

FACILITIES AND FINANCE COMMITTEE
Seibert Conference Room
Belleville Campus
November 12, 2013
5:00 p.m.

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| Committee members present: | Richard E. Roehrkasse, Chairman Kenneth R. Joseph |
| Committee member absent: | Nick J. Mance |
| Administrators present: | Georgia Costello, Ph.D. Clay Baitman Staci Clayborne (arrived at 6:47 pm) Mark Eichenlaub, Ed.D. Mike Fleming James Riha, Ph.D. Bernie Ysursa |
| Guests present: | Barb DuBois, Engagement Principal CliftonLarsonAllen Chris Suda, Engagement Manager CliftonLarsonAllen |

CALL TO ORDER

Chairman Roehrkasse called the meeting to order at 6:25 p.m.

APPROVAL OF MINUTES

Mr. Joseph moved, seconded by Mr. Roehrkasse, to approve the minutes of the regular meeting of October 7, 2013 and the special meeting of October 16, 2013 as submitted. The motion carried.

UPDATE ON PRESENTATION BY M360

Vice President Ysursa stated college staff will investigate if an energy analysis is needed and will report back to the committee. No decision is needed at this time.

FY 2013 AUDIT REPORT

Barb DuBois, Engagement Principal, and Chris Suda, Engagement Manager, from the college's auditing firm CliftonLarsonAllen (CLA), made presentation of the FY 2013 audit report. CLA audited the financial statements of the Career and Technical Education-Program Improvement Grants, and Adult Education and Family Literacy Grants of the college, which comprise the balance sheet as of June 30, 2013 and the related statement of revenues, expenditures, and changes in fund balance for the year ended. The audit was performed in accordance with auditing standards generally accepted in the U.S. and the grant policy guidelines of the Illinois Community College Board's Fiscal Management Manual.

A significant deficiency concerning capital assets and accumulated depreciation was noted in the audit. Adjustments were made during the audit to adjust capital assets and accumulated depreciation. The

auditors recommended management review year-end closing procedures to ensure that all accounts are adjusted prior to the audit.

Questions arose and discussion occurred concerning the significant deficiency. Mr. Suda stated a significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with the responsibility. (A material weakness is the worst finding.) Mr. Suda recommended management examine its year-end closing procedures in preparation for the fiscal year audit.

A Pell grant deficiency occurred for one student (out of the 40 tested) who was under awarded \$1,388. The auditors recommended the college award the student the remaining Pell grant; the college should also re-evaluate its procedures and review policies concerning awarding Pell grants to ensure proper awarding. Administration responded new processes have been put in place and no more students should be overlooked moving forward.

Chairman Roehrkasse directed Vice President Ysursa to respond to these issues and come back to this committee in January 2014 with a plan of recommendations. Mr. Ysursa stated he fully intends to share the audit report and its findings with Controller Deb Massena and the Business Office staff.

Mr. Joseph moved, seconded by Mr. Roehrkasse, to recommend the Board of Trustees accept the FY 2013 Audit Report and to file with ICCB. The motion carried. (This item will appear on the consent agenda.)

FACILITIES

Change Orders

There were no change orders.

Bid Award

Vice President Ysursa stated the SWIC Foundation Board has agreed to provide the funding for the construction of the addition to the Schmidt Art Center (loading dock). The full construction costs are \$637,770.10, which includes construction management fees, reimbursed fees, contingencies and owner's soft cost. The college has a previously transferred balance of \$239,342.82 from Foundation funds. The Foundation Board agreed to provide an additional \$406,000 to fund this project, which will provide a total amount not to exceed \$645,342.82.

Chairman Roehrkasse asked what the total assets of the Foundation are. Vice President Fleming replied \$6.5M, of which \$6.0M is restricted.

Mr. Joseph moved, seconded by Mr. Roehrkasse, to recommend the Board of Trustees award the lowest responsible bid to the following contractors in the total amount of \$451,530.80 for construction of the Schmidt Art Center addition, funded wholly by the Foundation:

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| JP Burns Excavating Plainview, IL | \$ 65,404.80 Earthwork & Storm Sewer |
| Southwestern Construction Services Highland, IL | \$164,400.00 Carpentry & Concrete |

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| Affton Fabricating Sauget, IL | \$ 20,677.00 Structural Steel |
| Toenjes Brick Millstadt, IL | \$ 43,650.00 Masonry |
| Kehrer Brothers Albers, IL | \$ 14,509.00 Roofing & Sheet Metal |
| Bergman-Roscow Plumbing Belleville, IL | \$ 14,500.00 Plumbing |
| Hock Mechanical Millstadt, IL | \$ 57,590.00 HVAC |
| K&F Electric Belleville, IL | \$ 70,800.00 Electrical |

The motion carried. (These items will appear on the consent agenda.)

Project Status Report

Chairman Roehrkasse referred to the Project Status Report supplied by Ittner and requested any questions be referred to Vice President Ysursa or him.

PSOP Carpet and Tile Replacement & Renovation

Mr. Ysursa presented request to approve the PSOP carpet and tile replacement and renovation project. The project will include removal of the old flooring (carpet and tile), asbestos abatement, painting, and the installation of the new flooring. One accordion type wall will be replaced with a non-movable wall, and additional data and phone service will be added. Work is to be completed during the 2013 Holiday Break.

