

Chicago State University
Board of Trustees
Finance, Facilities and Audit Committee Meeting Minutes
Academic Library – Auditorium Room 415
February 25, 2009
9:32 a.m. – 10:28 a.m.

Board Members Present

Trustee Rev. Leon Finney, Ph.D., Chairman
Trustee Jawaun Sutton, Student Representative

Others Present

Dr. Frank G. Pogue, Jr., Interim President
Mr. Katey Assem, Interim Vice President for Institutional Advancement/CSU Foundation
Mr. James C. Crowley, Esq., Assistant Vice President of Auxiliary Operations
Mr. John Frizzell, Director of Accounting
Dr. Howard Johnson, Interim Vice President for Student Affairs and Enrollment Management
Dr. Dean Justmann, Interim Vice President for Finance, Administration and Budget
Dr. Kenneth Koroma, Associate Vice President for Sponsored Programs
Mr. John Meehan, Internal Auditor
Ms. Nancy Hall-Walker, General Counsel and Executive Director for Labor and Legal Affairs
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

1. Roll Call and Verification of Meeting Notice

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

2. Action Items

a. Approval of Previous Minutes

Previous meeting minutes approved, with the exception of the following statement: Trustee Sutton noted that although a referendum is required on the U-Pass issue, similar fees have not required a referendum, e.g., \$100 technology and facility fees.

Correction to the November 19, 2008 minutes have been made as follows: Trustee Sutton noted that although, according to Dr. Pogue, a referendum is required on the U-Pass issue, similar fees have not required a referendum, e.g., \$100 technology and facility fees.

b. Contracts over \$250,000

No report for contracts over \$250,000.

3. Chicago Transit Authority U-Pass

Dr. Johnson informed the Trustees that he will work with student body leadership with respect to the U-Pass. Dr. Johnson reported that he was informed that indeed a referendum was held, but was not able to determine what year it was passed. Dr. Johnson affirmed that sometime between 1998 and 2003 a referendum was held, but he was not able to determine how many referendums were held at that time.

Trustee Finney confirmed that he wanted to have a consensus on this. Trustee Finney stated that a referendum would be a good way to consult with the students. Trustee Finney suggested the Board contact Attorney Mark Dunn and advise him of what has been said and let him refer this matter or consult with the council he chooses as it relates to referendum/election law as we understand it in the State of Illinois.

4. IRS Revised Tax Annuity Benefit

Attorney Nancy Hall-Walker pointed out that the IRS has recently restated and accumulated all guidelines and revisions to their policies and procedures since 1963 and have mirrored the 401K, which makes CSU responsible in a number of areas for administrating the benefit to its employees. Attorney Hall-Walker noted that initially the law was effective January 1, 2009 but was extended to December 2009.

5. Information Items

a. Athletics

Dr. Johnson noted that Athletics has been deferred to further study.

b. Convocation Center Revenue Plan

Mr. James Crowley mentioned that there is a misconception that the convocation center is complete in its construction. Mr. Crowley confirmed that repair is needed to crucial parts of the building in order to generate revenue. Mr. Crowley announced several upcoming events.

c. Budget

Dr. Dean Justmann reported that the State deficit is \$2.5 billion and he anticipates a deep budget cut to CSU base budget. Dr. Justmann further reported that the cut could be in the neighborhood of 10%, which could be in excess of \$4 million.

Trustee Finney: What you are projecting is a \$5 million decrease in revenue which would otherwise come from appropriations?

Dr. Justmann responded, yes, when added together is \$5.2 million. The finance committee is continuing to work on planning for those potential budget contingencies.

Trustee Finney: What about increase in revenue and other sources?

Dr. Justmann: We are looking at tuition and fee increases.

Trustee Finney commented that we need to think about revenue generators. Trustee Finney suggested that we take a look at enrollment, some 393 students we might be able to accept. We would be looking at \$3.5 million revenue that could help us to stay afloat.

Dr. Erma Brooks Williams revealed that she spoke to legislative colleagues that stated the governor announced that the deficit will go up to \$11 billion and a bipartisan cut committee has been established by Speaker Madigan and President Cullerton to look at cuts immediately after the governor's budget address. Dr. Williams stated as of February, it is worse than we have anticipated.

d. FY 2008 Preliminary Audit

Dr. Dean Justmann had nothing to report.

e. Financial Report

Dr. Justmann had nothing to report.

f. Accounting

Mr. John Frizzell updated the Trustees regarding the Accounting Department. Mr. Frizzell stated that there are some weaknesses and breakdowns in the Department. Mr. Frizzell reported that his assessment has been to focus on staff development and training, which includes the National Association of College and University Business to obtain audit issues and mandates on the State of Illinois. Mr. Frizzell also stated that two new accountants were hired to help on quarterly reports. Mr. Frizzell mentioned that five students from the Business College have partnered with the Accounting Department to work on property reconciliation.

g. Sponsored Programs

Dr. Kenneth Koroma declared that in terms of resources, Sponsored Programs is trying to tap into what is coming down from Washington by setting up a mechanism to make sure that those monies will get to the University.

h. Institutional Advancement/Foundation

Mr. Katey Assem reminded Trustee Finney of the report submitted for his review.

Trustee Finney responded that he would like to have a one-on-one meeting with Mr. Assem to go over the audit and the program. Trustee Finney stated he would ask Dr. Williams to set up the meeting.

6. Other Matters

a. Public and Employee Comments

Mr. Rufus Jackson, SGA President, commented that the Student Government Association, who was voted in by the entire student body, has voted on the U-Pass and have already represented the students within a referendum to pass the referendum.

Mr. David Jonson, SGA Vice President, commented that when tuition and fees were increased there was no referendum held and voted on by the student body, so why is it necessary to have a referendum for the U-Pass.

7. Adjournment

The meeting adjourned at 10:28 a.m.