

**MINUTES OF FINANCE COMMITTEE MEETING OF
DECEMBER 9, 2013**

Trustees Present: Chair Ellie MacKinney, John Duffy, Art Saucedo, Donna Redmer, Student
Trustee Alejandro Molina Hoyos

Trustees Absent: Angela Causey, Clare Ollayos, Robert Getz

ECC Staff and
others present: David Sam, Sharon Konny, Rose DiGerlando, Heather Scholl, Amy
Folden, Jeff Julian, Heather Larkin

1. Call to Order

Chair MacKinney called the meeting to order at 2:05 p.m.

2. Approval of October Minutes

Mr. Saucedo moved to approve the October 7, 2013 minutes; Dr. Redmer seconded; however, Mr. Molina Hoyos noted a needed correction to the spelling of his name. Mr. Saucedo moved to approve the minutes with corrections; Dr. Redmer seconded, and the motion passed.

3. Internal Audit Reports

Ms. Folden stated that the committee packet includes the 2012 ICCB Claim Report Audit and the 2013 Fall Title IV Review Report. She reported that there were no exceptions found on the ICCB report and there were a few small exceptions on the Fall Title IV Review that have been corrected. Ms. Folden commented that the ICCB Claim Report audit includes a notation of the responsible department and past audit date(s) and asked whether this will satisfy the committee's previous request to indicate follow-up of prior audits; the committee affirmed. Upcoming audits are the Standards of Academic Progress (SOAP), Satisfactory Academic Progress (SAP), and Form I-9.

4. Property Tax Levy – Tax Year 2013

Ms. Scholl stated that there have been no changes to the tax levy since the previous discussion at the October Finance Committee meeting. The levy for operational needs is increasing by approximately one percent and the debt service levy is approximately 18.09 percent; an overall increase of about four percent. For the operational needs, the amount is what we request but we typically receive 85 percent of the request due to the property tax extension limitation law. Ms. Scholl explained that the resolution document included in the packet is for Cook County as it requires a directive for where to reduce our request, which will be against the Education Fund and the Operations and Maintenance Fund. The other district counties allow us to adjust the extension after receipt; Cook does not. It was clarified that the college budgets for what it will receive; in general the budget is within one-half to one percent of the actual levy.

5. Abatements – Tax Year 2013

Ms. Scholl conveyed that the Build America Bonds issuance included a 35% rebate on interest payments; however, with the government sequester the past 1-1/2 years, the rebates were reduced. The 2009 bonds were issued with the rebates slated to make interest payments. When we do our abatement against the tax levy in the spring, we would reduce for that 35% as we would use it to pay the debt service. With the sequester and the reduction, we didn't receive all of those funds and the difference would fall on the taxpayers. We would like to reduce the abatements this year for what we didn't receive last year. Of this, \$66,000 will be recovered by reducing the abatement for the next tax levy year. The amount lost on the 2010 bonds was not pledged against the debt service so we lose those funds. We anticipate losing funds out of the upcoming June payment due to the sequester. Our attorney recommends to reduce the abatement after it happens, when it is known whether the government has reversed the sequester. The total lost amount is \$176,000 which includes 2014. The abatements will go to board in January. The rebates are still coming in so we will wait to prepare the resolutions until we know we have received the appropriate portion. We can abate until March 15th.

6. Transfer Board of Trustee Scholarships to the Foundation

Ms. Konny commented that the Foundation staff have been working to increase scholarship funding. Working with Kim Wagner, Katherine Sawyer, and Sheri Lacy, we have found a block of Board of Trustees scholarships that we would like to transfer to the Foundation for the upcoming year. This is in the Career Technical area and includes Business (Accounting, Management, some Marketing), Automotive, Culinary, Welding, and Health Careers. Approximately \$20,000 will shift to the Foundation. Dr. Sam provided a brief history of the issue, noting that most community college Foundations typically cover all scholarships – with no funding from the Education Fund. Our Foundation has had some difficulty in this area, so the Board of Trustees scholarships have been in place to supplement the shortfalls. The Foundation has shown improvement over the past two years, so we are gradually shifting \$450,000-\$500,000 of scholarship expense from the Education Fund to the Foundation.

7. Investment Policy Annual Review

Ms. Konny stated that the investment policy comes up for review each December. There is a change in the statute regarding how the college can invest funds: we are now allowed to invest in bonds of counties, townships, cities, villages, incorporated towns, municipal corporations, school districts, and states. With highly rated municipal bonds, we have the opportunity to earn a little more interest. We have sent the revised procedure to our attorney to review for language.

There was some discussion to add clarification on a few points which Ms. Konny will add. Additionally, Mr. Saucedo recommended changing the order of procedure points 1 and 2 under the Management of Program section so that the authority limitation is listed first. Ms. Konny will verify whether this may be subject to the statute's requirements.

8. Open

Mr. Duffy paid tribute to Amy Folden and the internal audit process, noting that it's working, and the committee agreed.

Ms. Konny added that the final budget booklet was also included in the packet.

9. Adjournment

Chair MacKinney adjourned the meeting at 2:40pm.

Respectfully submitted

A handwritten signature in cursive script that reads "Heather A. Larkin".

Heather Larkin, Recording Secretary