

**NORTHEAST COMMUNITY COLLEGE
BOARD OF GOVERNORS**

FINANCE COMMITTEE

Thursday, September 13, 2018

FINANCE COMMITTEE

Jeff Scherer, Chairperson	PRESENT
Julie Robinson	PRESENT
Gene Willers	PRESENT
Dirk Petersen, ex-officio	PRESENT

OTHER BOARD MEMBERS

Del Ames	PRESENT
Steve Anderson	PRESENT
Keith Harvey	PRESENT
Arlan Kuehn	PRESENT
Terry Nelson	PRESENT
Carol Sibbel	PRESENT

STAFF

Dr. Michael Chipps
John Blaylock
Lyle Kathol
Lynne Koski
Derek Bierman
Amanda Nipp
Eric Johnson
Dr. Tracy Kruse
Marcus Rios
Jim Curry
Diane Reikofski
Brenda Sock

MINUTES

1. The meeting was convened at 11:02 a.m. in Room 1108B of the College Welcome Center by Jeff Scherer, Chairperson of the Finance Committee.
2. Recommended approval of the Minutes of the August 15, 2018 meeting.
3. Lynne Koski, Vice President of Administrative Services, reviewed paid bills for August 2018, reporting that a large number of the bills were for book purchases through the College Store. Other significant expenses are construction related.
4. Lynne Koski, Vice President of Administrative Services, reviewed the 2018-2019 operating budgets for Northeast Community College. Request was made by Del Ames for the board to receive a five-year revenue snapshot of future years to use in making budget decisions.

Discussion was held to consider increasing the levy from the proposed 9.32 cents. Del Ames stated that he believes that the 9.32 will hold the College hostage and would like to have the levy increased. Justification for the suggested increase is because a budget reality at the state level is funding Medicaid and dollars to fund that will likely come from other state agencies, including community colleges. Keith Harvey expressed his concern that using cash reserves to help fund the budget sends the wrong message. Terry Nelson supported use of cash reserves as it is only 6% of the total reserves. Mr. Ames indicated that using cash reserves also shows the public that we are not placing full responsibility on the property owner. Jeff Scherer expressed initial concern about the message of increasing our levy when others are not. Julie Robinson also expressed concern about Northeast increasing the levy when the

Norfolk Public Schools recently reduced their levy. Mrs. Koski stated that Norfolk Public Schools (Madison County) valuations have increased while Northeast's (20-counties) valuations remain flat. Mr. Ames stated that the public should be concerned about the public schools' portion of property taxes rather than the community colleges' 5% portion of the property tax pool. Mr. Harvey expressed his support of the levy increase, stating that the board needs to maintain financial soundness of the institution and must focus on providing the best education for students at a reasonable cost.

Mrs. Koski reported that if the levy is set at an amount different than what was previously published, she will need to republish the levy within 20 days as required by state statute.

Following an in-depth discussion, a consensus was reached by the Finance Committee to recommend to the Board of Governors to increase the levy to 9.5 cents, along with utilizing cash reserves, and approve the 2018-2019 operating budgets as follows: General Operating Budget, \$49,024,243; Building Improvement Budget, \$18,298,860; Accessibility Barrier Removal/Haz Mat Budget, \$297,518; for a Total Tax Supported Budget of \$67,620,621; Self-Supporting Funds Budget, \$29,693,700; for Grand Total of All Budgets \$97,314,321.

5. With no further business to discuss, the meeting was adjourned at 11:37 a.m.