

Lake Land College
Finance Committee
October 5, 2023

Minutes

The Finance Committee of the Board of Trustees met on October 5, 2023, in room 011, Board and Administration Center, Lake Land College, Mattoon, Illinois. Committee Chair Dave Storm called the meeting to order at 9:00 a.m.

Trustee Committee Members Physically Present:

Mr. Dave Storm, Committee Chair
Ms. Doris Reynolds, Committee Member
Mr. Gary Cadwell, Ex-officio Member

Trustee Committee Members Absent:

Mr. Mike Sullivan

Other Trustees Physically Present:

None

Others Present:

Dr. Josh Bullock, President
Ms. Jean Anne Highland, Chief of Staff
Dr. Valerie Lynch, Vice President for Student Services
Ms. Madge Shoot, Comptroller
Ms. Dustha Wahls, Director of Human Resources

Hearing of Citizens, Faculty, or Staff.

There were no public comments.

Approval of Minutes of July 6, 2023 Meeting.

Trustee Reynolds moved and Trustee Cadwell seconded to approve the minutes of the July 6, 2023, Finance Committee meeting.

There was no further discussion.

Roll Call Vote:

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

Motion Carried.

Quarterly Investment Report.

Mr. Joe Fearday, financial advisor with SC3F Wealth Management Group (formerly Wells Fargo Advisors), highlighted the Quarterly Investment Report for the period ending September 30, 2023. The total portfolio value for the quarter ending September 30, 2023, was \$65,724,613.

Presentation of Audit.

Mr. Garrett Kerr, CPA and Senior Manager with Martin Hood LLC of Champaign, presented highlights of the FY 2023 Audit, including the various financial statements and schedules. Trustees were provided printed and electronic copies of the Audit and the related Management and Post Governance letters for review. Trustees learned the financial statements are proper in form, present fairly in all material respects, there were no material weaknesses and the auditors provided an unmodified clean opinion. Mr. Kerr highlighted the summary analysis of what occurred in FY 2023 and key changes driven by the purchase of the Patterson Technology Center in Effingham and the related lease agreement with Patterson that followed. He updated Trustees on the College's adoption of new accounting standards, especially for IT related subscriptions.

President Bullock asked about note 26 on page 51 of the Report which indicates the Foundation's support to the College as \$0 in FY 2023 because of the Foundation's in-kind donation of numerous contents (e.g., furniture, technology items, etc.) of the Patterson Technology Center that were initially donated by Patterson to the College's Foundation. Mr. Kerr said he would review this for accuracy.

For the College's other reports, Mr. Kerr said they provided a clean, unmodified report for the Adult Education Program Report and the Schedule of Enrollment Data Report. He said they found one material weakness for the Internal Controls Report that was related to proper procurement methods of items purchased with the federal pandemic-related funding – the Higher Education Emergency Relief Fund (HEERF). He did say the College has spent all federal pandemic-related funds issued to the College and the College has adopted a flow chart for properly understanding the procurement process when using federal funds, which can be different than the process mandated by the IL Community College Act.

Ms. Shoot noted that Ms. Jennifer Hedges, Director of Financial Aid, has worked hard to correct a finding from the FY 2022 Audit and there were no issues in that area for the FY 2023 Audit.

Ms. Shoot also clarified for the Board that schedules 1-9 and 15 are not legally required to be in the Audit but these are schedules the College has chosen to include for several years now. She said that in the future the administration may seek approval from the Board to no longer include these schedules. Committee Chair Storm was supportive of this request.

Mr. Garrett expressed his appreciation for the excellent assistance from Ms. Shoot and the staff in the Accounting Department with the audit process.

[Note: Trustee Reynolds left the meeting at 9:32 a.m.]

Committee Chair Storm thanked Mr. Kerr for their well-documented Report and his informative presentation. Committee Chair Storm also thanked Ms. Shoot and Dr. Bullock for their extensive work to assist with the Audit as well.

Trustee Cadwell moved and Trustee Storm seconded that the Finance Committee recommend to the Board approval of the FY 2023 Audit Report as presented.

There was no further discussion.

Roll Call Vote:

Yes: Trustees Cadwell and Storm. No: None. Absent: Reynolds and Sullivan.

Motion Carried.

Tuition and Fees Rates for Spring 2024.

Trustees heard a recommendation from Dr. Bullock that the tuition and fees rates for the Spring 2024 semester remain at the same rate established for the Summer 2023 and Fall 2023 semesters. Trustees reviewed a memo from Dr. Bullock detailing all current tuition and fees rates.

Trustee Storm moved and Trustee Cadwell seconded that the Finance Committee recommend to the Board approval of the administration's recommendation to maintain the same tuition and fees rates for the Spring 2024 semester that have been in place for the Summer 2023 and Fall 2023 semesters.

There was no further discussion.

Roll Call Vote:

Yes: Trustees Cadwell and Storm. No: None. Absent: Reynolds and Sullivan.

Motion Carried.

