

Lake Land College
Finance Committee
December 5, 2019

Minutes

The Finance Committee of the Board of Trustees met on December 5, 2019, in room 011 of the 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. Gary Cadwell, Committee Member
Ms. Doris Reynolds, Ex Officio Committee Member
Mr. Dave Storm, Committee Chair
Mr. Mike Sullivan, Committee Member

Other Trustees Physically Present:

None.

Others Present:

Dr. Josh Bullock, President
Ms. Beth Gerl, Vice President for Student Services
Mr. Jon Althaus, Vice President for Academic Services
Ms. Jean Anne Grunloh, Senior Executive to the President
Dr. Jim Hull, Vice President for Workforce Solutions and Community Education
Ms. Madge Shoot, Comptroller
Mr. Scott Rawlings, Director of Physical Plant Operations
Ms. Dustha Wahls, Director of Human Resources

Hearing of Citizens, Faculty, or Staff.

Chair Storm asked if there were any public comments. There were no public comments.

Approval of Minutes of October 10, 2019 Meeting.

Trustee Sullivan moved and Trustee Cadwell seconded to approve the minutes of the October 10, 2019, Finance Committee meeting.

There was no further discussion.

Roll Call Vote:

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

Motion Carried.

Certificate of Tax Levy.

Trustees heard a recommendation from Dr. Bullock and Ms. Madge Shoot, Comptroller, for Board approval of the proposed 2019 Tax Levy and Certificate of Compliance. Trustees reviewed details of the documents to be issued to each of the 15 counties in the Lake Land College district and Trustees learned the proposed taxing levy will not exceed a five percent increase over the prior year's extension. Therefore, a notice and a Truth in Taxation hearing will not be necessary. Dr. Bullock said the College will not know the actual tax rate for the 2019 levy year until late spring when all of the EAV's are finally determined by the 15 individual counties in the College's district.

Trustee Cadwell moved and Trustee Sullivan seconded that the Finance Committee recommend to the Board approval of the 2019 tax levy and related certificate of compliance as presented.

There was no further discussion.

Roll Call Vote:

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

Motion Carried.

Workers Compensation Insurance Renewal.

Trustees heard a recommendation from Dr. Bullock and Ms. Shoot for the Board to renew the College's current worker's compensation policy with the Illinois Public Risk Fund (IPRF). Trustees learned the proposed renewal reflects nearly a 6.0% increase in premium costs to the College as compared to the expiring rate. However, because the College again qualifies to receive a Safety Grant from IPRF that exceeds the premium rate increase, the net change from the expiring year is a decrease of \$3,350 for a 1.5% reduction.

Trustee Sullivan moved and Trustee Cadwell seconded that the Finance Committee recommend to the Board the renewal of the College's Worker's Compensation Insurance Policy with the Illinois Public Risk Fund for 2020.

There was no further discussion.

Roll Call Vote:

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

Motion Carried.

Insurance Benefits Consultant.

Trustees heard a recommendation from Dr. Bullock and Ms. Dustha Wahls, Director of Human Resources, that the Board appoint Gallagher Benefit Services, Inc. of Rolling Meadows, Illinois as the College's exclusive consultant/insurance broker of record. Trustees reviewed details of the College's RFP for an insurance benefits consultant and the proposal received from Gallagher. Trustees learned Gallagher's proposal holds firm an annual fee of \$71,000, paid quarterly, for a period up to three years for all specified benefit consulting services. Additionally, their fee is net of commission and guaranteed from 1/1/2020 through 12/31/2022,

with the College having the right to terminate this relationship at its discretion. The proposed annual cost with Gallagher represents an annual savings of approximately \$9,000 from the fee structure with our current consultant, J. W. Terrill.

Trustee Cadwell moved and Trustee Sullivan seconded that the Finance Committee recommend to the Board the appointment of Gallagher Benefit Services, Inc. of Rolling Meadows, Illinois as the College's exclusive consultant/insurance broker of record.

There was no further discussion.

Roll Call Vote:

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

Motion Carried.

Bid for West Building Flooring.

Trustees heard a recommendation from Dr. Bullock, Ms. Shoot and Mr. Scott Rawlings, Director of Physical Plant Operations, that the Board reject all three bids received for the West Building Flooring Project. Trustees learned this project was to have been completed between the fall and spring semesters. Mr. Rawlings said that since the College received these bids, each of the three bidders have been unable to confirm whether they would be able to meet the completion date deadline of January 9, 2020.

Trustee Storm moved and Trustee Cadwell seconded that the Finance Committee recommend to the Board rejecting all bids received for the West Building Flooring Project and rebid the project next spring for a summer completion date.

