

**MINUTES OF FINANCE COMMITTEE
MARCH 8, 2021**

1. Call to Order and Roll Call

Dr. McCreary called the meeting to order at 2:02 p.m. and asked the recorder to call roll.

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

Finance Committee members present (virtually): Mr. Duffy

Other Trustees present: Chair Redmer, Ms. Rakow, Mr. Meyer, Dr. Ollayos

Others present (in person): Dr. Sam, President; Ms. Loewe, Recorder; Ms. Kerruish; 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

2. Preliminary Matters

Statement from Dr. McCreary regarding 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.***

On June 12, 2020, the Governor signed Public Act 101-0640 into law. This new law amends the Open Meetings Act to authorize public bodies to meet remotely without the otherwise required quorum present at the meeting place.

- 1. This authorization is only effective when the Governor has issued a disaster declaration that covers the jurisdiction of the public body.*
- 2. The head of the public body must make a determination that an in-person meeting is not practical or prudent due to a disaster. Our agenda states that there is a virtual component to this meeting as we adhere to the restrictions of the Phase 4 Recovery Plan.*
- 3. Roll Call will determine whether a trustee is attending in-person or virtually and confirm that all are able to hear each other during the meeting.*
- 4. Members of the public are welcome to attend in-person or virtually.*
- 5. One member of the public body or the chief administrative officer or the chief legal officer must be present at the meeting place. Dr. Sam is present.*
- 6. All votes must be by roll call.*

7. *Notification has been provided in accordance with the Open Meetings Act.*
8. *Both Open and Closed sessions of a virtual meeting of the public body must be recorded.*

3. Approval of Meeting Minutes of the Finance Committee of December 7, 2020.

Motion: Trustee Nowak moved to approve the minutes of the December 7, 2020 meeting.

Second: Trustee Duffy seconded the motion.

Roll Call Vote: Aye, 3: McCreary, Duffy, Nowak
Nay, 0

4. New Business

A. Review of the Fiscal Year 2021 Budget to Actual

Ms. Scholl presented a review of the 2021 budget, revealing a surplus due to a higher rate of reduction of expenditures versus revenue. Ms. Scholl anticipates not spending down all funds but will continue to remain conservative in her approach to adjusting the budget.

Dr. McCreary raised concern regarding budget reductions and surpluses over \$5M, requesting that both be brought to the Board, and, if needed, plan for a budget amendment or an additional abatement in the following fiscal year. Mr. Duffy argued that the budget should remain a flexible document and the budget amendment not be brought to the full Board. Mr. Nowak agreed that an abatement should be presented to the Board next year. The Committee will review these concerns and assign appropriate recommendations.

CARES Act funding continues to impact the budget positively. Ms. Scholl is currently preparing a proposal to the Department of Education to address lost operating costs related to the pandemic, as well as a required student spend of \$2.3M. Additionally, the remaining \$37K in CARES/HEERF funding for students will be distributed during the Spring term, after all refunds have been completed. Detailed information regarding CARES Act funding at ECC can be found at: <https://elgin.edu/pay-for-college/financial-aid/cares-act/>.

B. Capital Projects Priority List and Funding Information

Ms. Scholl provided an updated list of projects and their current status; additionally, several other projects were added to this list for completion. New projects include a renovation of the railing system in the plaza, as well as campus door replacements and security integration. Funding sources for various projects was also updated to indicate whether O&M restricted funding or Operations funding were appropriated. Ms. Scholl clarified that smaller deferred maintenance projects are often funded through Operations; conversely, larger, more-complex projects are funded through O&M.

A summary of available fund balances was also presented, to better clarify available funding sources for both deferred maintenance and capital projects. Earmarked fund classifications were discussed, including \$27M for the manufacturing center, renovations of Building H, a 6-month operating reserve, and the IT replacement project (funded partially through tuition). Generally, during the creation of the budget, \$3M is transferred from the Education fund to the O&M restricted fund to cover deferred maintenance projects.

Mr. Meyer raised concerns regarding using the term “earmarked” for monies reserved for the manufacturing center, as no Board actions have been approved, nor has unanimous support or Board agreement been provided for the \$27M amount. Ms. Scholl clarified that the amount suggested was utilized as a planning tool and is used more as an estimate, rather than allocated funds. Ms. Scholl agreed to review the term, and the Board agreed that movement on the review of this project would likely occur within months, following pending architectural renderings. Dr. Sam also suggested adding a “Board action needed” clarification to the project list.

C. FY2022 Auxiliary Enterprise Plans

Due to the remote nature of the meeting, Auxiliary Enterprise plans were preliminarily reviewed by the Board, and if available, a representative of the area was present to answer questions. Dr. Wagner also clarified that for the areas of Athletics, Center for Emergency Services, and Student Life, summary sheets would be presented in lieu of traditional business plans due to their unique fee structures.

Arts Center (Steve Duchrow): Mr. Meyer acknowledged the challenging year faced by the Arts Center (and all ECC Auxiliary Enterprises) and commended them on their ability to remain solvent and forge ahead.

