

**League of Women Voters COD
Observers Report**

Board meeting attended: Watched video of the Regular Board Meeting

Date and Location of meeting: 18 May 2017, SCC 2200

Meeting started: 6:30 PM –Closed Session; 7:07 PM Open Session

Meeting adjourned: 9:32 PM

League Observer(s): Di Niesman

Board Members/Trustees present (P) not present (NP) tardy (T):

___P___ Deanne Mazzochi, Board Chairman

___*___ Frank Napolitano, Board Vice Chairman (*On phone for Open session)

___P___ Christine Fenne, Board Secretary

___P___ Alan Bennett

___P___ Charles Bernstein

___P___ Daniel Markwell

___P___ Joseph C. Wozniak (Absent at beginning of Closed Session; Present for Open Session)

___P___ Anthony Walker, Student Member

*After second roll call was taken at beginning of open session, Chairman Mazzochi explained that pursuant to open meetings act, if there is a quorum, which there was, the Board could allow a trustee who is absent to attend meeting by telephone. Trustee Napolitano was away on business trip. Trustee Bennett moved to allow him to attend by phone, Student Trustee Walker seconded the motion, and it passed unanimously.

Estimated Number Attending (excluding Board and Staff): Unable to estimate, due to not being present. Very full room at beginning because of awards to outstanding faculty and advisors.

Meetings are Streamed and Archived at:

http://www.cod.edu/multimedia_services/botmedia.aspx

Agenda can be found at:

http://www.cod.edu/about/board_of_trustees/pdf/agendas/2017/2017may18_agenda.pdf

PUBLIC COMMENT:

- 1) Kiley Pooler, outgoing student body president, encouraged college to increase ratio of full time to part time faculty; continue to make diversity a priority at college and; encouraged Board to continue to listen to students and work with student leadership council. She thanked Dr. Rondeau for her leadership in opening up communication between students and administration.
- 2) Richard Jarmin, President of faculty association, remarked that the May 2016 Board of Trustees meeting ended after midnight and then went into closed session. The April 2017 BOT meeting ended in 47 minutes, and he hoped the health of the college was inversely proportional to the length of the Board meetings, although with 1000 page packet, he hoped he didn't speak too soon. He feels optimism for college and HLC outcome. He also thanked Dr. Rondeau for her leadership.
- 3) Jackie McGrath, VP of faculty association, congratulated the 2017 graduates (ceremony scheduled for Friday, May 20th) and new retirees. Appreciates shift in focus from enrollment to retention. She also thanked Dr. Rondeau.

REPORTS (board members, staff, administrators)

- a. Chairman's Report: Chairman Mazzochi listed committee assignments: Academic- Bennett and Bernstein; Audit- Bernstein, Fenne and Walker; Auxillary Services and Outreach- Fenne, Wozniak and Mazzochi; Budget- Napolitano, Bernstein, and Markwell; Construction, Facilities and IT- Bennett, Markwell and Napolitano; Governance- Mazzochi and Wozniak; Liason to SORP-Fenne
Had intense Board retreat a few weeks ago. Ethics training planned for July. Congratulate faculty to be honored and graduates.
- b. Student Trustee's Report: Student Trustee Walker also congratulated graduates, including Sophia Kane and Renee Mecklinburg, added his praise for Dr. Rondeau, and thanked the maintenance staff for upkeep of facilities.
- c. President's Report: Dr. Rondeau declared "the state of the college is great." She made a point to thank student president Pooler for all her help and input. She also thanked Board, Cabinet, Administration, Faculty, students and maintenance.
 - o Student Competition Update - moved this report to June
 - o STEM-COM Update - turned program over to Laurie who described second STEM-COM, which is a science fair on steroids. Faculty and COD students put the fair on, and students from high school and middle schools attend and are invited to visit 52 interactive booths; there are speakers, coding sessions, NASA came on campus for first time, a huge undertaking to get young people interested in and excited about science and also starting science pursuits at COD. 2500 people came through on April 29th, and the 3rd Annual STEM-COM is scheduled for Saturday, April 28, 2018. After the 12 minute power point and video, a photo was taken with planning committee and BOTs. Chairman Mazzochi brought her two kids.
- d. Audit Committee Report (not on posted agenda): Trustee Bernstein read excerpts from report by internal auditor about concerns raised at November 19, 2015 Board meeting regarding IT expenses with RTI (Riversides Technology, Inc.), without being sure

college was being charged competitive rates. Auditor made a sampling of 11 invoices and found the comparison showed college realizes savings of 4-12%. The college benefits from the pricing agreement, which is below market cost. The result of audit reflects well on both the IT department and the purchasing staff.

