

COMMUNITY COLLEGE DISTRICT NO. 536
BOARD OF TRUSTEES COMMITTEE

Finance
February 8, 2021

MINUTES

The Finance Committee Meeting of the Board of Trustees of Lewis and Clark Community College, District No. 536, was held February 8, 2021 online in a virtual format by teleconference via ZOOM

<https://lewisclark.zoom.us/j/91816480458?pwd=L2pzcklZVm1XdW96NldTTTERKRdHUT09>
or by phone at 1 312 626 6799 with Meeting ID 918 1648 0458 and Password 78144.

The meeting began at 11:00 am.

ROLL CALL

Present

Julie Johnson, Vice Chair
Kevin Rust, Secretary

Also present were Ken Trzaska, Mary Schulte, Nancy Kaiser, Travis Jumper, Dwight Werts, Gary Rolfe, Jen Fuhler, Ted Kratschmer, Melissa Batchelor, Jessica Noble, Chris Reese, and Sue Keener.

No public comments were submitted.

In response to inquiry, Mary Schulte responded that the \$6,611.43 expenditure to “Dude Solutions” is a software management system for maintenance and the \$254,477.79 payment to Blue Cross is a monthly premium. *(NOTE: This monthly premium payment is made up of employee-deductions for family premiums as well as the college-paid premiums which cover the employee only.)*

It was noted that the projection report on page 49 had a math error as the total projected expenditures should have been the same by program and object.

Mary Schulte noted the core account is reporting the premium for the investments temporarily as negative interest and will be adjusted at the end of the year. Expansion into these different types of investments is anticipated to provide equal returns or exceed the interest budget.

Trustee Johnson asked about the projection process which indicates a 6% decrease in tuition. Mary Schulte responded this is a year-over-year comparison of tuition numbers by month and this projection report compares our tuition revenue as of December compared to a year ago as of December. It was noted the number of credit hours is the indicator for revenue.

Trustee Johnson asked if the projected -8.9% under budget for expenditures was reasonable. Mary noted that we do not usually exceed expenditure budgets as we budget conservatively

(revenue low and expenditures high) to present a worst-case scenario. More will be known when purchasing cuts off April 30.

Trustee Rust asked for an agenda item to explain the process and procedure for determining when to write off student receivables. Mary referenced the action item June, 2020 which includes the semesters covered and the types of expenditures written off for review.

Mary Schulte stated the auditor now has all the information needed for the CARES audit and she expects the Audit will be available to the Board in March.

Regarding the Covid-19 insurance claim, Pyxis has all of the information they requested.

Dr. Trzaska said he had a meeting with representatives from the City of Edwardsville, Regional Office of Education, and SIUE at the Mannie Jackson Center for the Humanities to talk about opportunities for collaboration. The important thing to remember is the Mannie Jackson Center for the Humanities (MJCH®) is a building that belongs to the college that just happens to be named after Mannie Jackson. The Mannie Jackson Center for the Humanities Foundation (MJCHF) is a separate entity, which we understand is defunct. There is presently one tenant in the MJCH® facility. While there has been a rumor of a potential buyer, there is a specific process the college is required to follow to appropriately dispose of physical property. The final payment for the bond that was used to renovate this property and others is payable November 1, 2022. Trustee Rust asked for a determination if there are any restrictions through grants or bonded indebtedness that would restrict the college in future transactions regarding this building.

Nancy Kaiser gave an overview of the status of budget preparation for 2021-2022. It is anticipated the letter and reports to start the budget process campus-wide will be sent to VPs, Administrators, and Managers around February 15. There is a strategic plan initiative that will be incorporated into the budget. The priority budget funds will be allocated to different VP's and they will be asked to determine their priorities. It would be beneficial to determine the salaries, raises, etc. by April. The faculty contract calls for 3% increases, and there are obligations for certain employees as we continue implementation of the compensation plan. The State of Illinois budget is not complete at this time.

The general process for budget approval:

- Tentative budget brought to the Board for approval in June
- Tentative budget posted between June and July meetings
- Public Hearing July Board meeting
- Board votes to approve or not approve Budget in July

Trustee Rust requested a preliminary draft budget be provided to the Board for review in May with as many portions as possible, with the understanding it is an incomplete draft. Specifically, he wants to have the salary information available for review.

Following discussion, it was agreed a comprehensive schedule of revenue and cost per student for the last 10 years would be presented during a Board retreat in July. The retreat will be focused on the strategic plan, setting Board goals, and addressing any vulnerabilities.

Regarding the transition from IGEN fiscal agent, Dr. Trzaska reported there are two parties who have expressed an interest. LC is obligated to continue to June 30, but we will be a good steward and help through the transition. The issue of being written into the legislation can be overcome.

Mary Schulte reported the college was able to convert to a cash-back credit card through our current provider. The transition will occur in February.

Mary Schulte noted the bond refinance opportunity will be presented to the Board for action at the February Board meeting. If the Board elects to refinance, the savings is projected to be around \$100,000 and the payoff will be accelerated by 4 years.

In response to the question about tuition rates, it was noted that there was internal discussion and no increases in tuition or fees were recommended to be taken to the Board. In general, most institutions held their tuition rates this year. Dr. Trzaska noted this will be another item for consideration at the Board retreat in July when the Board will be asked to explore differentiation tuition. Differentiation can be helpful in the long term. Students in high cost, high demand programs or programs that require investments in special equipment may be asked to pay different tuition rates than the general population of students. Differential tuition provides leverage to ensure we have enough faculty members to support those programs. Fees are related to materials such as tools for the automotive program. The student pays for the required tools and takes the tools with them when they graduate. In general, the Board discusses tuition rates in November and takes action in December.

There being no further business, the meeting was adjourned at 12:04 pm.



Sue Keener, Executive Secretary to the President and Board of Trustees