

**MINUTES OF FINANCE COMMITTEE
OCTOBER 18, 2021**

1. Call to Order and Roll Call

Mr. Nowak called the meeting to order at 1:37 p.m. and asked the recorder to call roll.

Finance Committee members present (in person): Mr. Meyer, Mr. Nowak

Finance Committee members absent: Dr. McCreary

Finance Committee members present (virtually): none

Other Trustees present: Chair Rakow, Mr. Duffy, Dr. Redmer

Others present (in person): Dr. Sam, President; Ms. Loewe, Recorder; Ms. Kerruish, Senior Executive to President; Dr. Heinrich, VP Teaching, Learning & Student Development; Dr. Wagner, VP Business & Finance; Ms. Scholl, Asst VP, Business & Finance; Dr. Phil Garber, VP, PIE; Mr. DJ Ullman, Internal Auditor; Sikich audit team; various other ECC employees

Others present (virtually): Various other ECC employees

2. Preliminary Matters

Statement from Mr. Nowak regarding COVID-19 Disaster

*On March 5, 2021 Governor J B Pritzker extended by 30 days through April 3, 2021, the disaster proclamation relating to COVID-19 (Executive Order 2021-05). **With the current mitigation status, this meeting will be conducted in-person. Since attendance at this meeting location is not feasible due to mitigation restrictions and limited seating due to social distancing requirements because of the COVID-19 disaster, members of the public may virtually attend this meeting.***

On June 12, 2020, the Governor signed Public Act 101-0640 into law. This new law amends the Open Meetings Act to authorize public bodies to meet remotely without the otherwise required quorum present at the meeting place.

- 1. This authorization is only effective when the Governor has issued a disaster declaration that covers the jurisdiction of the public body.*
- 2. The head of the public body must make a determination that an in-person meeting is not practical or prudent due to a disaster. Our agenda states that there is a virtual component to this meeting as we adhere to the restrictions of the Phase 4 Recovery Plan.*
- 3. Roll Call will determine whether a trustee is attending in-person or virtually and confirm that all are able to hear each other during the meeting.*
- 4. Members of the public are welcome to attend in-person or virtually.*

5. *One member of the public body or the chief administrative officer or the chief legal officer must be present at the meeting place. Dr. Sam is present.*
6. *All votes must be by roll call.*
7. *Notification has been provided in accordance with the Open Meetings Act.*
8. *Both Open and Closed sessions of a virtual meeting of the public body must be recorded.*

3. Approval of Meeting Minutes of the Finance Committee of May 10, 2021.

Motion: Trustee Meyer moved to approve the minutes of the May 10, 2021 meeting.

Second: Trustee Nowak seconded the motion.

Roll Call Vote: Aye, 2: Nowak, Meyer

Nay, 0

Absent, 1 (McCreary)

4. New Business

A. FY2021 Audit Presentation (Sikich LLP)

Below are excerpts from the “Community College District 509: Comprehensive Annual Financial Report (Fiscal Years ended June 30, 2021 and June 30, 2020)”:

- The COVID 19 pandemic caused the college to transition to online learning in mid-March 2020 and offer limited lab classes in person and mostly online classes for fiscal year 2021. Due to reduced class capacity to meet restriction guidelines from the state of Illinois in the lab classes and the transition to online learning, credit hours dropped to 144,094 from 173,961 representing a 17% decrease. In fiscal year 2020, student credit hours had finally increased slightly by 1,607 credit hours over 2019 after steadily declining since reaching a peak in 2011 at 216,117 credit hours. As the ability to deliver classes in a face to face environment returns, enrollment is expected to increase. The mandate to social distance at 6 foot will continue to restrict the number of students in lab classes and limit the college’s ability to increase credit hours.
- Two of the College’s shared values are accountability and collaboration. Accountability is the characteristic of a well-run college. The College has strong financial policies to provide reliable and timely information. As a public institution, the College is committed to fiscal responsibility and strives to be transparent in reporting. The College defines collaboration in the strategic plan as actively committed to serving students, employees, and community members. Collaboration is the College’s decisions and actions undertaken in carrying out the vision of the college. Similar to fiscal year 2020, accountability and collaboration continued to be challenged in fiscal year 2021 due to the COVID-19 pandemic. The College’s emergency operations plan was activated in early March 2020 to respond to the pandemic. The College campus was closed during the Fall 2020 semester.