PRESENTATIONS

a. 2017-2018 Outstanding Full-Time Faculty, Part-Time Faculty and Advisors

- Dr. Donna Stewart, Interim Vice President Academic Affairs presented 21 faculty members, who were celebrated and awarded stipends from Foundation: F.T honorees were Mia Posten, Carolyn England, Joe Moran, Gary Roby, Melina Martin, John Paris, Brad Killam, and two college wide recipients; Peter Kinetis (adjunct instructor) and Karen Oliver Tucci (outstanding full time faculty). Donna turned over podium to VP Dowling to present awards to outstanding advisors and counselors -Kim Oakley and Dana Thompson. After all awardees were recognized, a group photo was taken.

b. Budget Presentation

- Dr. Brian W. Caputo, Vice President Administration & Treasurer - Beginning at the 51 minute mark of meeting, Dr. Caputo presented a summary of FY 2018 Budget proposal which was presented in depth at the Board of Trustee's retreat. It includes a 5 YR long range plan. At the June 19th meeting, there will be a public hearing before regular Board meeting for public comment. Key assumptions on revenue: tax levy is frozen, no change in tuition or student fees, anticipate 2% enrollment decline (conservative, but optimistic -better than other institutions), and \$6.6M from state of IL grants (half of what should be received). The "all funds budget"(overview) projects a beginning fund balance of \$246M, revenues of \$298M, expenditures of \$320M, resulting in a **\$22M deficit** and ending fund balance of \$224M. The budget consists of **7 college funds**, and we need to "peel them back" to understand: \$9.9M construction, \$6M debt pay down acceleration, \$4.2M to education fund results in bulk of the overall deficit. Dr. Caputo then explained the funds and their expense budgets:

Education Fund-\$155.4M: Primary operating fund, budgets for \$151M revenue and \$155M for a \$4M deficit, because of minimal support from state (4%), a \$4.9M IT fund, and \$3.4M for capital and new initiative. Also, a healthy beginning fund balance of \$167M will leave college with \$163M in fund at end of year. In regard to \$4M deficit, he noted that COD budgets conservatively, and in previous years, it has come closer to balanced than projected. **If** receive \$6.6M from state, will end up in surplus.

Operations and Maintenance Fund-\$15.3M: Shows a \$1.2M deficit, but also starts with \$30M fund balance (200% of expenses-very healthy). Includes a \$3.7M capital maintenance project and a \$300K facilities master plan.

Construction- \$11M: With a \$17M beginning fund balance, revenues of \$1.2, and expenses of \$11M will leave a projected \$9.8M deficit and a \$7M fund balance. This fund has a lot of ebb and flow, depending on which year a multi-year referendum is in. If early in referendum, the fund runs a surplus, and it goes into deficit spending as it nears

the end of the referendum period. Highlights include \$260K in referendum #1 projects, \$4.5M in referendum #2 projects, and \$9.2M in other construction projects.

Bond and Interest- \$40M: This is the fund through which general obligation debt is paid. Normally, in and out is about equal. Will redeem bonds of \$5.7M (previously approved) with accelerated debt repayment to draw down the healthy beginning balance from \$14M to \$8M ending balance.

Auxillary Enterprises-\$13M: This includes revenue and expenses for ancillary services (book store, food services, The MAC, etc). Beginning fund balance of \$9.6M is projected to be \$8.3 at end of year. However, the revenue and expenses show only a \$200K deficit. The remaining \$1.1M outflow is from book store revenue into the Education Fund, which college believes is a good use of the funds.

Restricted Purpose-\$85.2M: This fund has a beginning and ending balance of \$0. It includes \$55M SURS (state university retirement system) from state for pensions. It also includes unfunded mandate to waive tuition for veterans and national guard members, and college transfers that \$500K from another fund to zero it out.

Working Cash-\$0: \$8.5M beginning and ending balance...use to pay invoices when revenue isn't coming in.

- Robert Hayley, Budget Manager - He explained **Strategic Long Range Plan** (SLR). He mentioned that Dr. Caputo's presentation made the \$22M deficit a lot less alarming. There are three funding priorities in the SLR plan: capital requests, new initiatives, and new staffing. The struggle is always with balancing what is needed with what is available. 92% of the budget is maintenance of baseline budgets with only 8% (\$25M) available funding. That \$25M includes \$11M construction plans. There are eight goals for the SLR plan: Accountability, Value-Added Education, Student Centeredness, Equality & Inclusiveness, Relationships, Innovativeness, Financial Stewardship, and Infrastructure.

Accountability- Goal is to remain transparent by utilizing internal controls and strengthening fraud protections-budgeted \$600K; \$400K to modernize procurement system, and \$200K to enhance the HR systems.

