

33108

ADOPTED – BOARD OF TRUSTEES
COMMUNITY COLLEGE DISTRICT NO. 508
December 1, 2016

BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508 COUNTY OF COOK AND STATE OF ILLINOIS

RESOLUTION AUTHORIZING AMENDMENT TO SECTION 3(m) OF THE INVESTMENT POLICY OFFICE OF FINANCE

WHEREAS, the Illinois Public Community College Act, as amended, lists the powers and duties of community college districts in the State of Illinois, and states in 110 ILCS 850/3-30, that:
“The board of any community college district has the powers...that may be requisite or proper for the maintenance, operation and development of any college or colleges under the jurisdiction of the board”;

WHEREAS, Section 4.2 of the Board Bylaws of City Colleges of Chicago provides for the amendment of policies and states that:

“The Board may amend or repeal any Bylaw, Policy or Procedure by a vote of a majority of the voting members of the Board then holding office at any regular, special or emergency meeting. “

WHEREAS, board resolution #30262, adopted May 12,2010, amended the investment policy of the Board of Trustees of Community College District No. 508, County of Cook and State of Illinois;

WHEREAS, Section 3(m) of the investment policy states that: “It is the practice of the District Finance Office to maintain a minimum cash balance of no less than 3 months of annual operating budget expenditures.”;

WHEREAS, the State of Illinois paid only \$14.4M (25%) of the \$58.2M base operating grant budgeted by City Colleges of Chicago for FY 2016, has appropriated and paid only \$22.5M (46%) of the \$48.5M base operating grant budgeted by City Colleges of Chicago for FY 2017;

WHEREAS, the loss of \$69.8M in cash payments from the State during the current and previous fiscal years (\$43.8M in FY 2016 and \$26.0M in FY 2017) has significantly reduced City Colleges of Chicago’s current cash balances creating a fiscal crisis; and

WHEREAS, the Office of Finance recommends that the Board approves the revisions to Section 3(m) of the Investment Policy to suspend the implementation of a minimum cash balance of no less than 3 months during times of fiscal crisis as reflected in Exhibit A;

NOW, THEREFORE BE IT RESOLVED, that the revisions to Investment Policy be adopted by the Board of Trustees effective December 1, 2016, and posted on the City Colleges of Chicago website.

EXHIBIT A

REVISIONS TO SECTION 3(m) OF THE INVESTMENT POLICY
OF THE BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
COUNTY OF COOK AND STATE OF ILLINOIS

3. Implementation of Policy/Limitation of Liability

m. The District Office of Finance shall maintain a minimum cash balance of no less than 3 months of annual budget expenditures. During times of fiscal crisis when certain cash payments from local, state, or federal sources are delayed or not received at all, the application of this provision may be suspended until such time as those cash payments are resumed and have been received in sufficient amount to restore and maintain the cash balance at the required level of 3 months of annual budget expenditures."