

**MINUTES OF FINANCE COMMITTEE
MARCH 7, 2022**

1. Call to Order and Roll Call

Mr. Nowak called the meeting to order at 2:00 p.m. and asked the recorder to call the roll.

Finance Committee members present (in person): Mr. Nowak, Dr. McCreary, Mr. Rodriguez

Other Trustees present: Chair Rakow, Mr. Duffy, Dr. Redmer

Others present (in person): Dr. Sam, President; Ms. Loewe, Recorder; Ms. Kerruish, Senior Executive to President; Dr. Heinrich, VP Teaching, Learning & Student Development; Dr. Wagner, VP Business & Finance; Ms. Scholl, Asst VP, Business & Finance; Dr. Phil Garber, VP, PIE; various other ECC employees

Others present (virtually): Various other ECC employees

A complete recording of this meeting can be viewed here:

[March 7, 2022, Finance Committee \(33:59\)](#)

2. Preliminary Matters

Statement from Mr. Nowak regarding the COVID-19 Disaster

*On March 5, 2021, Governor J B Pritzker extended by 30 days through April 3, 2021, the disaster proclamation relating to COVID-19 (Executive Order 2021-05). **With the current mitigation status, this meeting will be conducted in person. Since attendance at this meeting location is not feasible due to mitigation restrictions and limited seating due to social distancing requirements because of the COVID-19 disaster, members of the public may virtually attend this meeting.***

3. Approval of Meeting Minutes of the Finance Committee of December 13, 2021

Motion: Trustee Nowak moved to approve the December 13, 2021 meeting minutes.

Second: Trustee McCreary seconded the motion.

Roll Call Vote: Aye, 2: Nowak, McCreary

Nay, 0

Abstain, 1: Rodriguez

4. New Business

A. Audit Report on Enrollment Data (Kimberly Wagner) (35:29)

Dr. Wagner shared the auditor's opinions from the "Report on Enrollment Data and Other Bases Upon Which Claims are Filed and Supporting Reconciliation of Semester Credit Hours as of June 30, 2021, of Elgin Community College District Number 509." She also shared highlights of the Certified Credit Hour Report.

Of note was the total number of verified unrestricted and reimbursable credit hours at 136,020.50 and 139,619.00, respectively.

B. Highlights of Fiscal Year 2022 (Heather Scholl) (40:32)

Ms. Scholl reported that property tax estimates remained in line with expectations at the half-fiscal year mark, noting that half of the 2021 levy is included in our revenue. The Illinois Community College Board continues to submit monthly payments to the College. Enrollment is down 20% compared to the fiscal year 2020, and down 5% as compared to this time last year; however, we continue to utilize both HERRF and ARP funds to cover lost revenue.

Ms. Scholl shared that while there was interest in investing, at this point in the market, there are few things to invest in that would provide any significant return. We have experienced losses in investment related to our money market funds and T-bills.

Revenues represent 83% of those budgeted, and Ms. Scholl feels confident that numbers will likely improve as Spring registration begins, and more students enroll. Expenditures remain at just under 50% of the total budgeted, on target with estimates. Capital Outlay lines were budgeted at \$1.2M, with around \$436K spent; however, several large projects remain in the queue. Ms. Scholl also noted that 96% of the revenues within the Operations and Maintenance Fund have been realized and are comprised of property taxes. Much of the expense lines are on track at 46% overall, with utilities trailing at 38% of budgeted costs.

C. Fund Balance Analysis / Policy (Heather Scholl) (48:52)

The analysis intends to show a complete picture of committed funds for the use of current projects. The analysis also shows funds available for transfer to the Manufacturing Center project, including the proposed Board action to move \$7.4M into the O&M Restricted Fund. The analysis also includes funding for priority projects such as RAMP and the Fitness Center expansion; furthermore, adjustments have been made to the funding lines to account for inflation.

Ms. Scholl and the Finance team continue to work on drafting an official policy statement, which will provide further guidance on how to better maintain our reserves and fund balance.

D. Capital Projects List (Kimberly Wagner and Heather Scholl) (53:01)

Ms. Scholl presented an updated capital projects list, which included updates to various timelines due to delays in equipment and materials. The rifle range was also removed from the list, by the desire of the Board; however, the chimney replacement project has been added to the list.

Dr. Wagner shared a draft of the timeline and release for the Statement of Qualifications (SOQ) related to the Manufacturing Center and the hiring of an architectural firm. It also included a project summary and schedule, with a goal of release in March, interviews in April, and Board approval in May. Mr. Vasquez provided a high-level explanation of the SOQ process, clarifying that an evaluation of each response would first be performed (without seeking price comparisons for work), and each would then be ranked, from greatest to least. From there, bidding negotiations would begin with the highest-ranking firm – if success is reached, the process is done. If not, the selection process continues with the next highest-ranking firm. This process is to be followed unless the College currently has an established, satisfactory relationship with an architect or firm.

E. Auxiliary Units: Business Plans (Kimberly Wagner / Various ECC Employees) (1:02:45)

Dr. Wagner provided a brief overview of each of the Auxiliary Unit Business Plans, which included the areas of the Arts Center, Athletics, Bookstore, Childcare Center, Continuing Education, Corporate Training, Facilities Rental, Food Service, Production & Print Services, and Student Life.

Trustee Ollayos questioned the completeness of the business plan presentation for both Athletics and Student Life, compared to the ones of the other Auxiliary units. Dr. Wagner ensured a follow-up with both units at the May Finance Committee meeting.

A complete presentation of the Auxiliary Unit Business Plans begins at the 1:02:45 mark. A comprehensive collection of the plans can be viewed here:

[Auxiliary Unit Business Plans](#)

F. FY2023 Zero Based Budget Update (Heather Scholl) (1:23:50)

Budget officers were instructed to return their requests to the Finance office by March 1. Discussions are currently being had with various officers related to these requests, to ensure project proposals are thoroughly supported. Ms. Scholl clarified that the budget is often fluid, and certain projects, although initially approved, may end up without funding, and ultimately would not make it to the final budget.

Conversations continue related to scenarios surrounding various enrollment factors, and future planning for limited revenue funding after December into FY23. Ms. Scholl also noted the impact of the FY21 and FY22 tax levies and encouraged the Board to continue to monitor the effect of varying CPI rates on the budget as a whole.

Dr. Wagner also noted that while we have applied for an extension of state funding, we are uncertain exactly how much we might receive, and further, exactly how much of that funding will account for lost revenue due to low enrollment.

G. FY2022 Audit Fees (Kimberly Wagner) (1:43:43)

Dr. Wagner reviewed the proposal from Sikich LLC to complete the College audit for a cost of \$85,045.

H. Tax Objections (Heather Scholl) (1:44:44)

Ms. Scholl suggested, in anticipation of eliminating any items for objection, that the standing agenda item “tax objections” be removed. Instead, she suggested, any tax objections would be raised to Board in an “as needed” fashion. Chair Nowak agreed.

5. Audience Wishing to Address the Committee

Ms. Loewe reported to Mr. Nowak that there were no requests.

6. Old Business

Dr. Wagner informed the Board that the Purchasing Card Policy has been reviewed and updated. The policy is currently awaiting official review and posting on the College website.

Adjournment

Motion: Trustee Nowak moved to adjourn the meeting.

Second: Trustee Meyer seconded the motion.

Roll Call Vote: Aye, 3: Nowak, McCreary, Rodriguez

Nay, 0

Meeting adjourned at 3:14 p.m.

The next Board of Trustee Finance Committee is on Monday, May 9, 2022.