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**APPROVED—BOARD OF TRUSTEES  
COMMUNITY COLLEGE DISTRICT NO. 508  
AUGUST 3, 2018**

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

**MINUTES**

**MEETING OF THE COMMITTEE ON FINANCE AND ADMINISTRATIVE SERVICES  
THURSDAY, JANUARY 18, 2018  
DISTRICT OFFICE, ROOM 301  
226 WEST JACKSON BLVD, CHICAGO, IL 60606**

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 Thursday, January 18, 2018 at 9:00 a.m., District Office, Room 301, 226 W. Jackson Blvd, Chicago, IL 60606.

**ATTENDEES**

**TRUSTEES**

Clarisol Duque, Committee Chair  
Elizabeth Swanson  
Darrell Griffin

**OFFICERS OF THE DISTRICT**

Joyce Carson, *Chief Financial Officer*  
Jeff Donoghue, *Chief of Staff*  
Diane Minor, *Vice Chancellor of Administrative and Procurement Services*  
Beatrice O'Donnell, *Vice Chancellor of Safety and Security*

**CHIEF ADVISOR TO THE BOARD**

Tracey B. Fleming

**CHANCELLOR**

Juan Salgado

**PROVOST AND CHIEF ACADEMIC**

**OFFICER**

Mark Potter

**GENERAL COUNSEL**

Eugene Munin

**OTHER ATTENDEES**

Daryl Okrzesik	CCC District Office
Roberto Concepcion	CCC District Office
Jeff Schroeder	PFM
Danny Nelson	PFM
JR Dempsey	CCC District Office

**I. CALL TO ORDER**

Committee Chair Duque called the January 18, 2018 Meeting of the Committee on Finance and Administrative Services to order at 9:02 a.m.

**II. ROLL CALL**

The Chief Advisor to the Board called roll:

Clarisol Duque	Present
Darrell Griffin	Present
Elizabeth Swanson	Present (arrived late)

**III. WELCOME**

Committee Chair Duque welcomed everyone to the meeting and thanked all those who had prepared for the meeting. She noted that Trustee Swanson would be joining later on. The Committee Chair also mentioned that a Kennedy-King student was interning at her office, noting that it was always a pleasure to directly see the impact of CCC.

**IV. CHANCELLOR REMARKS**

The Chancellor briefly noted that he would need to leave early from the committee meeting. He thanked the various teams involved for their work and their updates to the Board. In regards to the budget, the Chancellor noted that the District was at break-even for the year. Chancellor Salgado pointed out that in order to improve CCC credit rating, the District needed consistent allocations from the State.

The Chancellor also shared about how Harold Washington College students hosted a community policy forum the previous day and did an excellent job. The Chancellor praised the work done by students, reaffirming the need to manage finances and seeing the value to the students.

**V. REVIEW OF AGENDA ITEMS**

Speakers: Joyce Carson, Chief Financial Officer; Daryl Okrzesik, Associate Vice Chancellor of Finance/Treasurer; Jeff Schroeder, PFM; Danny Nelson, PFM; Roberto Concepcion, Director of Internal Audit; Mark Potter, Provost; Jeff Donoghue, Chief of Staff; Eugene Munin, General Counsel

- **FY2018 fiscal update; FY2018 Financial Outlook**

CFO Carson reported on the FY18 update, noting that the District was slated to break even for the school year. She noted that later in the committee meeting there would be a presentation on CCC investment performance. Chancellor Salgado added that it was a great accomplishment to be so close to the budget in regards to tuition.

CFO Carson briefly reviewed revenue and expense tracking, noting how closely everything tracked with the budget. Committee Chair Duque inquired if there were any other significant revenue sources other than the French Pastry School that contributed to auxiliary and other revenue. CFO Carson responded that there was nothing with significant variance other than the French Pastry School, aside from grants.

- **Review in investment performance – PFM**

Next, Jeff Schroeder and Danny Nelson from PFM presented on CCC's investment portfolio. Mr. Schroeder began by giving an introductory look into PFM and its scope of services. Committee Chair Duque asked what other government entities that PFM works with are City of Chicago agencies. Mr. Schroeder responded that PFM also works with the Chicago Housing Authority (CHA) and the University of Illinois. Associate Vice Chancellor Okrzesik added that most government agencies in Chicago, such as the Chicago Park District, manage investments in-house.

Mr. Nelson reported more in depth on CCC's 91 million dollar portfolio, noting that PFM does partner with a MBE firm. Mr. Nelson also gave context about the historically low interest rate environment, as well as the declining assets due to the State budget impasse coupled with the capital projects. He noted that there has been a steady balance of funds, however, and that CCC was working to replenish its reserves. Mr. Schroeder pointed out that the CCC Foundation portfolio has been invested conservatively, though making respectable returns.

Mr. Nelson continued to report on the allocations within the CCC portfolio, noting that the portfolio had been meeting benchmarks while also maintaining a level of liquidity. He also noted that the CCC Foundation portfolio of 8.7 million dollars had been performing strongly, as the Foundation assets are less restricted in terms of where it could be invested. Committee Chair Duque asked if, given the strength of the market, there were any recommendations for current internal policy. Mr. Schroeder responded that there were some minor adjustments, but overall to continue building up reserves and later on considering investing in corporate bond funds. CFO Carson added that the minimum reserve needed to be maintained before having excess to invest in other options.

