

**33131**  
**APPROVED–BOARD OF TRUSTEES**  
**COMMUNITY COLLEGE DISTRICT NO. 508**  
**FEBRUARY 9, 2017**

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

**MINUTES**

**FINANCE AND ADMINISTRATIVE SERVICES COMMITTEE MEETING**  
**TUESDAY, NOVEMBER 1, 2016**  
**DISTRICT OFFICE – 226 W. JACKSON BOULEVARD, ROOM 301**

Pursuant to provisions of the Illinois Public Community College Act, as amended of the State of Illinois, County of Cook, a Finance and Administrative Services Committee meeting of the Board of Trustees of Community College District No. 508 was held on Tuesday, November 1, 2016 at 11:00 a.m., District Office, 226 W. Jackson Boulevard, Room 301, Chicago, Illinois 60606.

**ATTENDEES**

**TRUSTEES**

Clarisol Duque, Committee Chair  
Gary E. Gardner, Vice Chair  
Karen Kent, Trustee  
Charles R. Middleton, Board Chair

**CHIEF ADVISOR TO THE BOARD**

Tracey B. Fleming

**CHANCELLOR**

Cheryl L. Hyman

**GENERAL COUNSEL**

Eugene Munin

**OFFICERS OF THE DISTRICT**

Joyce Carson – *Vice Chancellor and Chief Financial Officer*  
Craig Lynch – *Chief of Staff and Enterprise Services*  
Rasmus Lynnerup – *Executive Vice Chancellor and Chief Strategy Officer*  
Diane Minor – *Vice Chancellor, Administrative and Procurement Services*  
James Frankenbach – *Chief Operating Officer*  
Beatrice O'Donnell – *Vice Chancellor, Safety and Security*  
Laurent Pernot – *Executive Vice Chancellor and Senior Adviser*

**OTHER ATTENDEES**

JR Dempsey	CCC – District Office
Daryl Okrzesik	CCC – District Office
Katheryn Hayes	CCC – District Office
Connie Kravitz	CCC – District Office
John Gasiorowski	CCC – District Office
David Anthony	CCC – District Office
Roberto Concepcion	CCC – District Office
Sheila Johnson	CCC – District Office
Michael Emerson	CCC – District Office
Joe Evans	RSM
David Robydek	RSM

**I. CALL TO ORDER**

Committee Chair Duque called the November 1, 2016 Finance and Administrative Services Committee meeting to order at 2:01 p.m.

**II. ROLL CALL**

The Chief Advisor called roll:

Clarisol Duque	Present
Gary Gardner	Present
Karen Kent	President
Charles R. Middleton	Present

**III. COMMITTEE CHAIR REMARKS**

Committee Chair Duque thanked Trustees Gardner, Kent and Middleton for attending and Chancellor Hyman, Vice Chancellor and Chief Financial Officer Carson and the entire team for all their work in preparing for this committee meeting.

**IV. CHANCELLOR REMARKS**

Chancellor Hyman noted the planned presentations at this meeting as well as FY2016 audit summary from the District's external and internal audit teams and discussed the financial pressures facing the District, due in large measure to the unpredictable State funding situation.

**V. AGENDA ITEMS**

The full presentation of agenda items can be viewed [here](#).

Speakers: Joyce Carson, Vice Chancellor and Chief Financial Officer, JR. Dempsey, Associate Vice Chancellor.

- **Finance Policies**

Associate Vice Chancellor Dempsey described a proposal which will be brought to the board for future action to revise and consolidate the District's debt, investment and general finance policies. AVC Dempsey also responded to a series of questions posed by the Trustees in advance of the committee meeting about the policies revisions proposed. AVC Dempsey noted that the effort underway is primarily one to consolidate multiple policies into a comprehensive document which can be monitored and revised by the Board in the future in a more effective manner.

Chair Duque asked AVC Dempsey about the timing and magnitude of the proposed changes.

CFO Carson noted that there is some time sensitivity in order to position the District to comply with changes required by new legislation adopted by the Illinois General Assembly and related policies enacted by the Illinois Community College Board earlier this year relating to the District's travel policies.

Chair Middleton ask how soon the District would be in a position to lead the board through—by way of the finance and administrative services committee—a more detailed discussion of the substantive policy questions raised by the Trustees as it relates to the non-travel policy related changes to the District's policies.

AVC Dempsey noted that there are some changes relating to codifying practices that are generally accepted and already in place that are fairly straight forward. However, he noted that the debt and investment policies that the board might wish to change might require more substantial review and action.