Value-added Education: strengthening partnerships and students' awareness-budgeted \$372K for Partner Hall expansion (area by the Starbuck's)

Student Centeredness- \$129K for counseling and advising staff and support with dedicated space, \$300K for learning technologies division (online instruction, videos, studios), \$302K for adjunct faculty office space.

Equality& Inclusiveness-make sure both students and employees feel welcome on campus. \$43K for additional support staff position in International Students Department and \$10K for student diversity peer mentoring program.

Relationships-Collaborating and cooperating with all our stakeholders. \$389K marketing communications plan to get the word out. \$200K to modernize website and get mobile solutions. \$200K for Lakeside Pavilion Concert Series for community outreach.

Innovativeness- Invest in people. \$650K for employee professional development funding. \$75K for leadership assessment.

Financial Stewardship- Keeping property taxes and tuition as low as possible/frozen

Infrastructure- maintain and improve infrastructure. \$4.8M Information Technology plan. \$1.2M to upgrade Jack Turner Conference Room, which is not used exclusively by college, with AV system upgrades. \$300K for a comprehensive facilities master plan.

Listed some more construction projects and their costs, showed the IT plan in detail, and finally personnel projections. Administration is going from 50 down to 43, but next year will have a net FTE increase of seven positions. There will be 15 repurposed positions.

The Budget Presentation ended at 1 hour 15 minute point of the meeting (approximately 25 minutes). Chairman Mazzochi asked the only question after the presentation, "What percentage of education fund is for faculty?" Mr. Haley did not have the answer readily available.

INFORMATION ITEMS

a. Personnel Items

- 3 managerial positions filled.
- 8 classified positions filled.
- 1 managerial and 7 classified positions resigned/terminated.

b. Financial Statements

- As of 4/30/17, COD had an average cash and investment balance of \$269.4 million, of which \$261.5 million was the average investment balance.
- 80% of the budget is committed (\$136,673,492), with 85% of the payrolls have occurred.

c. Gifts & Grants Report

- \$529,615.59 of gifts was received for the month of April 2017.
- Approximately \$3.7 million in gifts were received for FY 2017.
- Over \$5.1 million in grants have been received for FY 17 (July 1, 2016 – April 30, 2017)

d. Change Orders

- \$605 in change orders and \$60 in construction manager fees.

e. Monthly Construction Update

- 5 Projects completed.

- 13 projects in progress.
 - 1 project proposed.
 - 5 projects deferred/cancelled.
- f. Fixed Asset Inventory Update
- Records Consultants, Inc. (RCI) conducted an inventory and found 61,346 items and is valuing the assets for insurance purposes. Final report expected in June.

Chairman asked if there were any questions on the Information Items and Trustee Bennett commented on Item 7b, Financial Statements. After reviewing report on disposal of capital assets of the college and also Board Policy 10-85, he recommended that a review of the policy be the first agenda item for the construction and facilities committee.

CONSENT AGENDA

- a. PBX Maintenance Support – phone system. Maintenance and two upgrade projects to Integration Partners, \$303,526.79.
- b. Batting Cage Replacement – Net Connection LLC, \$68,570.
- c. Construction Change Order for Board Approval - \$19,220 to maintain a constant 67 degrees in the cadaver room.
- d. Reimbursable Expenses for Trustee Joseph Wozniak \$130.64.
- e. Approval to Continue Resolutions approved at the April 30, 2015 Board Meeting
 - Adoption of Robert’s Rules of Order for Board meetings
 - Litigation hold
 - Retention of Legal Counsel
 - Suspension of all House accts at the Waterleaf restaurant
 - Authorization for office space and equipment for the Board of Trustees
- f. FY18 Printing of Continuing Education Schedule of Classes – Indiana Printing and Publishing, \$140,737.
- g. Studio Control Room Upgrade for the MPTV Television Studio – KeyCode Media, \$159,391.58.
- h. 2017 Pavement Sealing and Repairs Project – Denler, Inc, \$427,746.
- i. Point of Sale (POS) Software and Hardware for Dining Services – Appetize Technologies, \$33,563.34.
- j. Janitorial Staffing Services for Facilities Operations – Midway Staffing, Inc, not to exceed \$526,240 for a one-year contract, with an option for two additional years.
- k. Public Safety Desk and Student Tech Gallery – Builders Land, Inc, \$79,326.12.
- l. Walk-in Freezers for the HVACR Department (2) – American Cooler Technologies, \$32,381.22.
- m. Appointment of Board Representatives at Bid Openings – Ten individuals who are reasonable independent of COD’s procurement process.
- n. 2016 Learning Management System RFP Rejection – Anew Learning Technologies Steering Committee has been convened and will conduct a rigorous needs assessment of the current LMS.
- o. Casework, Signage and Equipment for Technical Education Center (TEC) Food Service Venue – Atlantic Equipment Specialitsts, \$73,254.68.

