

Lake Land College
Finance Committee
November 4, 2021

Minutes

The Finance Committee of the Board of Trustees met on November 4, 2021, 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
Ms. Denise Walk, Committee Member
Mr. Mike Sullivan, Ex-officio Member

Trustee Committee Members Absent: None

Other Trustees Physically Present:

Mr. Kevin Curtis

Others Present:

Dr. Josh Bullock, President
Ms. Jean Anne Grunloh, Chief of Staff
Ms. Seirra Laughhunn, Executive Assistant to the President's Office
Mr. Jon Althaus, Vice President for Academic Services
Mr. Greg Nuxoll, Vice President for Business Services
Ms. Valerie Lynch, Vice President for Student Services
Ms. Madge Shoot, Comptroller
Ms. Chris Strohl, Dean for Workforce Solutions and Community Education

Hearing of Citizens, Faculty, or Staff.

There were no public comments.

Approval of Minutes of June 28, 2021 Meeting.

Trustee Sullivan moved and Trustee Walk seconded to approve the minutes of the June 28, 2021, Finance Committee meeting.

There was no further discussion.

Roll Call Vote:

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

Motion Carried.

Presentation of Audit.

Trustees heard a presentation from Ms. Tami Knight, CPA with Kemper CPA of Mattoon. Ms. Knight provided highlights of the 2021 Audit Report and various financial statements. She also gave an overview of a trend analysis for the College's assets, debt, and income statements. Trustees learned the financial statements present fairly in all material respects, there were no material weaknesses and all three related Audit reports were unmodified, meaning there were no issues or areas of concern. She noted the positive actions taken by the Financial Aid Department in the past year to correct issues of concern found in the 2020 Audit Report. Ms. Knight expressed her appreciation for the excellent assistance from Ms. Madge Shoot, Comptroller, and the staff in the Accounting Department, with the audit process. Ms. Knight also noted the College has several positive financial indicators, especially given all the challenges with the COVID-19 pandemic.

Trustees learned the FY 2021 Audit Report is still in draft form and will not yet be submitted to the Board for approval in November 2021. Ms. Knight said ICCB has not yet been able to certify credit hour data due to a cyber-attack on their system.

Tuition Incentives Spring 2022.

Trustees heard a request from President Bullock and reviewed a memorandum from Ms. Valerie Lynch, Vice President for Student Services, that the Board approve two tuition incentive programs for Spring 2022 as follows:

- Provide a Spring 2022 tuition award (waiver) equivalent to the credit hours a student withdrew from during the past year (Spring, Summer or Fall 2020 and Spring, Summer, or Fall 2021) up to a maximum of five (5) credit hours (\$552.50). Trustees learned the goal is to help students "recover" some of the credit hours lost through withdrawal and to encourage and support them in continuing their Lake Land College education. All funds to support this initiative will be provided through the use of the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA).
- Offer a "Second Chance Presidential Scholarship" incentive to 2021 district high school graduates who either:
 - Attended another college or university for Summer or Fall 2021 but do not plan to continue at that school for Spring 2022; or
 - Have not yet attended any college or university and wish to attend Lake Land for Spring 2022. Trustees learned this opportunity would be extended to 2021 graduates from a Lake Land College district high school only. The students would agree to follow the same rules and eligibility requirements as the current Presidential Scholars. The award covers full tuition for up to two academic years.

Trustees heard a request from Dr. Bullock and reviewed two memorandums from Ms. Chris Strohl, Dean for Workforce Solutions and Community Education, that the Board approve two tuition incentive programs for a pilot period of Spring 2022 through Spring 2025 as follows:

- Offer a six credit hour tuition and fees waiver for any adult students that are eligible for the “Ability to Benefit” Program related to FAFSA process. Trustees learned the College can help disadvantaged adult students gain access to the “Ability to Benefit” federal financial aid program by assisting with the six credit hour private payment requirement.
- Offer a three credit hour tuition waiver for any GED or Pathways Alternative High School Graduates. Dr. Bullock said that by providing this tuition incentive, we hope to enable greater access to higher education for more disadvantaged students in our college district.

