MINUTES OF THE FINANCE COMMITTEE OF
MARCH 9, 2015

1. Call to Order
Chair MacKinney called the meeting to order at 2:02 p.m. Member of the committee is Art Sauceda. Introductions Followed.

Trustees Present:  Donna Redmer, Clare Ollayos

Trustees Absent:  Angela Causey, John Duffy, Joel Severson,

ECC Staff and  Others Present:  Dr. David Sam, Sharon Konny, Heather Scholl, Amy Folden, Julie Wons, Robin Cook, Amy Perrin, Kim Wagner, Jeff Julian, Jorge Phillips, Kelly Strossner, Peter Capadona, Maria Terry, Joyce Proctor, Steve Duchrow, Ned Coonen, Marcy Thompson, Kent Payne, (Dave Gathman, Sun Times/Courier)

2. Approval of December Minutes
   Motion:  Trustee Sauceda moved to approve the minutes as presented.
   Second:  Chair Redmer seconded the motion.
   Voice Vote:  All aye by voice vote; motion passed.

3. Internal Audit Reports (Amy Folden)
   Two internal audits were completed; Investments Audit, with no exceptions noted, and the Petty Cash and Mileage Reimbursement Audit. Three minor exceptions were found which resulted in a small change to the form being used. Upcoming audits will be the Tuition Refund and Applicant Tracking System.

4. Audit Management Letter Deficiencies and Findings Updates
   1 Enterprise Resource Planing and Applicant Tracking System Access: Amy will perform an audit of this system placing an emphasis on the internal controls of the administrative level duties.
   2. Proper Documentation: This item has been addressed. Any future wage and compensation adjustments will be flagged as pay adjustments (PA) in the Colleague system and Human Resources will include them in the monthly report to the Board of Trustees.
   3. Compliance with Prompt Payment Act: The College has requested that vendors submit invoices electronically. These are then approved electronically by the budget officers. There are still some vendors submitting paper invoices and A/P is working with the departments to ensure invoices are paid on a timely basis. A discussion ensued regarding the charge of late fees and budget officers who receive invoices that A/P is not aware of. If a vendor is unable to go paperless, they have been advised to send the invoice directly to the A/P rather than to the budget officer, in this manner the payment can be processed in a more-timely manner.
4. **Capital Assets**: The range of account numbers searched, going forward, will also include non-capital expense accounts. This will ensure that all potential unrecorded assets are located.

5. **Single Audit Schedule of Findings and Questioned Costs**: This is due to the finding of an unapproved timesheet. The Payroll Department will begin sending reports of unapproved timesheets to senior-level administrators beginning this month and will follow-up to ensure all timesheets have been approved.

5. **Abatement – Tax Year 2014 (Heather Scholl)**
   
   When our 2009 Build America Bonds were issued, all payments received by the college for these Bonds were required to be deposited into the Bond Fund and used to pay the principal and interest on the Taxable Bonds on the next interest payment date for the Taxable Bonds. The bonds were structured in this manner in order to try to decrease the volatility to the tax payers.

6. **Auxiliary Enterprise Units’ Business Plans**
   
   **Athletics** – The Elgin Sports Hall of Fame has provided ECC with two $500 scholarships. The trustees appreciate our coaches’ work with local high schools and are pleased to read about each athlete having to spend five hours a week in the Library.
   
   **Bookstore**- It is interesting that book sales are up in light of e-books and other media sources. Most of what the trustees have been reading states that others are reporting that bookstores and libraries will not be needed in the future.
   
   **Continuing Education** –The grant funding for workforce training is no longer available. Early returns indicate success of the expansion of on-line courses that will lead to industry recognized credentials. When asked about the possibility of internships, Jorge Phillips stated the pharmacy tech classes have an externship with Walgreens and CVS.
   
   **Early Childhood Laboratory School**-The trustees are pleased to see that efforts are being made to increase enrollment and appreciated the inclusion of the history of the department and the comparison of this facility with other colleges.
   
   **Facilities Rental** – The addition of private events was included in this plan however, they will not be moving forward with private events.
   
   **Food Service**- Healthier foods are being offered. Recyclable materials are used to serve food and the department is using environmentally safe cleaning products.
   
   **Production Services**- It is good see the history of how this department grew throughout the years. The pages should be numbered in the future. The Board shares the information they receive from the production services department nationally which has resulted in many accolades to this department.
Office of Student Life- This department works hard to offer activities that encourage students to remain on campus. The goal is for ECC to become the student’s third place, a student’s first place is hopefully their home, their second place where they are employed, and any remaining time they have, they would choose to be here at ECC.

In response to a request for a college-wide marketing plan, Dr. Sam responded that the marketing department will prepare a presentation.

Visual Performing Arts Center - Do Art Differently- According to the report, this department faces a number of big challenges. ECC has a very vibrant performing arts center. It seems to be significantly under-staffed, and the technology and equipment are lacking. The board is in favor of personnel and equipment upgrades. Dr. Sam stated that administration will look at these requests, and reminded the Board that this is an auxiliary unit and is not supported by Education Fund dollars.

7. Fiscal Year 2016 Preliminary Budget Projections (Sharon Konny and Heather Scholl)
An assumption was made that the state will maintain level funding. There is talk about the governor freezing property taxes which may affect ECC. The college is looking at a $2.3M loss without an increase in tuition. A tuition increase of $5.00 would result in a deficit of $1.2M. The budget officers have been asked to really sharpen their pencils and decrease costs wherever possible without making an impact on our students. The budget should be balanced, with these cuts, and a $5.00 per credit hour tuition increase.

Zero-based budgeting has helped tremendously. Dr. Sam stated the college has always had and will continue to have a balanced budget. The finance department will bring recommendations to the board to present a balanced budget.

8. Fiscal Year 2016 Tuition Recommendations (Sharon Konny and Heather Scholl)
Sharon Konny took the board through the process used to determine the fiscal year 2016 tuition recommendation. The FY16 recommendation is an in-district tuition rate of $119 which would be a $5.00 tuition rate increase. Following the formula, the out-of-district rate becomes $119 plus the charge back reimbursement rate of $314.49 totaling $434.49. Administration is asking the board consider maintaining the out-of-state rate at the FY15 level of $497.79. Dr. Sam feels that this is in line especially considering that Columbia College of Missouri, which operates at this facility, has a tuition rate of $220 per credit hour. Sharon will provide the other community college tuition rates tomorrow.

9. Open

10. Adjournment
The meeting adjourned at 3:29 pm. Trustee Sauceda moved and was seconded by Trustee Redmer. All aye by voice vote.