

MINUTES OF FINANCE COMMITTEE
March 10, 2025

1. Call to Order and Roll Call

Mr. Rodriguez called the meeting to order at 2:00 p.m. and asked the recorder to call the roll.

Finance Committee members present: Mr. Rodriguez, Ms. Arroyo, Mr. Nowak

Finance Committee members absent: None

Other Trustees present: Dr. Redmer, Ms. Rakow, Dr. Ollayos

Others present: Dr. Peggy Heinrich, President; Ms. Loewe, Recorder; Ms. Scholl, Assistant VP, Business & Finance; Dr. Phil Garber, VP, PIE; Respicio Vasquez, General Counsel; Ed Martin, Internal Auditor; various other ECC employees.

2. Approval of Meeting Minutes of the Finance Committee on December 9, 2024

Motion: Trustee Rodriguez moved to approve the December 9, 2024, meeting minutes.

Second: Trustee Nowak seconded the motion.

Roll Call Vote: Aye, 3: Rodriguez, Arroyo, Nowak

Nay, 0

Absent, 0

3. Audience Wishing to Address the Committee

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

4. New Business

A. Internal Audit Report (Ed Martin)

Mr. Martin first announced his plans to join the Manufacturing and Technology Center Steering Equipment Moves and Donation Sub-Committee, noting that joining the committee helped him achieve one of his yearly goals: expanding his expertise outside the Business and Finance department. He plans to continue this expansion as he works with TLSD.

Updates

Gift Cards: A change to one of the Workforce Development grants has stopped gift card delivery. Instead, the grant will now supply stipends to students, allowing for simpler tracking and the discontinuation of worry about thousands of dollars' worth of gift cards going unspent or underused. Trustee Rodriguez questioned whether other grants might be looking into similar

stipend delivery. Although Mr. Martin was unaware of individual grant stipulations, he agreed to investigate further.

GLBA: The College continues to comply with GLBA regulations; however, he warned the committee that a third-party cybersecurity audit is necessary to stay compliant. Despite constant and continuous internal controls, the need for external penetration testing remains.

Committee Work: The Governance Advisory Committee held its inaugural meeting, establishing a goal to minimize the number of individuals accessing social security numbers in Colleague. He also provided an update on the Hazard and Vulnerability Assessment Workgroup, noting the evaluation of 30 hazards; furthermore, the results of this evaluation can be found in the forthcoming Campus Emergency Operation Plan. He shared that the Grants Manager position has been pulled from the posting for re-evaluation. Although the Payroll Analyst position has been posted, no interviews have been conducted. Mr. Martin has also been asked to join the search committee for the recently vacated Accounts Payable position in Business and Finance.

Administrative Procedures: A new methodology has been introduced to better track dissemination and updates to the procedures, increasing the number of updated and posted procedures. The latest yearly system divides the 20 or so department admin procedures into workable monthly meetings, assuring timely review of each procedure.

W2s: Mr. Martin has received multiple confirmations from multiple Human Resource employees that the W2s were executed correctly and within an appropriate time frame, without the need for mass delivery of W2C correction forms.

Financial Statement Audit: Last week, an initial meeting with the Sikich auditing team included a lengthy review of the financial statement audit. The new GASB 101 Statement of Compensated Absences is critically important and will involve Payroll tracking sick time; however, the team is aware and sees no issue in complying. Preliminary field work will begin May 19, with the expectation of the SAS 99 or fraud inquiry interviews to begin on or around that date.

B. Auxiliary Business Plans (Kimberly Wagner and Other ECC Employees)

Auxiliary departments are tasked with describing their purpose and services. They render their operational successes and challenges, and provide their financial statement trends to determine profits, losses, or the need for a subsidy. These plans are necessary to provide a comprehensive financial outlook for each area; moreover, they remain a critical element of the College's comprehensive budgeting process.

A presentation of the FY26 Auxiliary Business Plans was made, featuring the following areas on campus:

Arts Center (Tommy Hensel, Senior Director); Athletics (Kent Payne, Director); Bookstore Kelly Strossner, Managing Director); Early Childhood Lab Center (Beth Mrofcza, Director); Center for Emergency Services (Cathy Taylor, Dean and Ron Two Bulls, Director); Corporate and Continuing Education (Gina De rosier-Cook, Dean and Tim Whitney,

Director); Facilities Rental (Heather Katkus, Director); First Year Programs and Student Life (Amybeth Maurer, Assistant Dean); Food Services (Rich Essegian, Director); and Production and Print Services (Heather Larkin, Manager).