Dr. Bullock said the administration will reevaluate the effectiveness of these tuition waiver programs during the Fall 2024 semester before asking the Board to extend the tuition waiver programs beyond Spring 2025.

Trustee Reynolds moved and Trustee Storm seconded that the Finance Committee recommend to the Board approval of the above-four tuition incentive programs as presented.

There was no further discussion.

Roll Call Vote:

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

Motion Carried.

Cyber Security Insurance.

Trustees reviewed a recommendation from Mr. Greg Nuxoll, Vice President for Business Services, for the Board to approve a cyber-security insurance policy with Cowbell Cyber, Inc. of Bedford, Texas, in the amount of \$18,248 for the period December 14, 2021, through December 14, 2022, providing \$3 million in coverage. Mr. Nuxoll reported that our current insurance provider, Lloyds of London, has declined to offer the College a renewal of our current policy that expires on December 14, 2021, and provides for \$5 million in coverage at a cost of \$33,330. Trustees learned our insurance broker, Dimond Brothers, reached out to many carriers seeking coverage for the next year and secured a quote of coverage from Cowbell Cyber, Inc. Mr. Nuxoll said that insurance policies underwritten by Cowbell Cyber, Inc. are written by National Specialty Insurance Company - a Best “A” rated insurance company. He also said he will continue to seek additional coverage in excess of \$3 million and bring any additional coverage amount back to the Board for approval at a later date.

Trustee Walk moved and Trustee Reynolds seconded that the Finance Committee recommend to the Board approval of the cyber security insurance policy with Cowbell Cyber, Inc. as presented.

There was no further discussion.

Roll Call Vote:

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

Motion Carried.

Bonding for Building Projects.

Trustees heard an update from Dr. Bullock on remaining proceeds from existing bonds that will be paid off in FY2023 and proposed future building projects or renovations for which the administration wishes to pursue and fund through the bonding and levy process including:

- Phase 1 of the Rural Development Technology Center (to house ERCA).
- Renovation of the Kluthe Center.
- Other potential campus projects.
- Landscaping upgrades as part of a multi-year landscaping project on the College's main campus.

Committee Chair Storm asked Trustees if anyone had concerns for the administration to proceed with plans to pursue bonding to fund the above-referenced projects. There were no expressed concerns.

Dr. Bullock said the administration will bring back to the Board for approval at a later date the actions necessary to start the bonding process for any of the above-listed projects.

September 2021 Financial Statements.

Trustees reviewed the September 2021 Financial Statements and a memorandum from Mr. Nuxoll 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), the College's other funds (Funds 3, 4, 5, 6 11, and 12), and a Salary, Wage and Benefits Report for FY 2022. Mr. Nuxoll highlighted the overall summary of the revenues, expenditures and significant variances.

Trustee Storm moved and Trustee Walk seconded that the Finance Committee recommend to the Board approval of the September 2021 Financial Statements as presented.

There was no further discussion.

Roll Call Vote:

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

Motion Carried.

Other Business.

Trustees reviewed a recommendation from Ms. Madge Shoot, Comptroller, for the proposed Certificate of Tax Levy for 2021. Dr. Bullock said the proposed taxing levy will not exceed a five percent increase over the prior year's extension. Therefore, a notice and a hearing will not be necessary. Ms. Shoot said our estimated rate of levy will decrease to approximately \$.5996 per \$100 EAV, which is a 2.5% decline in the amount levied overall from the prior levy year.

Committee Chair Storm asked Trustees if anyone had any concerns of the proposed levy rate. There were no expressed concerns.

There was no additional discussion.

Adjournment.

Trustee Walk moved and Trustee Storm seconded to adjourn the meeting at 9:41 a.m. Motion carried by unanimous voice vote approval.

Approved by:

/s/ Dave Storm
Finance Committee Chair/Secretary