CFO Carson noted that a proposed January 2017 meeting of the Finance and Administrative Services committee would be a reasonable time to take action on these items.

Vice Chair Gardner asked that additional context be provided to the board to help frame their review of the proposed changes to the debt and investment management policies. AVC Dempsey confirmed that the District will prepare briefing materials for the trustees that will lay out best practices and comparisons on the issues being raised for the Trustees.

Chair Duque noted for the record that the board will review these materials at a January 2017 Finance and Administrative Services committee meeting in advance of possible action by the Board.

Chair Middleton asked a general question whether the District overly restrains itself by codifying specific policies with specific amounts or percentages relating to financial matters when it could alternatively direct the Chancellor or others to provide a specific recommendation on an annual (or other) basis to the Board.

Chancellor Hyman noted that some of the rating agencies and non-profit organizations that

review public agency budgets, might perceive the possibility of a year-to-year variation in the position of the Board on some financial matters to be a negative factor which might impact their pronouncements of the District's financial stability. Chair Middleton noted that his question was process related and understands and fully agrees with the importance of providing a clear signal about the financial stability of this institution at all times.

- **FY2016 Audit Summary, External Audit report, Credit Ratings, Fiscal Update and FY2017 1<sup>st</sup> Quarter Financial Update Review**

CFO Carson provided a brief report on the District's the fiscal results in the last fiscal year noting that the District has been given a clean or unmodified opinion from RSM for FY2016 which they will speak to later in the committee meeting.

Joe Evans, Partner-in-Charge at RSM provided an overview of the external audit process for FY2016. At the conclusion of Mr. Evans's report AVC Dempsey noted for the Trustees that a resolution to adopt the FY2016 Audit report is planned for presentation at the December board meeting.

CFO Carson continued to report on the District's credit ratings and an update the FY2017 1<sup>st</sup> quarter financial position of the District. During this report, CFO Carson noted that as this committee meeting, approximately \$2 million in federal pass through funds for Adult Education had not yet been received.

Vice Chair Gardner asked about the timing for those funds and our confidence they would ultimately arrive. CFO Carson indicated that the District is still confident in receiving these funds and they typically arrive in December or later each year.

CFO Carson continued to discuss the financial position of the district, including current projections of tuition revenue and noted that based on current enrollment, budgeted tuition revenue for FY2017 is projected to be down approximately 6 percent compared to FY2016 budget or about \$7 million dollars. It was noted that actual tuition revenue is currently projected to be flat, year over year.

- **Administrative and Procurement Services**

Vice Chancellor Diane Minor briefed the Trustees on the status of the Olive-Harvey TDL Center, the new Advanced Manufacturing Center at Daley College, recapped the District's MBE/WBE performance and highlighted upcoming major procurements planned by the Office of Administrative and Procurement Services.

Chair Duque asked a question about the contractors who will be working on the anticipated restart of the TDL center. VC Minor noted that at present, it seems as though all of the original contractors are returning to the project.

Next, Vice Chancellor Minor invited Executive Vice Chancellor Lynnerup to present on some of the programmatic issues being addressed by the new Advanced Manufacturing Center at

Daley College. Chancellor Hyman provided additional framework on the manufacturing field nationally and regionally to inform the board's decision-making on this project.

Vice Chair Gardner asked about the current capacity of the Advanced Manufacturing program as currently in place at Daley College in the huts detached from the mail building. Chancellor Hyman noted that there is still capacity in those facilities for additional students, notwithstanding the overall age of those structures.

Chair Duque asked about enrollment. Chancellor Hyman that Daley College has enrollment of about 14,000 students, of which currently, approximately 200 annually are participating in the Advanced Manufacturing Programs.

Vice Chair Gardner asked about the planned uses in the new Advanced Manufacturing Center. Chancellor Hyman noted that the entire facility is planned to be used for the Advanced Manufacturing training program.

Executive Vice Chancellor Pernot noted that enrollment has doubled district-wide in manufacturing (basic and advanced programs) since the start of the College-to-Careers from approximately 150 students to about 300 students district-wide. Many, if not all of these students will ultimately end up attending Daley College for advanced coursework. EVC Pernot also noted that while we have made strategic investments in modern equipment in the current program and facilities, there are some constraints in the current Advanced Manufacturing facility and there are some machines and processes that our partners would recommend we invest in, but are structurally not possible at present.

Vice Chair Gardner asked if we have some projection on future needs for the program at Daley specifically. Chancellor Hyman noted that while we have projections of the overall market for advanced manufacturing jobs in the region and in the country over the next several years, the specific number of students who would come to Daley for training in such programs is not known.