There was no further discussion.

Roll Call Vote:

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

Motion Carried.

Bid for Neal Hall Roof.

Trustees heard a recommendation from Dr. Bullock, Ms. Shoot, and Mr. Rawlings that the Board approve the bid from Advanced Commercial Roofing of Champaign in the amount of \$564,375 for the Neal Hall Roofing Project. Trustees learned Advanced Commercial Roofing submitted the lowest of two bids received. Trustees reviewed details of the bid tabulation sheet.

Trustee Sullivan moved and Trustee Cadwell seconded that the Finance Committee recommend to the Board approval of the bid from Advanced Commercial Roofing of Champaign in the amount of \$564,375 for the Neal Hall Roofing Project.

There was no further discussion.

Roll Call Vote:

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

Bids for Foundation and Alumni Center.

Trustees heard a recommendation from Dr. Bullock, Ms. Shoot and Mr. Rawlings that the Board approve each of the five bids received related to the construction of the Foundation and Alumni Center as follows:

- Performance Contract – CTS Group of St. Louis, Missouri, in the amount of \$1,040,249 for the mechanical, electrical, plumbing, windows and storefront, program management and construction management services for trades direct to the College.
- Foundation and Site Concrete – Grunloh Building, Inc. of Effingham, Illinois, in the amount of \$146,306.
- Site and Structure Demo – Grunloh Building, Inc. of Effingham, Illinois, in the amount of \$20,700.
- General Trades Contract – Grunloh Construction, Inc. of Effingham, Illinois, in the amount of \$618,000.
- Roof Installation – D. E. Martin Roofing Co. of Lebanon, Illinois, in the amount of \$120,587.

Trustee Cadwell moved and Trustee Sullivan seconded that the Finance Committee recommend to the Board approval of each of the above five bids as presented for the Foundation and Alumni Center.

There was no further discussion.

Roll Call Vote:

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

State Funded Deferred Maintenance Projects.

Trustees heard a recommendation from Dr. Bullock and Ms. Shoot that the Board approve two projects, replacement of Parking Lots A and B, so that the College can move forward in submitting these projects to ICCB for consideration under the deferred maintenance funding. Trustees learned the total estimated costs of these two parking lot replacements is \$4.0 million. If approved and since this is a CDB project, the College would be required to fund 25% of the total cost (\$1 million) and CDB would fund the remaining \$3 million.

Trustee Sullivan moved and Trustee Cadwell seconded that the Finance Committee recommend to the Board approval of two projects, replacement of Parking Lots A and B, for submission to ICCB in consideration under the state funded deferred maintenance projects.

There was no further discussion.

Roll Call Vote:

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

Motion Carried.

October 2019 Financial Statements.

Trustees reviewed the October 2019 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). Ms. Shoot presented highlights of the financial statements and narrative report. Ms. Shoot answered various questions by Trustees.

Trustee Cadwell moved and Trustee Sullivan seconded that the Finance Committee recommend to the Board approval of the October 2019 Financial Statements as presented.

There was no further discussion.

Roll Call Vote:

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

Motion Carried.

Other Business.

Dr. Bullock said that in November 2019, the Board approved a Donation Agreement with the Lake Land College Foundation for the reimbursement, in an amount not to exceed \$1.5 million, for the advanced constructions costs of the planned Foundation & Alumni Center. He said this agreement was approved based upon the estimated total cost for the design and construction of the facility to be approximately \$1.7 million, with the generous donation of the Foundation covering \$1.5 million of the total cost and the College assuming the remaining fiscal responsibility. Dr. Bullock said that based on all bids received for each of the five components (detailed earlier in the meeting) the total estimated cost for the project, excluding the College funded bookstore demolition costs of \$20,700, will now be \$2,215,435. Dr. Bullock explained that he will be requesting from the full Board during the December 9, 2019, regular meeting approval to expend up to an additional \$525,000 to fund the design and construction of Foundation and Alumni Center. Trustees learned that with Board approval, this will bring the College's total potential investment in the project up to \$725,000 from the initial estimate of \$200,000, along with the donation of \$1.5 million from the Lake Land College Foundation.

Each Finance Committee member expressed support of Dr. Bullock's proposed request to the full Board and cited support for the project to continue as planned.

There was no additional discussion.

Adjournment.

Trustee Sullivan moved and Trustee Cadwell seconded to adjourn the meeting at 9:32 a.m. Motion carried by unanimous voice vote approval.

Approved by:

/s/Mr. Dave Storm, Finance Committee Chair/Secretary