Health, Dental and Vision Renewal with Aetna.

Trustees reviewed a recommendation from Ms. Shoot for the Board to approve the renewal of the College's health, dental and vision insurance plans with Aetna for 2024. Dr. Bullock and Ms. Dustha Wahls, Director of Human Resources, also concurred with this recommendation. Ms. Shoot reported the administration and the College's Health Insurance Committee have been actively working in recent months with the College's insurance consultant, Gallagher, to renew the employee health, dental and vision insurance. She said that after extensive review, the College's Health Insurance Committee recommends that we proceed with the renewal with Aetna for plan year 2024.

Ms. Shoot said that the Aetna proposal represents a 0% change in the annual administration fee compared to the prior year and overall would represent an 11.2% cost increase to the College for Medical Insurance. Due to this high increase the College has chosen to offset 1.2%

of the costs with the funds that are designated for health insurance costs and the actual increase to employees will be 10.0%. Ms. Shoot also highlighted how the initial proposal from Aetna included a 12.1% increase and she reported on how the College's Health Insurance Committee collaborated with Gallagher to modify some components of the plan to achieve lowering the overall annual premium increase to 11.2%. Trustees learned the premiums for the dental and vision coverage will remain the same.

Trustees reviewed a memo from Ms. Shoot that detailed the impact to employees for these proposed premium rates based on their various plan options (e.g., single, single+1, and family). She also highlighted two new extra programs that will be offered to employees in 2024 including voluntary long-term disability and voluntary pet insurance.

Trustee Storm moved and Trustee Cadwell seconded that the Finance Committee recommend to the Board approval of the renewal of the College's health, dental and vision insurance plans as presented with Aetna for plan year 2024.

There was no further discussion.

Roll Call Vote:

Yes: Trustees Cadwell and Storm. No: None. Absent: Reynolds and Sullivan.

Motion Carried.

August 2023 Financial Statements.

Trustees reviewed the August 2023 Financial Statements and a memorandum from Ms. Shoot detailing significant variances for the statements. This information also contained corresponding monthly financial spreadsheets that included a summary of all operational expenditures (Funds 1 and 2 - General Fund) and a Salary, Wage and Benefits Report for FY 2024. Ms. Shoot highlighted the overall summary of the revenues, expenditures and significant variances.

Trustee Storm moved and Trustee Cadwell seconded that the Finance Committee recommend to the Board approval of the August 2023 Financial Statements as presented.

There was no further discussion.

Roll Call Vote:

Yes: Trustees Cadwell and Storm. No: None. Absent: Reynolds and Sullivan.

Motion Carried.

Strategic Use of Working Cash Fund and Revisions to Board Policy 10.17 – Working Cash Fund.

Ms. Jean Anne Highland, Chief of Staff, provided a recommendation for approval of proposed revisions to the above-referenced Policy. Trustees reviewed details of the proposed changes. Ms. Highland said these changes are necessitated by the passage of Public Act 103-0278, which enables monies in the working cash fund to be used for any and all college expenses

and further allows colleges to abate their working cash fund and transfer the balance to operating funds. However, Ms. Highland reported it is the administration’s recommendation that we continue using the working cash fund as we have done so in the past, with the parameters that transfers from our working cash fund will only go to the education fund, operation and maintenance fund, and the operation and maintenance restricted fund per approval of the Board. She said the administration also has no intention of recommending we abate the working cash fund.

Trustees learned this recommendation follows consultation with Ms. Shoot and our bonding advisors with Chapman and Cutler LLP and PMA Securities LLC who have stressed the importance that for any future bonding initiatives the bond rating agencies will want to review our stated parameters for how we intend to use the working cash fund. Ms. Highland said that since Public Act 103-0278 became effective July 28, 2023, the administration is requesting the Board waive first reading and approve proposed revisions during the October 9, 2023 Board of Trustees meeting.

Trustee Cadwell moved and Trustee Storm seconded that the Finance Committee recommend to the Board the waiver of first reading and approve as presented proposed revisions to Board Policy 10.17 – *Working Cash Fund*, which will clarify the College’s strategic use of the working cash fund.

There was no further discussion.

Roll Call Vote:

Yes: Trustees Cadwell and Storm. No: None. Absent: Reynolds and Sullivan.

Motion Carried.

Other Business.

Dr. Bullock shared good news that the College was recently notified by ICCB that the College will receive additional FY 2024 funding allocations from ICCB. This is due to revised allocations for the System based upon the review of freshman / sophomore dual credit claims that were not allowed pursuant to ICCB Administrative Rules. When the College conducted its dual credit review, we only had to adjust for one student. We were awarded an additional \$217,611 in combined base operating grants/credit hour reimbursement and equalization.

There was no additional discussion.

Adjournment.

Trustee Storm moved and Trustee Cadwell seconded to adjourn the meeting at 10:15 a.m. Motion carried by unanimous voice vote approval.

Approved by:

/s/Dave Storm

Finance Committee Chair/Secretary