

Chicago State University
Board of Trustees
Finance and Audit Committee Meeting Minutes
Academic Library – Auditorium, Room 415
May 10, 2010
9:37 a.m. – 11:14 a.m.

Board Members Present

Trustee Zaldwaynaka “Z” Scott, Chairman
Trustee Betsy Hill

Others Present

Mr. Wayne Watson, Ph.D., President
Mr. Patrick Cage, Esq., General Counsel for Labor and Legal Affairs
Ms. Gail Cannon, Coordinator of Student Health Insurance Program
Mr. Mark Cipich, Assistant Director of Athletics
Mr. Sudie Davis, Director of Athletics
Mrs. Ce Cole Dillon, Director of Information Technology
Mr. Glenn Meeks, Vice President of Administration and Finance
Mr. Ed Mlakar, Acting Chief Planning Operation Engineer for Utilities
Dr. Kenneth Koroma, Associate Vice President for the Office of Grants & Research Administration
Mr. Edward “Ted” Lannon, Associate Vice President of Administration and Finance/Controller
Mr. Nathan Tindall, Director of Purchasing
Dr. Carol Carson Warner, Executive Director of the Textbooks and Learning Program Ghana
Dr. Sandra Westbrooks, Provost and Senior Vice President for Academic Affairs
Ms. Altricia Wheeler, Administrative Assistant
Dr. Erma Brooks Williams, Associate to the President for the Board of Trustees and Governmental Affairs
Dr. Lisa Young, Director of the Wellness and Health Center

1. Call to Order

Trustee Scott called the meeting to order.

2. Roll Call

A quorum was verified and roll call was taken.

3. Verification of Meeting Notice

The meeting notice was posted as mandated by the Illinois Open Meetings Act.

4. Action Item

a. **Approval of Previous Meeting Minutes**

Trustee Hill moved to approve the previous meeting minutes. Trustee Scott seconded the motion. The motion passed as follows:

Ayes: 2

Nays: 0

5. Information Items

a. Financial Update

Mr. Glenn Meeks gave a PowerPoint presentation to review the short term cash planning. Mr. Meeks stated that the payrolls being paid out of general revenue funds have been expended. However, he is expecting \$5 million from the State. Mr. Meeks also discussed long term cash expenditures, which CSU will receive from the State in 2011.

Mr. Ted Lannon discussed the balance sheet. He pointed out that cash equivalents decreased due to lower accounts payables and slower distribution of State appropriation reimbursements. Mr. Lannon reported that at the end of March 31, total assets were \$188 million. Reviewing the income statement, Mr. Lannon stated that tuition increases and fees showed a positive change of almost \$9 million because of additional enrollment. Mr. Lannon mentioned that major expense operations are down \$3 million because of work done in the Douglas Hall. He further mentioned that in public service there is a decrease of \$1.5 million due to the head start and upward bound programs. However, in scholarships and fellowships, there is an increase of \$3.9 million because of the Pell grant awards.

1. Action Items

a. FY 2011 Tuition Waiver Budget

Mr. Meeks stated that the tuition waiver budget resolution requests \$1.7 million to be incorporated into the CSU FY2011 operating budget. He reported the distribution will remain the same but will reflect the 8% tuition increase. *Trustee Hill asked how the tuition waiver budget would impact enrollment.* Mr. Meeks reported that a slight increase in enrollment is expected and approximately \$2 million in tuition is projected.

Trustee Hill moved to accept the FY 2011 tuition waiver budget. Trustee Scott seconded the motion. The motion passed as follows:

Ayes: 2
Nays: 0

b. Contracts over \$250,000

Student Health Insurance

Mr. Nathan Tindall presented the Student Health Insurance contract. It included seven enhancements as well as a two-tier holistic approach, which would be an increase of \$5 to the students beginning in August.

Trustee Hill moved to approve the contract for the student health insurance. Trustee Scott seconded the motion. The motion passed as follows:

Ayes: 2
Nays: 0

Natural Gas

Mr. Ed Mlakar explained that the natural gas contract with Constellation NewEnergy will purchase natural gas throughout the year. *Trustee Hill asked how the cost would be controlled.* Mr. Mlakar responded that CSU would be able to protect its risks against price hikes.

