MINUTES OF FINANCE COMMITTEE MEETING OF
DECEMBER 11, 2017

1. Call to order
Chair Duffy called the meeting to order at 2:00 pm.

Finance committee members present: Mr. Duffy, Chair, Ms. McCreary, and ex-officio and voting
member of the committee in the absence of Ms. Holmes, Mr. Meyer

Trustees present: Mr. Duffy, Mr. Meyer, Ms. McCreary, Ms. Rakow, Dr. Redmer, and Student
Trustee Mr. Jones

Trustees absent: Dr. Olayos

ECC staff and others present: Dr. Sam, President, Ms. Konny, Dr. Heinrich, Ms. Scholl, Ms.
Wons, Dr. Lehmacher, Ms. Zwart-Healy, Ms. Schopen, Dr. Thompson, Ms. Pang, Ms. Folden,
Ms. Wagner, Dr. Miller, Dr. Garber, Ms. King, Ms. Perrin, and Dr. Roeger.

2. Approval of October Minutes
Chair Duffy called for motion to approve the October 9, 2017 minutes.
Motion: Trustee McCreary Moved to approve the October 9, 2017 minutes.
Second: Trustee Meyer seconded

3. Internal Audit Reports
Ms. Folden provided a brief summary of the internal audit of the music program. The first two
conditions deal with independent study courses and the contract. Salaries are $75 per credit hour
per student, the courses for the music program are actually one-on-one instructional lessons
which don’t fit the independent study code. She found the instructors are actually being paid $75
per hour which equates to $315 per semester; this created an overpayment to instructors as a
result of the difference in modality. There was a discussion regarding the use of ICCB codes that
would be the “best fit” for payment to instructors for this type of course. Dr. Heinrich explained,
because these music lessons require the instructor to be present 100% of the time, they function
differently than a regular independent study course, where a student receives little guidance from
the faculty member. Dr. Sam stated they would check to see how other colleges quantify this and
bring this information to the January Board meeting.

4. Moody’s Credit Rating
Ms. Konny shared that Moody’s has affirmed Elgin Community College’s Aaa bond rating, and
has upgraded our status from negative outlook to stable. This was based on the college’s credit
strengths, our strong financial operations along with ample reserves, and the fact that state
funding is a very small percent of our overall revenue, which is in our favor.

Ms. Konny added the college continues to have challenges with declining enrollment and pension
liability which continues to grow. Next year, the state will pass the responsibility of pension
expense for new employees to the college.
5. Update on Fiscal Year 2018 Budget

Ms. Konny stated the college has not received funding from the state in the last 30 days.
- The college is still owed $3m for fiscal year 2017
- The base operating grant for fiscal year 2018 is under 50% funded
- The college has not received funds for the Career Technical Education Incentive Grant (CTE)
- The adult education contract was recently signed and submitted to ICCB

6. Fiscal Year 2019 Budget

Ms. Scholl explained that this is the time of year we look at the next budget cycle. She asked if anyone had questions on the data presented in the Fiscal Year 2019 projections binder. Trustee Meyer asked about the accuracy of the 2017 projected operating dollars extended Property Tax Extension Law Limit (PTELL) of $49m, what is the degree of confidence that the college will receive this amount. Ms. Scholl stated this number is fairly accurate, based on past estimates.

7. Property Tax Levy – Tax Year 2017

Ms. Scholl stated this is the same levy request that has been presented for the last two months. She asked if the trustees had any questions or points of discussion to make. Trustee Meyer inquired if the college were to adopt a flat property tax levy this year, would it be possible to balance the budget without further cuts. Trustee Duffy stated the college has made many cuts to programs, deferred payments and put off projects in order to obtain a balanced budget, and the college needs every dollar it receives.

Ms. Scholl suggested we could continue with the current numbers in the resolution and abate at a later date. She added that if we abate our debt service and the property tax freeze legislation goes through it would decrease our tax levy. She suggested we wait until the January or March meeting to determine how legislation will affect the college at which time we could discuss abatements. Trustee Meyer stated this is a fair point.

8. Annual Review of Investment Policy

Ms. Konny stated she is not proposing any changes to this policy as it went through significant changes two years ago.

9. Audience Wishing to Address the Committee

There were no audience members wishing to address the finance committee.

10. Open

No additional items of discussion were brought to the finance committee.

11. Adjournment

Chair Duffy adjourned the meeting at 2:44pm.

John Duffy, Chair Finance Committee
Juline Smith, Recording Secretary