

**MINUTES OF THE FINANCE COMMITTEE MEETING
OF THE HEARTLAND COMMUNITY COLLEGE BOARD OF TRUSTEES
June 20, 2017**

Members present: Jeff Flessner, Janet Hood, Doug Minter, Sharon McDonald

Others present: Lenore Sobota-*The Pantagraph*

The meeting was called to order by Mr. Jeff Flessner at 5:04 pm at Heartland Community College.

PUBLIC COMMENT

None.

FINANCE COMMITTEE MINUTES

Ms. Janet Hood moved to approve the minutes from May 16, 2017; Mr. Doug Minter seconded and the motion was approved.

FINANCE REPORT

Mr. Minter gave an overview of the May Bills, Investment Report, and Revenues and Expenditures Summaries. With one month of the fiscal year remaining, salary and benefit expenditures are less than budgeted due to fewer positions and lower health insurance claims. Both the Sales and Service Fees revenue and the Contractual Services expenditure lines are over budget due to higher than projected volume with one online training services provider. Ms. McDonald reported on the current CD investment and Term Series investment rates. The Committee reviewed the May Wire Transfer Log and the Travel Expenditures.

PREVAILING WAGE RESOLUTION

The prevailing wage resolution will be presented for adoption at the Board Meeting.

FY2017 TRANSFER RESOLUTION

The FY2017 transfers will be made as budgeted.

FY2018 TENTATIVE BUDGET

Mr. Minter presented the FY2018 Tentative Budget, noting that State Funding is included at 90% of FY15 levels based on recent legislative talks. He will present it again at the regular meeting of the Board.

FY2019 RAMP CAPITAL REQUEST

Staff will again submit a pavement repair project to the Illinois Community College Board (ICCB) as a capital request for FY2019. Heartland will be responsible for 25% (approximately \$135,000) of the project cost if approved.

FY2018 CONNECT TRANSIT SYSTEM UNIVERSAL ACCESS SERVICE AGREEMENT

The FY2018 Connect Transit System Universal Access Service agreement includes a 5% increase in the per-rider fare but a reduction in annual projected ridership of 85,000, resulting in an estimated savings of approximately \$50,000. Mr. Minter elaborated on some reasons for the decline in ridership.

WIND TURBINE GENERATOR MAINTENANCE AGREEMENT

The wind turbine is now five years old and its warranty is expiring. Staff has evaluated several options for ongoing protection and is seeking Board approval for a new maintenance agreement for approximately \$55,000 per year.

GENERAL OBLIGATION BONDS REFUNDING PLAN

Mr. Minter reviewed Phases I and II of the Series 2007 general obligation bond debt refunding initiative. Work is now underway on Phase III and staff anticipates closing on the final refunding amount of approximately \$35 million in September 2017. Staff will ask the Board to approve a parameters resolution in July to support execution of this final phase. This refunding will result in issuance of bonds identified as Series 2017B and 2017C, with approximately \$1.5 million of these bonds being taxable due to IRS rules. At current municipal bond rates, this should generate interest expense savings of about \$2 million.

Mr. Minter also noted plans to issue technology funding bonds again in early 2018 and to engage in discussion with PMA as the municipal advisor about rolling a debt certificate into that bond issuance.

OTHER

None.

ADJOURNMENT

Mr. Jeff Flessner moved to adjourn the meeting; Ms. Janet Hood seconded and the motion was approved.

The meeting was adjourned at 5:41 pm.

Jeff Flessner, Chair Board Finance Committee

Janet Hood, Member, Board Finance Committee