Mr. Joseph moved, seconded by Mr. Roehrkasse, to recommend the Board of Trustees authorize the carpet and tile replacement and renovations at PSOP, not to exceed \$48,728.22. The motion carried. (This item will appear on the consent agenda.)

Public Safety Monthly Activity/Media Log

The October 2013 Public Safety Reports were provided to the trustees. There were no questions from the committee.

Chairman Roehrkasse commented Tom Ryder, legal counsel for the ICCTA, strongly encouraged Illinois community colleges to have policies and procedures in place prior to the enactment of the conceal and carry laws January 1, 2014. Mr. Ysursa reported the policies will be presented to the Planning and Policy Committee in December 2013.

FINANCE

Bid Awards

There were no bid awards.

Tax Levy for FY 2015

Vice President Ysursa stated while the tax levy for FY 2015 is based on an estimated growth in EAV of 1%, the aggregate tax rate is expected to only increase by \$1.04 cents. The operating rates will remain at the approved maximum. The aggregate extended tax levy is less than 5% of the actual 2012 extensions, thus truth-in-taxation does not apply and a public hearing is not required. All material has been reviewed by legal counsel.

Chairman Roehrkaske inquired if all legal requirements had been met. The Board Secretary replied the adopted resolution Notification of Intent to Levy was published last month. Upon the anticipated adoption of the Resolution Adopting Calendar Year 2013 Tax Levy at this month's Board meeting, that resolution will also be published in newspapers serving the district, as well as posted on the college website. The Resolution Adopting Calendar Year 2013 Tax Levy provides the number of required signatures on a petition (10% of the number of registered voters in the district) to place the tax levy on the ballot for general referendum and the required date to complete/submit the petition to the Board Secretary.

Mr. Joseph moved, seconded by Mr. Roehrkaske, to recommend the Board of Trustees adopt Resolution Adopting Calendar Year 2013 Tax Levy. The motion carried. (This item will appear on the consent agenda.)

Disposal of Equipment Exceeding \$5,000

Vice President Baitman requested authorization to dispose of three data projectors from Media Services. The projectors were purchased in 1998 in an original amount exceeding \$5,000 each. The cost to purchase similar projectors on the current market would be approximately \$500 each.

Mr. Joseph moved, seconded by Mr. Roehrkaske, to recommend the Board of Trustees authorize administration to dispose of three data projectors in Media Services. The motion carried. (This item will appear on the consent agenda.)

Contract with Club Colors

Vice President Fleming stated Club Colors is an internet promotional merchandise company based in Maryland. The online store will allow SWIC to replace its existing online store vendor and will offer affordable prices, allowing for a higher sales volume and providing us with 10% royalties on all sales.

Mr. Joseph moved, seconded by Mr. Roehrkaske, to recommend the Board of Trustees approve agreement with Club Colors Buyer LLC for one year to provide an online store for commercial purchases of SWIC licensed gear. The motion carried. (This item will appear on the consent agenda.)

Internet Advertising Agreement

Mr. Fleming requested approval of two revised versions of Internet Advertising Agreement: Exhibit A-Revision for Flexible Terms; and Exhibit A-Free Trial. The current Exhibit A of the contract for the Internet Advertising Agreement sets the terms at a minimum of six months for \$100/monthly. The term minimum limits sales potential as the college sets the budget for the client without considering their needs first. The revision to allow the college to offer a free trial period will allow SWIC to add advertisers to the Student Offers page more frequently, which results in students visiting the page more often. This should result in higher patronage of all advertisers, who will then become paying advertisers.

Mr. Joseph moved, seconded by Mr. Roehrkasse, to recommend the Board of Trustees approve two revised versions of Internet Advertising Agreement: Exhibit A-Revision for Flexible Terms; and Exhibit A-Free Trial. The motion carried. (This item will appear on the consent agenda.)

Mr. Fleming reported SWIC began in-kind advertising with two area MotoMarts. All parties are happy with the success, so much so that SWIC is being put in all 55 MotoMart locations in our district.

NON-ACTION ITEMS

Status of State Payments

Mr. Ysursa reported we have received all FY13 payments for the Base Operating Grant and the Equalization Grant. We have received one quarter FY14 payment for each of these two grants.

Pension Committee

Legislators will be called back before the end of the end to address the state's pension crisis. Mr. Roehrkasse stated to look toward one-half of 1% cost shifting from the state to the employee being in effect July 1, 2014.

Financial Aid Update

Vice President Clayborne provided the same Financial Aid Update as presented to the Personnel, Programs and Services Committee earlier this evening.

OTHER COMMITTEE RELATED BUSINESS

The next regular meeting of the Facilities and Finance Committee will be Monday, December 9, 2013 at 5:00 p.m. in the Seibert Conference Room.

ADJOURNMENT

Mr. Joseph moved, seconded by Mr. Roehrkasse, to adjourn the meeting at 7:31 p.m. The motion carried.

Respectfully submitted,

Beverly J. Fiss
Secretary to the Board of Trustees