

BOARD OF ILLINOIS COMMUNITY COLLEGE DISTRICT #523

Executive Committee Meeting

November 28, 2017

CALL TO ORDER

The executive committee meeting of the Board of Illinois Community College District #523, held at Kishwaukee College, Malta, Illinois, was called to order at 8:02 am by Chair, Robert Johnson, on Tuesday, November 28, 2017, in C-2175 Founders Boardroom.

ROLL CALL

Members Present:

Robert Johnson
Dr. Robert Hammon
Kathy Spears – via telephone
Dr. Laurie Borowicz

Members Absent:

Visitors Present:

Others present were:

Kathy Watkins, Trustee
RJ McGarry, Executive Director of IT
Kayte Hamel, Executive Director of Marketing & Public Relations
Jill Hansen, Comptroller – arrived at 8:03 am
Dr. Joanne Kantner, Vice President of Instruction
LaCretia Konan – arrived at 9:30 am
Mary Ann Kolls – arrived at 9:30 am
Chase Budziak – arrived at 9:30 am
Jamie Long – arrived at 9:30 am
Michelle Rothmeyer, Vice President of Student Services
Kevin Fuss, VP Institutional Effectiveness
Bill Nicklas, Executive Director of Development - arrived at 8:48 a.m.
Cindy McCluskey, Executive Director Board Relations & Human Resources
Michelle Ohlinger, Executive Assistant to the President

ADJOURN TO CLOSED
SESSION

There was no need for a closed session.

ELECTRONIC ATTENDANCE
OF BOARD MEMBER

Mr. Johnson noted that Ms. Spears had contacted him and Cindy McCluskey with a 24-hour advance notice asking to participate in today's meeting via teleconference.

APPROVAL OF MINUTES

The minutes of the regular Board of Trustees Executive Committee meeting of October 24 2017, were presented for approval. On a motion by Dr. Hammon, seconded by Dr. Borowicz and unanimously carried, the Executive Committee approved the minutes of the Board of Trustees Executive Committee regular meeting on October 24, 2017.

OLD BUSINESS – KEC
Update & K12 & Kish
College Board Update

Mr. Johnson noted that the letter he had drafted for the KEC and shared with the Board had not yet been sent.

The executive committee held a lengthy discussion on a possible Memorandum of Understanding agreement with the KEC. Dr. Borowicz has met with Mr. Craven to discuss an MOU.

Mr. Craven suggested using the \$200,000 that Sycamore has in their savings if a school does not pay for their mortgage is something we could look into. He will check with legal counsel. Mr. Craven and Mr. Tom Crouch have been talking and checking to see if they could transfer those funds to the College. The Board felt that we do not need to transfer the money but we need to have a MOU that would give us access to that money.

Dr. Borowicz stated that we want to be good partners but at the same time, we are not financially able to continue to cover the costs for the KEC. The executive committee discussed having a joint meeting with the KEC about the MOU.

The executive committee discussed various scenarios that might be available for the KEC to borrow money or to handle any shortfalls that may occur.

It was suggested to hold a meeting with Boards to discuss dual credit, pathways, and any other pertinent subjects. It was agreed to meet separately on a possible MOU.

Ms. Watkins stated the KEC is the regional vocational system for K12 it was set up as one of 50 districts. The KEC is K20 and she would like to see 5 years of data showing how much the KEC has not paid, when they have been in debt, and also when they got back in the black. The Kishwaukee College and the secondary schools formed this partnership and Kish is the taxing body in that partnership and it does serve all the schools even those not in the KEC because of the alternative ed. It is a regional system that is meant to serve all those kids K20 in career education and alternative education and that is what we have been doing for over 30 years. As far as the transfer, we put that money separate for a reason and that was part of the agreement our attorney set up so there would be more onus on the K12 then the College to pay for the building.

Discussion occurred on whether or not the College should be earmarking money in our budget to cover cash flow shortages.

The executive committee felt there should be an agreement but we should be very careful about what type of agreement. If the KEC board was amenable, the reserve they have to cover building payments could be turned into a revolving account to cover shortages in cash flow and then once money was received could be put back into the account. We would need a note that says we have access to it.

Could we suggest having access to the \$200,000 but in the event we have a cash flow problem, we will pay their bills up to \$200,000. They would need to have an understanding that they cannot go negative more than \$200,000. It would be available if a school district could not pay their way.

The executive committee would like to feel more confident in the KEC's budgeting process and see how they anticipate their revenue and expenditures.

Ms. Watkins stated the superintendents and Dr. Borowicz would have to take a closer look at the budget than they have in the past. Dr. Hammon commented that they should be reviewing budgeting for 2018-2019 school year now.

Mr. Johnson noted the College is the taxing bodies covering the K12; do we have a legal statewide obligation to be the KEC fiscal agent. There are concerns that putting money into an account they can draw down may take away the urgency to repay the fund.

Dr. Borowicz suggested that if they proceed with an MOU and come up with a timeline that we have a review date, that we don't make it indefinite. We should review the MOU annually or semi-annually.

The executive committee agreed that we cannot continue to do things the way we have in the past. We need to meet in the middle and find common ground that we can all live with.

We will pursue hosting a meeting with all of the Boards to talk about dual credit etc., and leave KEC discussion off that meeting, but have Dr. Borowicz and Mr. Craven work on drafting an MOU and see where we are. Ms. Hansen will provide additional information on the length of overdrafts.

A separate KEC bank account that would not co-mingle the funds was suggested. We could be the signatures, but the funds are in their own accounts. KEC could have responsibility to make sure funds are in that account when they are drafted.

Dr. Borowicz asked the executive committee if we ask for the \$200,000 or are we okay with them going negative. Mr. Johnson stated that with what the state is doing \$200,000 could easily become \$400,000 to \$600,000. We could be left holding a fairly large bag. It was noted that there could be many demands on that \$200,000, who would be first in line.

The Board's direction is to have KEC bring a proposal to not have the College deficit fund them anymore.

Ms. Watkins wants them to have a picture of when they have been in the red and for how long they were in the red. Mr. Johnson's biggest concern is what happens down the road if the state does not come through.

Mr. Johnson stated that we are jointly serving students in our district but we need to more clearly define our rolls.

Dr. Borowicz will proceed with sending an invitation to their Board chairs asking representatives to attend a meeting in January or February.

NEW BUSINESS –
December 12, 2017, Board
Meeting Draft Agenda

The Executive Committee reviewed the December 12, 2017, Board Meeting Draft Agenda.

The Board will recommend changing the date for the February Board meeting to February 20, 2018, action can be taken at the December Board meeting.

Academic Achievement Scholarships – the top tier will remain as a two-year program and the second tier will be as a one-year program until we re-access.

NEW BUSINESS – Board Member
Discussion

None

PRESIDENTS REPORT

Dr. Borowicz provided the president's report. Dr. Freeman invited Laurie to meet with her on shared services.

ADJOURNMENT

With no further business coming before the Executive Committee, Mr. Johnson asked to adjourn the meeting at 9:12 a.m. On a motion by Dr. Borowicz, seconded by Dr. Hammon, the meeting was adjourned.

The next meeting of the Executive Committee is scheduled for January 30, 2018.

Chair, Board of Trustees

Secretary, Board of Trustees