

Lake Land College
Finance Committee
June 7, 2018

Minutes

The Finance Committee of the Board of Trustees met on June 7, 2018, in Webb Hall 081, at Lake Land College, Mattoon, Illinois. Committee Chair Ann Deters called the meeting to order at 1:00 p.m.

Trustee Committee Members Physically Present:

Mr. Gary Cadwell, Committee Member
Mr. Dave Storm, Ex Officio Committee Member
Ms. Ann Deters, Committee Chair

Trustee Committee Members Absent:

Mr. Mike Sullivan, Committee Member

Other Trustees Physically Present:

Mr. Bruce Owen (arrived at 1:43 p.m.)
Ms. Doris Reynolds (arrived at 1:45 p.m.)

Others Present:

Dr. Josh Bullock, President
Mr. Bryan Gleckler, Vice President for Business Services
Dr. Tina Stovall, Vice President for Student Services
Ms. Jean Anne Grunloh, Senior Executive to the President
Ms. Madge Shoot, Comptroller

Hearing of Citizens, Faculty, or Staff.

Chair Deters asked if there were any public comments. There were none.

Approval of Minutes of March 8, 2018 Meeting.

Trustee Cadwell moved and Trustee Storm seconded that the minutes of the March 8, 2018 Finance Committee meeting be approved.

There was no further discussion.

Roll Call Vote:

Yes: Trustees Cadwell, Deters, and Storm. No: None. Absent: Sullivan.

Motion Carried.

Bills for Payment and Travel Expenses.

Trustees reviewed the summary and details of bills for payment and travel expenses for May 2018. Mr. Bryan Gleckler, Vice President for Business Services, presented highlights of both reports.

Trustee Cadwell moved and Trustee Deters seconded that the Finance Committee recommend to the Board approval of bills for payment and travel expenses for May 2018 which were presented by College administration with full assurance by management they have been prepared in good faith to follow all applicable laws and Board policy.

There was no further discussion.

Roll Call Vote:

Yes: Trustees Cadwell, Deters, and Storm. No: None. Absent: Sullivan.

Motion Carried.

April 2018 Financial Statements.

Trustees reviewed the April 2018 Financial Statements and a memorandum from Mr. Gleckler detailing significant variances for the statements. This information also included corresponding monthly financial spreadsheets that included a summary of all operational expenditures (Funds 1 and 2). Mr. Gleckler presented highlights of the financial statements and narrative report and he answered various questions by Trustees.

Trustee Storm moved and Trustee Cadwell seconded that the Finance Committee recommend to the Board approval of the April 2018 Financial Statements as presented.

There was no further discussion.

Roll Call Vote:

Yes: Trustees Cadwell, Deters, and Storm. No: None. Absent: Sullivan.

Motion Carried.

FY 2019 Budget.

Trustees reviewed the proposed FY 2019 Budget Book and heard a presentation from Mr. Gleckler regarding the FY 2019 Budget. Mr. Gleckler highlighted numerous comparisons of the FY 2018 and FY 2019 Budgets as well as operational fund balance changes since FY 2000. Mr. Gleckler and President Bullock answered various questions by Trustees regarding the proposed FY 2019 Budget. Dr. Bullock said approval of the FY 2019 Budget will be requested during the July 16, 2018, regular Board meeting, and that the proposed FY 2019 Budget must be displayed for public comment for at least 30 days prior to final approval by the Board.

Chair Deters requested that next year's budget format on page 14 of the Budget Book detail the current year budget with end of year actual projections (instead of the current year budgeted amount) along with the prior year actual and next year's budget. Mr. Gleckler said this change will be made.

Trustee Cadwell moved and Trustee Storm seconded that the Finance Committee recommend to the Board approval of the FY 2019 Budget as presented.

There was no further discussion.

Roll Call Vote:

Yes: Trustees Cadwell, Deters, and Storm. No: None. Absent: Sullivan.

Motion Carried.

Resolutions for Transfer of Working Cash and Transfer of Working Cash Interest.

Trustees heard a recommendation from Dr. Bullock to approve two proposed resolutions including:

- Resolution No. 0618-014 Authorizing Transfer of Working Cash Funds to the Education Fund to Pay for Educational Services Provided to Department of Corrections.
- Approval of Resolution No. 0618-015 to Authorize Treasurer to Transfer Interest Earned from Working Cash.