However, in the Spring 2021 semester, some classes were offered in-person, as well as continuing to be offered online. Staff and students began to return to the campus in a cautious manner to prevent the spread of COVID-19. The College had to continue to take safety measures as College staff and students returned to campus. Throughout the pandemic, the Emergency Operations Team and the Policy Group devised a comprehensive return to campus operating plan to lead the college through this difficult time. Meetings have been held throughout the fiscal year to respond to the changing mitigation measures from the Governor of Illinois to maintain a safe campus and to address the needs of the college community.

- The College's fiscal year 2021 audit has been completed, and the College is pleased to share the financial highlights of the fiscal year. The College's net position increased by \$5.6 million or 4.3 percent compared to fiscal year ended June 30, 2020. The College received additional grant funding for equipment and supply needs in response to the COVID-19 pandemic. Adult Education budgeted for in the Education Fund was supported by the Adult Education Grant. Grants such as Adult Education, Perkins, TRiO and the ICAPS Strengthening Institutional Performance allowed the College to purchase Chromebooks and hotspots to make available for students to borrow from the College library. Additionally, vacant positions within the College that went unfilled contributed to the increase in net position in fiscal year 2021.

A complete copy of the 2021 Comprehensive Annual Report can be viewed here: [FY2021 CAFR and Single Audit](#).

The Board of Trustees presentation made by Sikich can be viewed here: [October 2021 Audit Presentation](#) (presentation begins at the 20:04 mark).

B. Internal Audit Update (DJ Ullman)

Mr. Ullman presented his findings from the internal audit he conducted, regarding three areas under review and provided a high-level summary for each area under his purview.

- **TRiO (SSS/ESL and UB I/II)**
 - Both the SSS/ESL and UB programs are fulfilling their duties to serve their target demographics of students, and they are accomplishing their mission well.
 - Findings noted were within the administrative portion of the SSS/ESL and UB I/II programs. There was a general lack of attention to detail when it came to financial and administrative items as needed by other ECC departments. This was apparent in financial items needed by Purchasing, Student Accounts, Financial Aid, and Accounting.

- It appears, prior to this internal audit, there was a lack of proper documentation regarding the financial procedures within the TRiO areas. Additionally, there was improper and incomplete documentation regarding the employee time and effort reporting as required by Uniform Grant Guidance.
- **Talent Search**
 - Talent Search is performing its duties and serving its target demographic well, and is following both the requirements of the grant award and the policies set by ECC, and is accomplishing its mission as set by its grant award.
 - As noted in the TRiO findings previously, prior to this internal audit, there was a lack of proper documentation regarding the financial procedures within the Talent Search area. Additionally, there was improper and incomplete documentation regarding the employee time and effort reporting as required by Uniform Grant Guidance.
- **State Apportionment**
 - There were no findings or concerns for State Apportionment for the tested semesters (Fall 2020 and Spring 2021).

The Internal Audit presentation made by DJ Ullman can be viewed here: [October 2021 Audit Presentation](#) (presentation begins at the 1:06:26 mark).

C. Review of the Fiscal Year 2022 Budget to Actual (Heather Scholl)

Ms. Scholl presented a general timeline of the current state of the budget. She mentioned that significant headway has been made in terms of purchasing in an effort to address priority matters, and to remain on schedule. State funding remains on track; however, tuition dollars are still low compared to pre-COVID levels. Both CRRSAA and ARP funds are available for use if needed as the College continues to move forward with projects as budgeted.