Athletics (Kent Payne): Dr. Wagner commended the department on their tremendous efforts throughout the pandemic to help protect players and coaches, and to safely bring sports back to campus. Athletics is currently starting their Fall sports programs (with restrictions); however, one of the greatest challenges facing the return of sports is the ability to locate appropriate transportation (and the associated funding) for games which require travel. Ms. Scholl is confident that there is available funding to cover the cost of travel needs for such scenarios.

Mr. Meyer asked if there was any movement regarding the consideration of moving from D3 to D2 status. Dr. Sam agreed to check in with Kent Payne and report back to the Board with any findings; furthermore, Mr. Meyer suggested the Athletics Department prepare a presentation for the Board regarding the recommendation to move to D2.

Bookstore (Kelly Strossner), Child Care Services (Beth Mrofcza), Facilities Rental (Samantha Croft), and Food Services (Rich Essegian): The Board applauded the efforts of Kelly and her staff to maintain a positive and upbeat view of the future in regard to their respective areas. Enormous energy has been put in to accommodate text book requests, with a move toward increased digital content availability. Ms. Rakow asked that the bookstore website continue to improve their offerings and simplify site navigation.

An increase in subsidies was noted regarding Child Care Services due to conservative current trends; however, hope remains that future enrollments will trend upward in the fall with the return of faculty and students. Child Care Services is continuing to seek out grant funding to supplement current campus grants; additionally, Restoration grant funding will continue through March. Enrollment has grown 30% in a few short weeks, but the hope is to continue to increase to at least 50% by fall, thereby eliminating the need for an increased subsidy and additional grant funding. Ms. Mrofcza also noted that the “bad debt” situation is improving.

Ms. Rakow commended the Facilities Rental department, as recent user of their services, and recommended any Board members with similar event needs consider using ECC. Ms. Croft noted that public advertising of facility spaces was not currently underway due to restrictions, but accommodations are being made for any incoming requests. Ms. Croft has also reached out personally to prior clients to inform them of available spaces.

Mr. Essegian is optimistic that despite a slow return to campus dining, Food Service can maintain a positive business model, especially regarding catering needs on campus. Mr. Essegian also noted the challenges with students requesting various food items for catering needs, as it can be difficult to store so many different SKUs in stock, especially if students end up not utilizing the food requested. However, there is a continued desire to keep food options interesting and well-priced, and Rich will continue to monitor food trends to do so successfully. The Board commended Rich for his continued creativity, tenacity, and efficiency despite current restrictions.

Continuing Education and Corporate Training (Anne Hauca): Dr. Wagner and Dr. Heinrich both recognize the incredible challenges faced in the last year by both Continuing Education and Corporate Training and continue to prioritize conversations surrounding the department. Questions arose for Dean Hauca regarding the availability (and success) of online programming within the department. Dean Huaca reported that the majority of classes would remain online due to the current Operations Plan of the College; however, as demands increase and restrictions relax, the possibility of holding classes in-person will be considered.

Production and Print Services (Heather Larkin, Dr. Toya Webb): The reduction of printing related needs on Campus has dramatically impacted the area, but there is hope of a return to full production as demands increase.

Student Life: Dr. Sam applauded the incredible efforts of the Student Life department throughout the pandemic to encourage and promote the continued support of our students and community.

D. FY2022 Budget

Ms. Scholl and her team remain diligent in filling department budgetary requests and will continue to take a conservative approach regarding revenue and expenditures. Although the College approved a no property tax increase for the 2020 levy, the proposed 2021 tax levy could have a significant impact on the budget if the Sears EDA is ended. Ms. Scholl is keeping a close eye on spending related to medical and dental insurance costs and is optimistic it will level off after an increase in December.

Tuition and fees have been approved, with no increase on tuition. Ms. Scholl also reported that the state has approved a level budget for Illinois higher education and anticipates similar revenue from the state barring any adjustments. Ms. Scholl also foresees a change to the budget once the Department of Ed provides further guidance on grant funding and associated spending, due to continued pandemic restrictions. Additionally, she is hopeful to receive the final allocations from the Governor's budget very soon, although there is some uncertainty regarding the actual anticipated amount.

E. FY2022 Audit Fees

Dr. Wagner presented the draft of the upcoming May Board action related to the FY22 audit fees, totaling \$82,377. Dr. Wagner reminded the Board that Sikich offered the College an initial 3-year contract, and two additional 1-year extensions, of which, ECC is currently in the first year of the extension.

F. Internal Audit Update

As interviews continue, Dr. Wagner remains confident that a candidate will be selected shortly. When the appropriate candidate is selected, they will begin working on the most critical areas of the audit, including Financial Aid, cybersecurity, and risk management.

5. Audience Wishing to Address the Committee

Ms. Loewe reported to Dr. McCreary that there were no requests.

6. Old Business

Dr. Wagner notified the Board of a scrivener's error on the December 2020 Board- approved tax abatement resolution. A scrivener's error letter was presented for signatures, as was a corrected version of the resolution. Both will be re-filed with the appropriate county and state offices.

Adjournment

Motion: Trustee Nowak moved to adjourn the meeting.

Second: Trustee Duffy seconded the motion.

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

Nay, 0; meeting adjourned at 3:24 p.m.

The next Board of Trustee Finance Committee is on Monday, May 10, 2021.