

**MINUTES OF THE FINANCE COMMITTEE MEETING
HEARTLAND COMMUNITY COLLEGE BOARD OF TRUSTEES
APRIL 18, 2023**

Members: Janet Hood, Tom Whitt, Justin Knorr

Others: Andria Merkle-Student Trustee, Board of Trustees; Barb Leathers-Executive Director of Human Resources; Melanie Fata-HR Director; Joshua Crockett-Trustee, Board of Trustees; Patrick Mattefs-R&R Consulting; Chris Kramer-R&R Consulting; Molly Flynn-Johns-R&R Consulting

The Finance Committee meeting was called to order at 3:05 pm by Chair Janet Hood.

PUBLIC COMMENT

None.

FINANCE COMMITTEE MINUTES

Tom Whitt moved to approve the minutes from March 21, 2023; Justin Knorr seconded and the motion was approved.

FINANCE REPORT

Mr. Knorr gave an overview of the April 2023 Bills, Investment Report, and Revenues and Expenditures Summaries. The April 2023 Wire Transfer Log was reviewed with items being typical monthly transactions.

FINANCIAL PLANNING

The following were made available for review: Financial Planning Timeline, FY20-24 Professional Services Review Timeline, and Facilities and Construction Projects Update. The FRC Plaza construction item will be moved to a future date. Only one FRC Plaza bid came in, and it was substantially higher than expected, resulting in the bid being rejected.

DISCUSSION ITEMS

Health Insurance Renewal FY24

R&R presented on various options for the FY24 employee health insurance renewal, which the committee discussed at length. It was ultimately determined that a special Finance Committee meeting be scheduled prior to next month's regular meeting to allow for more time for discussion and deliberation before a recommendation is made to the Board of Trustees in May.

Property & Casualty Insurance Renewal

Conservative estimates of the College's renewal premiums for property & casualty insurance indicate we should expect to see about an 11.5% increase in premiums, from

\$472K to \$526K. The ICRMT premiums, which include major items like property, auto, cyber, and work comp coverage, are expected to increase by \$47,000. Our property values increased by 10% and that makes up \$25,000 of the estimated increase in premium. With the exception of cyber coverage, our broker (Van Gundy) feels confident we can keep the renewal at the estimated premiums or below. The current estimated \$12,000 increase in cyber is a guess by the underwriter and broker. This market changes almost daily and is much more difficult to predict.

These estimates do not include additional insurance we will need for our agriculture facility and addition. We will need to assume coverage once construction is complete. Our broker estimates an annual cost of \$50K to cover the new property.

FY24 Employment Compensation

Our strategic budget forecast currently assumes an increase of 3% in existing salaries and an additional \$500K to fund new positions needed to support the new facility and program expansion projects, as well as budget for a potential market adjustment to current salaries once the College completes an updated market study in an effort to keep salaries current and competitive since the comprehensive market study completed a couple of years ago.

Revenue Recapture Resolution FY24

This is an annual action item the Board must take as a result of a change to the property tax code, effective levy year 2021. Generally, the College will recommend to take the 1% increase on bonds rather than elect to collect on the revenue recapture amount because it is more financially favorable to the College.

Brandt Industries USA Ltd and Brandt Properties USA Ltd.

Brandt met the requirements in the original 2017 Agreement for 2022 and staff will be recommending to the Board to abate taxes per the Agreement.

Audit Firm Engagement FY23

The Board of Trustees will be asked to approve the resolution regarding the engagement of the firm of Wipfli LLP (Sterling, IL) to conduct the FY23-25 College audit for a fee range of \$72,500 – \$79,500.

ADJOURNMENT

Tom Whitt moved to adjourn the meeting; Justin Knorr seconded and the motion was approved.

The meeting was adjourned at 5:48 pm.