The complete collection of Auxiliary Business Plans can be found at <https://elgin.edu/about/trustees/board-committees/> under the “Finance Committee” heading on the page.

C. Fiscal Year 2025 Financial Update (Heather Scholl)

Revenues

After adopting the 2024 tax levy, 50% was added to the property tax revenue, with final realization reached at the end of March and into April. While some adjustments will likely be made as counties come through with their tax levies, expectations point to a favorable budgetary position. State sources remain on target, as does investment income, further underscoring a positive revenue statement.

Ms. Scholl noted her appreciation for the recent National Grant Monitoring report delivery, which detailed several major grants the College utilizes, including TRiO and many Adult Education grants. However, the report does not include any financial aid grants approved and issued directly to students.

Expenditures

With 58% of the budget realized, Ms. Scholl called attention to higher-than-expected salary and benefit lines but lower capital outlay costs. The Finance team conducts mid-year reviews to assist in reallocating budgeted funds, intending to break even yearly. As we move toward the end of the fiscal year, the hope is to keep spending in line, but achieve a zero budget.

D. Fiscal Year 2026 Budget Discussion (Heather Scholl)

Ms. Scholl reviewed the current budget cycle, noting that officers' budgets were due on Friday, and the Budget Council anticipated reviewing all requests within the next two months. The council's utilization of a rubric will assist in the recommendations made to Cabinet, who then review the requests and prioritize them, indicating which items to fund. While not every request can realistically be supported, the cross-departmental nature of the council and Cabinet ensures each request is operationally necessary and not excessive. The Finance team then reviews each funded item more deeply to ensure no overlap or misuse of funds, reporting any concerns to the Budget Council and then, ultimately, to Cabinet.

She also noted the slight drop in the CPI for 2025 at 2.9% from 3.4% in the previous year, but she does not anticipate any significant influence on the budget. The recent increase in tuition by \$3 per credit hour has been earmarked for instructional equipment, especially as it relates to aging and outdated materials in the Health Professions department. Lastly, our state funding line will increase by at least 3% if not more, due to a recent mandate by Governor Pritzker.

Dr. Wagner also provided an update related to the funding of the Manufacturing Training Center, sharing that, thus far, \$11M in grants have been released. She anticipates additional funding to be released soon (\$28M in total); however, ICCB must first sell bonds to fund such grants, but there has been no word on the movement of the sale.

E. Capital Projects Priority and Funding List (Kimberly Wagner and Heather Scholl)

Although the list remains unchanged, the Access and Disability Services area has made it through the design and bid process. Current estimates of the remodel are \$1M, which includes costs for the architect, construction manager, furniture, and the bid packages. She also shared that the Master Plan is underway, with Perkins & Will leading the planning process. Approval of the plans will be ready for approval in June.

Dr. Wagner provided an update on the CBD project in Building F and expressed her gratitude to Pat Dolan and his team for their creativity in securing funding for the project. The CBD project will also be up for approval in June.

Trustee Arroyo asked about the opportunity for signage around the softball fields and whether or not the College has considered utilizing the outfield fences for sponsorships. Dr. Wagner explained that over the years, many conversations related to sponsorships via naming rights of buildings and rooms have been had, but only recently has movement been made in creating a formal Administrative Procedure. The procedure is under review and will be ready for approval soon.

F. Fiscal Year Audit Fees (Kimberly Wagner)

Dr. Wagner presented the draft action to approve the audit fees, noting they will not exceed \$92,940. Once again, the College has hired the auditing firm Sikich, noting we are well-positioned to have a completed audit and presentation ready for the November Committee of the Whole meeting.

5. Old Business

No old business was brought forward.

Adjournment

Motion: Trustee Rodriguez moved to adjourn the meeting.

Second: Trustee Nowak seconded the motion.

Roll Call Vote: Aye, 3: Rodriguez, Arroyo, Nowak

Nay, 0

Absent, 0

Meeting adjourned at 3:11 p.m.