Trustees learned that Resolution No. 0618-014 will authorize the Treasurer to transfer up to \$5,000,000 from the Working Cash Fund to the Education Fund to pay for educational services provided to the Illinois Department of Corrections and with the expectation that this same amount be reimbursed from FY 18 Department of Corrections contractual payments. Trustees also learned that Resolution No. 0618-015 will authorize the College Treasurer to transfer interest earned from the Working Cash Fund to the Operation and Maintenance Fund for the purpose of new building construction and to remunerate expenses by authority under the Illinois Public Community College Act.

Trustee Storm motioned and Trustee Deters seconded to recommend to the Board approval of Resolution No. 0618-014 and Resolution No. 0618-015 as presented.

There was no further discussion.

Roll Call Vote:

Yes: Trustees Cadwell, Deters, and Storm. No: None. Absent: Sullivan.

Motion Carried.

Prevailing Wage Rates.

Trustees reviewed proposed Resolution No. 0618-017 - Ascertain the Prevailing Wage Rates. Trustees heard a recommendation from Dr. Bullock and Mr. Gleckler to approve this

Resolution and Trustees reviewed the schedule of prevailing wage rates as published by the Illinois Department of Labor (IDOL). Mr. Gleckler noted the rates are effective September 7, 2017, as IDOL has not yet published new rates in 2018.

Trustee Deters motioned and Trustee Storm seconded to recommend to the Board affirmation of Resolution No. 0618-017 - Ascertaining the Prevailing Wage Rates as presented.

There was no further discussion.

Roll Call Vote:

Yes: Trustees Cadwell, Deters, and Storm. No: None. Absent: Sullivan.

Motion Carried.

Proposed Membership in Governmental Telecommunications Consortium.

Trustees heard a recommendation from Dr. Bullock and reviewed a memorandum from Mr. Gleckler regarding the College joining a Government Telecommunications Consortium with Coles County, City of Charleston, City of Mattoon, and Eastern Illinois University. Trustees reviewed the mission statement of the Consortium and the proposed inter-agency agreement. Dr. Bullock said the creation of this Consortium is the first step to taking control of our own area network in Coles County to help control telecommunication costs, increase performance, and allow us to better adapt to rapid changes in technology. Trustees learned the first project will be to create and upgrade the county-wide network, including the construction of a tower (not on Lake Land property) to establish a microwave network. Mr. Gleckler said the cost of this initiative will be \$50,000 per member to be paid over two years. Once implemented, the College will save at least \$3,100 per year by no longer being part of a leased network.

Trustee Cadwell motioned and Trustee Storm seconded to recommend to the Board approval of the College becoming a member of the Government Telecommunications Consortium, with other members including Coles County, City of Charleston, City of Mattoon, and Eastern Illinois University, and pay up to \$50,000 over a two-year period for the creation of the microwave network.

There was no further discussion.

Roll Call Vote:

Yes: Trustees Cadwell, Deters, and Storm. No: None. Absent: Sullivan.

Motion Carried.

Cybersecurity Risks and Audit Update.

Mr. Gleckler provided an update on phase one (penetration testing) of the College's recent cybersecurity audit conducted by CDW LLC of Vernon Hills, Illinois. Trustees also heard a presentation from Mr. Lee Spaniol, Director of Information Systems and Services (ISS) regarding key findings from the audit. Trustees learned that CDW was not able to break the College's cybersecurity via outside penetration testing and that no critical vulnerabilities were found during the assessment. Mr. Spaniol highlighted some of the risk findings and what has

been done to date by ISS to tighten the College's cybersecurity. He said that we have addressed all of the high risk findings or have a plan to address the high-risk findings. Mr. Spaniol also discussed the auditor's recommendation for the establishment of a password policy with a 120 day password expiration. Mr. Spaniol also said the auditor recommended the College consider establishing a personnel position dedicated to monitoring cybersecurity.

Mr. Gleckler said phase two of the audit will be conducted later this fall and will include an external audit for policy review of cybersecurity and practices for general data protection. He also said we will have an ongoing repetition of phase one and two of these audits as well as provide routine updates (e.g. quarterly) to the Board of Trustees.

Other Business.

There was no additional discussion.

Adjournment.

Trustee Storm moved and Trustee Deters seconded to adjourn the meeting at 1:45 p.m. Motion carried by unanimous voice vote approval.

Approved by:

/s/Ms. Ann Deters, Finance Committee Chair/Secretary