Trustee Hill moved to approve the contract with Constellation NewEnergy. Trustee Scott seconded the motion. The motion passed as follows:

Ayes: 2
Nays: 0

Sound System for Convocation Center

Mr. Nathan Tindall explained that the resolution is to purchase audio sound equipment to be installed in the Jones Convocation Center. *Trustee Scott requested more background information.* Mr. Meeks replied that the resolution was put forth because CSU has approximately \$1.9 million in grant money from the Capital Development Board (CDB) to expend on equipment and up keep of the Jones Convocation Center, which has to be spent by the end of this fiscal year. *Trustee Scott noted that the resolution reads the audio equipment will exceed \$2.5 million.* Mr. Meeks responded that an amendment would be made and brought back to the full board meeting. *Trustee Hill suggested that the resolution should also state that the CDB is holding funds specifically for this purpose.*

Trustee Hill moved (with the appropriate corrections) to recommend adoption of this resolution by the full board. Trustee Scott seconded the motion. The motion passed as follows:

**Ayes: 2
Nays: 0**

c. Follett’s Bookstore

Mr. Nathan Tindall reported that the contract with Follett Bookstore needed to be extended for two years. Mr. Tindall stated that the provisions of this contract were the same as previous years except for the online book service.

Trustee Hill moved to approve the Follett’s contract as presented. Trustee Scott seconded the motion. The motion passed as follows:

**Ayes: 2
Nays: 0**

d. Pace Agreement

Attorney Patrick Cage summarized the Pace agreement as a federal program making buses available to municipalities and state organizations. He stated that CSU has submitted an application for seven buses pursuant to this program. Attorney Cage further stated that as a condition for receiving these buses, Pace has mandated that CSU adopt their safety, alcohol and alcohol testing policies. *Trustee Hill inquired if transportation would be available to and from the campus. She also inquired who would drive the buses.* Attorney Cage responded that transportation was to and from campus for students as well as student athletes and that university employees would drive the buses after proper training.

Trustee Hill moved to approve the safety, alcohol and alcohol testing policies for the Pace Vehicle Program. Trustee Scott seconded the motion. The motion passed as follows:

**Ayes: 2
Nays: 0**

e. The Institute for Positive Child Development

Dr. Kenneth Koroma stated that CSU will receive a grant in the amount of \$262, 500 from the Chicago Department of Children and Family Services, which \$242,500 would be allocated to The Institute for Positive Child Development as a subcontractor. The institute will provide training and technical support services to the City of Chicago headstart and day care service agencies. CSU will receive \$20,000 to manage the grant.

Trustee Hill moved to approve receiving the grant from the Chicago Department of Children and Family Services and to approve the subcontract for The Institute for Positive Child Development. Trustee Scott seconded the motion. The motion passed as follows:

**Ayes 2
Nays: 0**

f. Ghanaian Textbooks & Learning Materials

Dr. Carol Carson Warner explained that CSU has received a grant from the United States Agency for International Development to produce printed educational materials for Ghana. Buck Press Limited was selected to print books and teacher guides in the amount of \$5,302,531.

Trustee Hill moved to approve the contract for the printing of the books for Ghana. Trustee Scott seconded the motion. The motion passed as follows:

**Ayes: 2
Nays: 0**

b. Audit Update

Mr. Ted Lannon reported that there were 13 major audit findings compared to 20 from the prior year and seven repeat findings for fiscal year ending June 30, 2009. Mr. Lannon noted the following highlights of the audit readiness progress: 1) new fraud policy implemented, 2) cash receipts policy implemented, 3) the purchasing card policy, and 4) the taskforce on unclaimed property. He also informed the Board that the Office of Auditor General selected Borschnack Pelletier & Co. of Kankakee as CSU's new audit firm.

c. Athletics Business Plan Update

Mr. Studie Davis discussed the following steps of the Athletics Strategic Business Plan:

1. Upgrade practice and competition venues
2. Recruit and retain talented coaching staff
3. Strengthen local and regional recruiting base
4. Enhance sports video services to programs

d. Office of Information Technology

Mrs. Ce Cole Dillon described the importance of the replacement of the machine running Banner. She stated in March, the power supply and the UPS system running the backup power supply both failed. Mrs. Dillon suggested purchasing hardware to replace the Banner system. She also reported that Cougar Connect was up and running on March 15. Mrs. Dillon stated that the Information Technology Division plans to expand the network services with Business over Broadband (BOB) and MERU, a single channel system which allows wireless access coverage.

6. Other Matters

a. Public and Employee Comments

No comments were made.

7. Adjournment

Trustee Hill moved to adjourn the meeting. Trustee Scott seconded the motion. The adjournment passed as follows:

Ayes: 2

Nays: 0

Meeting adjourned at 11:14 a.m.