

**MINUTES OF THE FINANCE COMMITTEE MEETING
OF THE HEARTLAND COMMUNITY COLLEGE BOARD OF TRUSTEES
January 17, 2017**

Members present: Jim Drew, Jeff Flessner, Doug Minter, Sharon McDonald

Others present: none

The meeting was called to order by Mr. Jim Drew at 5:06 pm at Heartland Community College.

FINANCE COMMITTEE MINUTES

Mr. Jeff Flessner moved to approve the minutes from December 13, 2016; Mr. Doug Minter seconded and the motion was approved.

FINANCE REPORT

Mr. Minter gave an overview of the December Bills, Investment Report, and Revenues and Expenses. Mr. Minter explained the “contingencies” footnote now on the Revenues and Expenses report. Although the “Provision for Contingency” YTD Actual column shows \$0 spent, \$65,174 of contingency funds have been allocated to the actual expense account lines on the report. The Committee reviewed the December Wire Transfer Log, which included the annual payment made to the US Department of HHS-CMS for the Affordable Care Act Transitional Reinsurance Program Fees.

HIGHER LEARNING COMMISSION ANNUAL INSTITUTIONAL UPDATE

Mr. Minter reported on the upcoming annual institutional update required by the Higher Learning Commission (HLC). In an initial calculation of the financial ratios the HLC will review, Heartland’s overall scores have improved from FY15. However, staff anticipates the College will again be required to submit a “financial recovery plan.” Staff will submit the institutional update by the end of March due date and continue to update the Finance Committee on financial information submissions.

ILLINOIS LOCAL GOVERNMENT TRAVEL EXPENSE CONTROL ACT

Mr. Minter provided a copy of the language of Public Act 99-0604 passed in Illinois, which will require a roll call vote at an open meeting of the Governing Board for all Board members’ travel expenditures and for employees’ travel expenditures that exceed maximum thresholds. The Act became effective January 1, 2017; the new approval requirements take effect March 1, 2017; and the new regulations must be fully adopted by June 30, 2017. Heartland’s travel policy is being revised to comply with the new law and to include some other updates recommended by Cabinet and legal counsel.

DEBT REFINANCING UPDATE

Mr. Minter reported on the refinancing of the Series 2007 Bonds to reduce annual interest expenses. In FY16 the college refunded \$8.675 million with bank qualified bonds. On February 21, 2017 it will close on another bank qualified bond refunding of \$9.32 million. In the fall of 2017, staff anticipates refinancing the remaining refundable portion of the Series 2007 Bonds.

OTHER

Mr. Minter reported on an initiative by Moody's to review existing credit ratings for several governmental entities, prompted by an update to its own rating methodology. Mr. Minter will update the Finance Committee again when the "Rating Under Review" status is cleared and Heartland's rating is affirmed or changed.

Mr. Minter reported on plans to fund all MAP grants for students for the Spring 2017 term at an estimated cost of \$179,000. The State of Illinois budget impasse continues to cast doubt on the appropriation of MAP funds, but staff considers this action to be in the best interest of the students.

ADJOURNMENT

Mr. Flessner moved to adjourn the meeting; Mr. Minter seconded and the motion was approved.

The meeting was adjourned at 5:40 pm.

Jim Drew, Chair Board Finance Committee

Jeff Flessner, Member Board Finance Committee