D. Capital Projects Priority and Funding List (Kim Wagner and Heather Scholl)

Ms. Scholl highlighted a change in formatting as it relates to the presentation of the projects, moving away from a general list of items, to a Gantt chart with shows the *actual* progress of these projects. The chart also includes funding sources and two-year timelines; additionally, Ms. Scholl reminded the Board of the Statement of Qualifications for Architects, allowing the College to keep these professionals on retainer. Doing so permits completion in a timely manner, and as evidenced in the chart, which allows for quicker accomplishment of these projects.

She also noted the addition of two new projects to the list for approval, including Phase Two of the Building H renovations and the Blizzard Theatre completion. Ms. Scholl also noted the adjustment to the budget related to the recent bid for HVAC renovations in Building H, at twice the amount originally planned due to timing and the economics associated with the pandemic. Additional spacing needs for the Art Center were also included in the list, as well items related to the forthcoming Regional Manufacturing Center; concern for the care and maintenance of campus green spaces; future spacing needs for the Ophthalmology Technician program; and Building F, I, J, and L renovations.

While no additional space was added to Building B, there remains a concerted effort to reorganize current office space to ensure students can easily find and receive the support they need from our Wellness Professionals. Longer term projects include the reimagining of the entrance of Building D; improvement to the walkways from Building B to the Police Station; the relocation of Building G offices into allocated classroom space; and, plans for various updates within the Building E kitchen.

Discussion continued related to the funding of the Regional Manufacturing Center. Dr. Wagner provided further clarification of the funding sources for the project, as well as an overview of the current status of the project, including rough estimates of the total cost of the Center and its impact on the budget.

E. Review of the COVID-19 Federal and State Funding (Kim Wagner)

Dr. Wagner presented a comprehensive chart depicting the amounts of HEERF, CARES, CRRSAA, and ARP funds awarded to ECC (totaling almost \$34M), beginning March 2020 through 2021. The chart reflected both the student portion of the funding, overseen by Amy Perrin, and the institutional portion, of which Heather Scholl and Dr. Wagner oversee. As required by law, ECC maintains strict recording of the financial health of this funding, offering to the public via the College website.

F. FY2023 Lab Fees, Course Fees and Instructional Fee (Heather Scholl)

Ms. Scholl provided a brief preview of the newly added fees, dependent upon the modality of the course being offered. Actions related to these fees will come to the Board for review next month.

G. Service Fees for Fiscal Year 2023 (Kim Wagner)

No changes were recommended to any service fees for the upcoming academic year.

H. Property Tax Levy – Tax Year 2021 Discussion (Heather Scholl)

Trend information for property tax shows the CPI for 2021 at 1.4%. Ms. Scholl noted that due to the debt refunding services, the debt service levy is \$3.8M less than it would have been, had we not utilized the service. Meaning, the College has been able to refund, on average, \$4M to tax payers annually.

Motion: Trustee Meyer moved the recommendation of a flat property tax increase with a year-over-year increase of \$51,347.83 to go to construction.

Second: Trustee Nowak seconded the motion.

Roll Call Vote: Aye, 2: Nowak, Meyer

Nay, 0

Absent, 1, McCreary

I. Tax Objections (Heather Scholl)

No objections were presented.

5. Audience Wishing to Address the Committee

Ms. Loewe reported to Mr. Nowak that there were no requests.

6. Old Business

No items were presented for discussion.

Adjournment

Motion: Trustee Nowak moved to adjourn the meeting.

Second: Trustee Meyer seconded the motion.

Roll Call Vote: Aye, 2: Nowak, Meyer

Nay, 0

Absent, 1 (McCreary)

Meeting adjourned at 3:32 p.m.

The next Board of Trustee Finance Committee is on Monday, December 13, 2021.

A complete recording of this meeting can be viewed here: [Oct 21 BOT Fin Committee Meeting](#).