Vice Chair Gardner asked about capacity in the existing facilities for additional students. It was noted that there remains space in the current program in the existing facilities.

Chair Middleton asked about other colleges in the Advanced Manufacturing space. EVC Lynnerup noted that there are other community colleges in the field but also non-college training providers including non-profit and for-profit providers.

Chair Duque asked about the District's capacity to attract and retain quality teaching staff in the advanced manufacturing field. EVC Lynnerup noted that there are currently two, full-time faculty in the advanced manufacturing program and while that is sufficient for current enrollment, there are challenges in the field, due in part to the fact that this field is in high demand. As a result, we experience similar challenges attracting talent as do our C2C partners.

Chancellor Hyman noted that it might be useful for the District to consider new methods of attracting faculty, including possibly working with our C2C partners to identify incentives for their employees to serve as adjunct faculty.

Chair Duque asked what current students are receiving at the end of their coursework. Chancellor Hyman noted that some are receiving certificates, but the program is built with stackable credentials so students can make progress and obtain increased marketability for themselves as they progress through the program.

VC Minor concluded her presentation on Daley College and briefed the board on the MBE/WBE program accomplishments in FY2016 and updated the board upcoming procurements through APS.

Chair Duque asked if the majority of students are going online for their books. VC Minor confirmed this to be true. Chair Duque asked about strategies to manage book prices. Chancellor Hyman noted that the District is limited in its ability to control book prices. VC Carson noted that while we are limited in what we can do CCC students are paying less for books than they did in 2013 when we launched the District's online store which gave students access to an online marketplace where they can buy books being sold from across the country.

- **Internal Audit Report**

Director Concepcion presented the internal audit report on recently completed reviews, and the 2017 audit plan. Director Concepcion noted that he and his team did not identify any material weaknesses related to its reviewed audit activities.

Chair Duque asked about the process of payments and reimbursements relating to ICCB Credit Hour Claims review. Director Concepcion noted that CCC is funded on a reimbursement basis for the credit hours taught by our faculty. These funds come to CCC in the form of grants that are received by the Board.

Director Concepcion reported on a review conducted of the District's procurement practices.

Chair Duque asked about a finding relating to the MBE/WBE program where there were some small and limited instances where documentation of MBE/WBE participation were lacking.

Director Concepcion noted that the lack of documentation notwithstanding, this finding did not necessarily mean that the participation was not obtained. It was also noted that these were relating to small agreements. VC Minor noted that APS is working with OIT to improve the process for collecting this information on procurements including establishing a fully-electronic method of receiving and retaining information relating to MBE/WBE participation.

In response to Director Concepcion's review of a recent audit of segments of the Information Technology system at CCC, Chair Middleton asked about the process of monitoring employee access as they transition to different jobs within City Colleges. Acting CIO Craig Lynch responded and noted that the District has worked diligently and with HR to clean up this process and it is vastly improved from even a few years ago.

Director Concepcion, in a response from Chair Middleton about the nature of Financial aid reviews by his office noted that some reviews are conducted at specific colleges while some occur at all seven colleges.

**VI. MOTION FOR CLOSED SESSION**

Pursuant to the Illinois Open Meetings Act, Chair Duque asked for a roll call vote to hold Closed Session at 4:09 p.m. for the discussion of exceptions 2(c)(5) “the purchase or lease of real property for the use of the public body, including meetings held for the purpose of discussing whether a particular parcel should be acquired” and 2(c)(6) “the setting of a price for sale or lease of property owned by the public body”.

<Motion> Vice Chair Gardner  
<Second> Chair Charles R. Middleton

Motion Carried.

The Chief Advisor called the roll,

Clarisol Duque	Aye
Gary Gardner	Aye
Charles R. Middleton	Aye

There were three ayes, zero nays and no abstentions or recusals.

**VII. RETURN FROM CLOSED SESSION**

Closed Session ended at 4:40 p.m. Upon the Board’s return, Chair Duque reconvened the November 1, 2016 Finance and Administrative Services committee meeting and noted that no action was taken during Closed Session.

**VIII. AJOURNMENT**

Committee Chair Duque asked for a motion to adjourn.

<Motion> Vice Chair Gardner  
<Second> Chair Charles R. Middleton

Motion Carried.

Meeting Adjourned 4:42 p.m.

**Clarisol Duque  
Secretary  
Board of Trustees**

**Submitted by – Tracey B. Fleming, Chief Advisor to the Board of Trustees**