

**MINUTES OF THE FINANCE COMMITTEE MEETING
OF THE HEARTLAND COMMUNITY COLLEGE BOARD OF TRUSTEES
Community Commons Building, Room 2011
November 19, 2024**

Members: Janet Hood, Tom Whitt, Noah Lamb, Josh Crockett, Laura Hughs

Others: Keith Cornille-President; Barb Leathers-Executive Director, Human Resources; Kaitlyn Cope-Program Assistant, Executive Office; Scott Swanson-Senior Project Manager, Facilities; Andy Litwiller-Executive Director, Facilities; Melanie Fata-Director, Human Resources; Auston Koch-Student Trustee; Becky Ropp-Chair, Board of Trustees; Sara McKenna-Wipfli

The Finance Committee meeting was called to order at 3:31 by Chair Janet Hood.

PUBLIC COMMENT

None.

FINANCE COMMITTEE MINUTES

Mr. Crockett moved to approve the minutes from October 15, 2024; Mr. Lamb seconded and the motion was approved.

CONSENT AGENDA

Ms. Hood asked to remove 4.1.2 and 4.1.3 for questions and then Mr. Whitt moved to approve the Consent Agenda, as amended; Mr. Crockett seconded and the motion was approved. Ms. Hood requested clarification as to why the rates and due dates of CDs are not in the investment report. Mr. Lamb stated these can be added back into the future reports. She also questioned the spike in medical costs. Discussion ensued.

DISCUSSION ITEMS

Estimated 2024 Tax Levy Resolution

Mr. Lamb presented. He stated that the EAV increase should be at approximately 10.5%, which is approximately a \$2 million increase to operating revenue. We have continued to maintain the tax rate in this endeavor. Mr. Whitt asked for an explanation of the difference between the McLean County Board's levies and ours as they did not take the full levy offered. Mr. Lamb explained that while we essentially maintain the rate, we take the full amount to make sure we negotiate properly based on the rules of the levy. It was not understood why the McLean County Board did not take the full amount. Dr. Cornille explained that the tax revenues are handled differently between municipalities and how the tax levies are structured.

HCC Pontiac Lease

Mr. Lamb presented. We are recommending a 10-year renewal with the Pontiac Public Library, despite a rate increase of 3.5% annually. For the first 5 years, the agreement is set but can be renegotiated from years 6-10 with a 1-year notice of nonrenewal if there is a decision to potentially relocate operations in Pontiac. Ms. Ropp asked if they incurred extra expenses from our residence there that caused the increase; Mr. Lamb stated that it was primarily property appreciation and needs for facility repairs and upgrades.

- Kankakee Community College for Grundy-Livingston-Kankakee Workforce Board Sublease (Oral). This sublease has been renewed; we did not increase rent.
- Mid Central Community Action, Inc. Sublease (Oral). This sublease has been renewed; we did not increase rent. The only change is that in the Pontiac location they have scaled down from two offices to one.

FY2024 Final Annual Comprehensive Financial Report and Single Audit

Ms. Sara McKenna of Wipfli presented. Internal controls: 2024-001 material weakness on fixed asset reporting. This makes us a high-risk auditee, which essentially does not change the testing for us. 2024-002 significant deficiency on account reconciliation: some lack of review and slight variances due to employee turnover. 2024-003 significant deficiency on special tests & provisions-verification: there were issues with dates and signatures on 4 of 17 students assessed. Ms. McKenna stated that these will likely be fixed by next year, and these changes will remove the high-risk rating in 3 years (term of ratings). Mr. Lamb expressed appreciation for Wipfli and their astute observations that allow us to improve our procedures and prevent further findings. Ms. Ropp asked about procedure documentation and how that is affected by employee turnover. Mr. Lamb expressed that this has been an ongoing conversation and that more detailed guidelines are being created.

Approved Projects Threshold Recommendations

Mr. Lamb stated that himself and Jd Davis is working on this and soliciting advice from her counterparts. Mr. Whitt asked if this could be a tiered or categorized contingency. Mr. Lamb says that the state only allows a contingency of 10%, but we usually attempt to account for surprises with allowances as line items.

Facilities Master Plan

Mr. Litwiller will be providing an update to the master plan at the Board meeting. He says we are compliant with the master plan that has been filed with the state.

Capital Project – Science Labs, Phase II

DKA will present on this at the Board meeting but Mr. Litwiller gave a brief summary of the work planned.

Employee Medical Insurance Discussion, Cont'd

Ms. Leathers presented, reminding committee members of the strategic plan related to employee insurance. She focused on item 1, which is increasing employee awareness of the cost of insurance. Heartland pays more than most of the Great Lakes comparison, and only 9% of employers pay 100% of the employee premium. Compared to Illinois, Heartland pays less for family/dependent coverage and there is only one other ICCB college that pays 100% of employee premium. Compared to local employers, Heartland pays more for employee and less for family/dependent coverage with only two others paying 100% of the employee premium. Premium cost-sharing options were presented. Discussion ensued.

Other

N/A

ADJOURNMENT

Mr. Crockett moved to adjourn the meeting; Mr. Lamb seconded and the motion was approved.

The meeting was adjourned at 5:00 PM.