

**MINUTES OF THE FINANCE COMMITTEE MEETING  
OF THE HEARTLAND COMMUNITY COLLEGE BOARD OF TRUSTEES  
February 21, 2017**

Members present: Jeff Flessner, Doug Minter, Sharon McDonald

Members absent: Jim Drew

Others present: Gregg Chadwick, Barb Leathers, Lenore Sobota-The Pantagraph

The meeting was called to order by Mr. Jeff Flessner at 5:10pm at Heartland.

**FINANCE COMMITTEE MINUTES**

**Mr. Gregg Chadwick moved to approve the minutes from January 17, 2017; Mr. Doug Minter seconded and the motion was approved.**

**FINANCE REPORT**

Mr. Minter gave an overview of the January Bills, Investment Report, and Revenues and Expenses. The transfer of approximately \$300 to the restricted checking account closed out the FY14 technology bond investment account. The College will have to return \$37,210 to the State for Adult Education grant funds that could not be expended as required before December 31, 2016; the State informed the College of the funds availability on the last day of the fiscal year for which they were appropriated and only allowed 6 additional months to spend them. Contingency transfers totaled approximately \$3,000. The Committee reviewed the January Wire Transfer Log, which included the ICISP Carlow College wire transfer executed for ICISP students studying abroad.

**CREDIT RATINGS UPDATE**

Mr. Minter reported that Moody's recently upgraded the College's rating to AA2 from AA3 following a change in its rating methodology, and Standard and Poor's kept Heartland's rating at AA+ following a ratings review completed as part of debt refinancing activities.

**DEBT REFINANCING UPDATE**

Mr. Minter reviewed the Series 2007 general obligation bond debt refunding initiative. The Series 2016B first refunding of about \$8,965,000 closed last May. The Series 2017A second refunding of about \$9,000,000 closed today at a 2.665% interest rate and about \$1,000,000 in present value savings. Staff plans to recommend refunding of the remaining \$27,000,000 in fall 2017.

**BOARD POLICY REVISION – TRAVEL, MEAL AND LODGING EXPENSES**

Mr. Minter reviewed the Illinois Local Government Expense Control Act, a new State statute effective January 1, 2017. As of March 2, 2017, a Board of Trustees roll call vote is required for all trustee travel reimbursements and for any employee travel reimbursements that exceed maximum thresholds in the travel policy. Heartland has been and will continue to be conservative in its travel policy and procedures. By June 30, 2017, Heartland will need to have fully complied with the new regulations, which include the adoption of a revised board policy. Staff will present that policy for first reading at tonight's Board meeting.

## **VEHICLE LEASES**

Mr. Minter reported the College will retire 2 Chrysler Town and Country leased vehicles and lease 2 new Dodge Caravans. The new leases will save the College a few thousand dollars over the life of the leases.

## **TUITION AND FEES RECOMMENDATION**

Mr. Minter explained the recommendation for a \$2 increase in tuition for FY18 is part of the strategic multi-year plan, but that the uncertainty of State revenues also translates to shorter-term revenue concerns. Staff continue to be sensitive to multiple factors influencing students' total cost of education. For example, textbook swaps and promotion of Open Educational Resources (OER) help reduce costs. Further, the HCC Foundation provides over \$400,000 scholarships and the College provides approximately \$3.2 million in scholarships and waivers to students. After Mr. Minter and President Widmer discussed the need for a possible tuition increase with the Student Senate, they showed understanding and support for the increase by a 15-0 vote. Mr. Minter introduced a recommendation for an additional \$2 universal Learning Management System (LMS) fee in place of a \$30 course fee now being charged for each online or hybrid course in order to spread fees over all courses using the LMS software. This redistribution may result in about \$30,000 in new revenue for the year, but this did not drive the recommendation.

## **EDUCATIONAL PARTNERSHIP – MTU8**

Mr. Minter reported on a proposed \$1,000 monthly fee to be charged to the MTU8 group for use of College facilities and resources. This partnership has been in place since 2004.

## **FARM GROUND – CHANNEL TEST PLOT**

Mr. Minter reported that through a connection made with an HCC Foundation Board member, Channel Seeds, a Monsanto company, approached staff about setting up a test plot on the College's farm ground. While some acreage will be removed from production and thus slightly reduce crop revenue, the test plot will serve as an academic resource for growing agriculture programs. Channel Seeds will donate the seeds and the farmer leasing the ground has agreed to support the test plot and related academic endeavors.

## **FARM GROUND – LEASE**

Mr. Minter stated the 3-year farm ground lease is expiring. The farmer has drawn attention to declining farm cash rent rates in the region. Heartland has confirmed this and will be proposing a 10-15% reduction in the lease rate as part of the renewal negotiation.

## **INSURANCE REVIEW TEAM**

Barb Leathers, Executive Director of HR, explained the College health insurance programs. Blue Cross/Blue Shield medical insurance is currently running at a favorable 85% experience rate and is up for renewal. The Delta Dental renewal quote reflects a rate decrease. The EyeMed Vision rate and the Term Life Insurance rates are effective through 2019, so no renewal quotes are expected. The MetLife Long Term Disability (LTD) insurance is also up for renewal. The Insurance Review Team (IRT) solicits employee feedback with surveys and has one pending again

this year, evaluates renewal quotes and makes recommendations on renewals. The Finance Committee agreed to work with the IRT on insurance reviews and recommendations.

**OTHER**

Mr. Minter reported on two recently renegotiated contracts with McLean County for GED courses for prison inmates and Traffic Safety School.

**ADJOURNMENT**

**Mr. Chadwick moved to adjourn the meeting; Mr. Minter seconded and the motion was approved.** The meeting was adjourned at 5:55 pm.

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~~Jim Drew~~, Chair, Board Finance Committee  
Gregg Chadwick

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Jeff Flessner, Member Board Finance Committee