

Finance Committee Minutes of May 11, 2020

1. **Roll Call:**

Dr. McCreary called the meeting to order at 2pm.

Finance Committee

Members Present: Dr. McCreary, Mr. Duffy, and Mr. Nowak

Trustees Present: Dr. Redmer, Ms. Rakow, Ms. Ollayos, Mr. Meyer, and Student Trustee Vitacco.

ECC Staff and

Others Present: Dr. David Sam, President; Dr. Peggy Heinrich, VP Teaching, Learning and Student Development; Dr. Kimberly Wagner, VP Business and Finance; Ms. Heather Scholl, AVP Business and Finance; Ms. Amy Folden, Internal Auditor; other ECC staff members and visitors.

2 **Approval of Meeting Minutes of the Finance Committee of March 9, 2020**

Mr. Duffy motioned and Mr. Nowak seconded to approve the minutes of March 9, 2020.

3. **New Business**

A. Internal Audit

Ms. Folden shared the whistle blower reporting has been implemented at the college. Reporting is available under the Elgin.edu site, and has been live since March 13. Presently, no reports have been filed. Her upcoming projects will be ensuring compliance for disbursements of the CARES Act funds, and the ECC Emergency Student Relief Fund.

B. CARES Act Funding

Dr. Wagner explained the college has received a total allocation of \$4,600,718. Half of this is for distribution to students for emergency grant aid. These disbursement will begin the end of this week. In conjunction with the Department of Education, these funds are only for Title IV eligible students, or students that have completed a FAFSA, online students are not eligible. Full-time eligible students with the highest amount of need will receive \$1,100, part-time students will receive \$900, and any other student that are PELL recipients will receive \$700.

The other half, \$2,300,359, is allocated for expenses related to campus disruption, in addition to any expenses for losses incurred. A special spring 2020 student refund policy has been offered to students that were unsuccessful in an online environment. To date the college has processed \$17,000 in refunds. Eligible CARES Act expenditures are licensing fees, course costs, shut down pay, and lost revenue. Dr. Sam explained our future class sizes will be smaller and we will have additional costs incurred in payment to instructors.

C. Fiscal Year 2020 Budget to Actual Status

Ms. Scholl shared at this time, our revenue remains stable. Our losses due to COVID-19 will be covered by the CARES Act. We will continue to have a surplus in the current year due to projects that were delayed and reduced spending.

D. College Insurance Program Funding Plan

Funding this liability was proposed by our auditing firm Sikich in a 10 year plan. We have allocated \$13,890,582 so far. The college would like to continue following this plan and will present a board action at the June Board meeting for an additional transfer to continue to fund the liability.

E. Fiscal Year 2021 Budget Calendar and Process Update

Ms. Scholl explained they have been working diligently to compile the budget for the year. She expects property taxes to remain stable. We are prepared to make adjustments to tuition expectations if necessary. Any reduction in tuition revenue will bring a reduction in direct costs related to the decline in enrollment. The college has not received any additional information from the state about allocations. We are planning to budget level funding from the state. If we determine the state funds less, we will make adjustments to our budget at that time.

Ms. Scholl requested the board consider a special board meeting in July, or we could look to August to approve the budget. Mr. Meyer shared he understands the reason for pushing back the budget approval, however in conjunction with the steps the governor wants to take in re-opening the state. He would like to adopt a budget with the understanding it will be subject to change based on enrollment.

F. Architect Services Statement of Qualifications Update

Dr. Wagner explained that at our March meeting, we discussed the selection of three architectural firms that would be prequalified to use for campus construction, and simple remodeling. This hasn't been completed yet due to the shut down. We hope to begin this process to obtain architects under the statement of qualifications (SOQ) framework in the future.

G. Report on Tax-Exempt Record-Keeping Policy

Dr. Wagner explained this is our annual certification as recommended by our bond counsel. She signs a document certifying that the appropriate records are maintained in relation to the bonds and the college has determined there is no rebate liability due to the U.S. Treasury. This is just financial housekeeping.

H. Fiscal Year 2021 Finance Committee Dates and Proposed Agenda Items

Dr. Wagner distributed a document displaying the topics which are slated for each quarterly finance committee meeting. This is a general list and is subject to adjustment as needed.

I. Tax Objections

Ms. Scholl stated we have not received any new tax objections; we still have the same pending objections that have been discussed previously; however, there has not been any further action by counsel at this time. We anticipate the objections will stop in the future due to the re-allocation of the levy and the movement of the social security/medicare expenses to the Education Fund.

4. Audience Wishing to Address the Committee

There were no requests.

5. Old Business

Dr. Sam recognized Julie Smith for her 30+ years of employment, and her upcoming retirement on May 31, 2020.

Adjournment

The meeting adjourned at 2: 57pm