,700.00
Contingency	-	270,000.00
Total Expenditures	9,358,681.83	61,124,124.00
Excess/(deficit) of revenues over expenditures	561,917.20	-



**October 17, 2017 Committee of the Whole Meeting
Board Policy on Board Self-Evaluation and Board Retreat**

Policy 1.x Board Self-Evaluation and Board Retreat

Policy 1.x.1 Board Self-Evaluation

The Board will conduct an annual self-evaluation. Board members will receive a copy of the most recent self-evaluation form for review each January. The form will be discussed at the February Committee of the Whole meeting, and a vote for approval of the form will take place at the February Regular Board of Trustees meeting.

Trustees will fill out the form in February, and receive a compiled summary report for discussion at the March Committee of the Whole meeting. Actions resulting from the Board self-evaluation will be finalized by the March Regular Board of Trustees meeting.

Policy 1.x.2 Board Retreat

The Board will hold an annual retreat to conduct in-depth discussions of issues relevant to the College. The Evaluations and Policies Committee will provide a recommended retreat agenda for discussion at the May Committee of the Whole meeting. The Board will agree to a retreat agenda by the June Regular Board of Trustees meeting, and schedule the retreat for July or August.

The Board prefers the annual retreat be held in open session.

The Board will appoint a scribe to document a summary of the conclusions of the discussions, and any resulting actions.

**October 17, 2017 Committee of the Whole Meeting
Board Policy on Board Involvement in TIFs**

Policy x.x Board Involvement in Tax Increment Finance Districts (TIFs)

The administration will establish and maintain a list of all Tax Increment Finance Districts (TIFs) within McHenry County. When a Joint Review Board (JRB) meeting is scheduled for a proposed or existing TIF, the administration will notify the Board as soon as it becomes aware of the meeting. The Board will provide direction to the administration regarding any action to be taken at the JRB meeting. The administration will report the results of all JRB meetings to the Board.