Chief of Staff Donoghue inquired about the CCC Foundation investment benchmarks, asking if these benchmarks were consistent with other similar foundations or other 70/30 investments, and if the returns were similar. Mr. Schroeder responded that 70/30s were pretty common, or 80/20s, but mostly the 70/30 combination of 70% of SMP500 and 30% Barclays Aggregate.

Mr. Nelson discussed the operating funds, noting the importance of safety liquidity, outlining safety as the first objective as well as compliance with CCC's investment portfolio and State statutes. He reported that PFM provides a monthly compliance checklist report to CCC, understanding that the funds come from taxpayer money. CFO Carson added that external and internal auditors are part of this greater conversation.

Mr. Schroeder made general remarks regarding the outlook going forward, noting that the goal was to keep the portfolio safe and have it available to spend when it was needed. Committee Chair

Duque asked if PFM tracked alternative markets, such as bit coin, for future investments. Mr. Schroeder noted that PFM is a fundamental group and would not be looking into volatile and potentially unsustainable markets such as bit coin for their clients. Committee Chair Duque thanked Mr. Schroeder and Mr. Nelson for their presentation, noting that Trustee Swanson had arrived.

- **Internal Audit report**

Next, Director Internal Audit Concepcion gave an update on internal audit, touching on Olive-Harvey College in specifically. During his presentation, Director Concepcion noted a discrepancy with PeopleSoft, and the steps taken to address it. Committee Chair Duque asked why there were issues with PeopleSoft, to which Associate Vice Chancellor Okrzesik noted that the Office of Information Technology was working to upgrade the software to the 2017 version. CFO Carson pointed out that a lot of progress had been made in the timesheet area, moving from paper timesheets to electronic.

Trustee Swanson asked how often college-specific audits were done. Director Concepcion noted that the objective was to audit a college every three years; Olive-Harvey College was the second in this current cycle. CFO Carson also responded that at the beginning of the year, internal audit and other leadership meet to identify if there are any other circumstance or perceived problems that could additionally warrant an audit, pending staff availability.

Director Concepcion discussed some of the deficiencies identified in special assignment projects, especially in regards to ownership and management. Provost Potter gave an example of a special assignment project, such as CCC's dual credit programs with Chicago Public Schools, and the role that CCC faculty take in it.

## **VI. REVIEW OF FEBRUARY BOARD REPORTS**

Thanking the presenters, Committee Chair Duque initiated the review of the board reports proposed to be included in the February 1, 2018 Regular Board Meeting Consent Agenda.

CFO Carson reported on Resolution 1.00 regarding the tax levy. Next, Vice Chancellor O'Donnell reviewed Resolution 1.04 to amend the Board Policies and Procedures Section IX: Safety and Security regarding security staff firearms and weapons policy. Committee Chair Duque asked if there were reviews to ensure security staff eligibility to carry a firearm. Vice Chancellor O'Donnell noted that this was in part why Resolution 1.04 was proposed, in order to consistently certify that security staff were eligible to carry. The Vice Chancellor also pointed out that security staff had to annually certify that they could carry, which would help avoid risk and liability.

Next, Vice Chancellor Minor reviewed Agreement 4.00 to amend and increase the amount of funds for Midwest Moving in regards to the sale and move of 226 W. Jackson. Vice Chancellor Minor also reviewed Purchase 5.00, the JOC project to build out Dawson Technical Institute's second floor, as well as Purchase 5.01 to acquire a pickup truck with snow plow attachment for Daley College.

Trustee Swanson asked if each college was responsible for their own snow removal. Vice Chancellor Minor noted that the District does hire a vendor for all the colleges, but when it snows a lot, colleges are not always plowed first. With the construction at Daley College, Vice Chancellor Minor noted, the purchase of the pickup would support the engineers onsite to manage

the grounds and ensure student and employee safety. Committee Chair Duque asked which departments were moving to Dawson Tech. Vice Chancellor Minor noted that the Office of Administrative Services and Procurement and the Office of Safety and security would be on the first floor, while the Office of Human resources and the Office of Finance would be on the second floor. She also noted that some of the IT, Auxiliary Services, and Capital Construction team that work closely with the Office of Administrative Services and Procurement would also be housed at Dawson. The Vice Chancellor further described the temporary hoteling spaces at the new downtown space, located at 180 N Wabash, for staff use when needed.

Finally, General Counsel Munin reviewed the legal invoices.

Committee Chair Duque noted that based on the review of board reports, she would be recommending that the reviewed Resolutions, Reports, Agreements, Purchases, and Invoices should be included in the February 1, 2018 Regular Board Meeting Consent Agenda.

CFO Carson announced that Associate Vice Chancellor Dempsey would be retiring after serving 17 years at CCC since September 2001. CFO Carson and Committee Chair Duque thanked Associate Vice Chancellor Dempsey for his public service, and for his commitment and dedication.

**VII. ADJOURNMENT**

Noting that there was no more business to come before the Committee, Committee Chair Duque adjourned the meeting.

Meeting Adjourned 10:26 a.m.

**Clarisol Duque  
Secretary  
Board of Trustees**

**Submitted by – Ashley Kang, Assistant Board Secretary**