- p. Budget Transfer for Outside Counsel - The FY2017 Budget included \$750,000 of ordinary legal and professional fees and \$3.0 million of contingency, which may be used to cover one-time costs associated with legal matters at the College. Based on FY2017 incurred fees through April 2017, and an estimate of fees yet to be incurred through June 2017, management is requesting a transfer of \$200,000 from the contingency account to ensure adequate funding any potential outstanding legal and professional obligations.
- q. Expense Reimbursement for Dr. Ann Rondeau - \$1,307.84
- r. Minutes of the April 20, 2017 Regular Board Meeting
- s. Minutes of the April 27, 2017 Parliamentary Procedure Training, Organizational & Special Board Meetings
- t. Personnel Action Items – Appointments of the following:
 - Charles Boone – Dean, Arts, Communications and Hospitality
 - Scott Brady – Interim Controller
 - Jennifer McIntosh – Associate Dean, library
 - Julie Garcia – Instructor, Nursing
- u. Financial Reports

Chairman Mazzochi noted that management had requested that 8H, 2017 pavement and sealing project, be pulled for later consideration. Trustee Bennett asked a question about the legality of trustees, who were not at a meeting being able to vote to approve the minutes of the meeting. Board Counsel said there was no clear cut answer to the question, but he could legally vote since the Board secretary takes the minutes and the meeting is available to watch, or he could abstain. Trustee Bennett asked that Item 8R, the approval of April 20 Board meeting be pulled. Mazzochi entertained a motion to approve consent agenda items 8A - 8G, 8I – 8Q, and 8S – 8U. Bernstein moved and Walker seconded. Trustee Bennett asked about the several consent items dealing with bidding process and how these items “legal notice” was given. Several items only had one bid, which he was concerned about. For the future, when bid proposal comes up the Board has a more extensive information. Dr. Rondeau said more information would be placed in Board packets. Motion passed unanimously. On 8R, Bernstein moved to accept and Markwell seconded. Motion passed with Bennett abstaining.

PAYMENT OF 2016 PROPERTY TAXES: In the past, the College has filed Certificates of Status of Total Exemption for all of its property and the College’s property tax exemption has been approved. In 2015 the Milton Township Assessor determined that the College should no longer receive tax exempt status on the following: the College’s Early Childhood Center, the Inn at Water’s Edge, three cellular antenna agreements, the US Bank facility, and the areas of campus operated under the Sodexo Food Management Agreement. In addition to the newly assessed property, the College’s Bookstore assessment had increased significantly.

The Board of Trustees approved the payment of the 1st installation of the assessed 2016 property taxes in protest totaling \$130,000. Motion to approve entered by Markwell, seconded by Bennett, passed unanimously.

INFORMATION TECHNOLOGY ANNUAL MAINTENANCE CONTRACTS: The Board of Trustees approved 14 (10a-10n) different maintenance contracts for service for a total

of \$761,102.54. Motion to approve by Fenne and seconded by Bernstein. Before the vote, management was questioned extensively and primarily by Trustee Bennett and Mazzochi, because most of the contracts didn't require bidding. He was concerned about "coziness" between vendors and purchasing and whether college was getting best deals. Several contracts noted that they were sole source. He felt Board needed additional information before voting. Bennett moved to table the item, but there was no second to table the item. So, they discussed most of the 14 items individually, and IT explained each contract. For example, Mazzochi felt one contract with Concur for a travel system should have been replaced, because nobody likes it or uses it. However, management felt users needed more training, which would be better than looking for new system. Another question was about contract with procurement system. Whenever/if ever they look for new procurement system, it would take 18 months. Bernstein asked if it is generally better to go with maintenance recommended by vendor, and answer was yes. Napolitano asked about 10h and why the firewall didn't go out for bid, because so many vendors in Chicago area. Answer was that they did do comparison on line to confirm they were getting good price. Napolitano suggested they could have taken a screen shot to put in the packet. He also said every item complies with board policy, and Board might want to change policy to consider multi-year contracts. There seemed to be a difference of opinion on competitiveness (Board) vs. compatibility of systems (management). The discussion began at 1hr 24 minute mark and continued for 24 minutes until 1hr 56 minutes. Bennett hopes future situations do not require such extensive discussions. After the discussion, the motion passed unanimously.

CONTRACT FOR McANINCH ARTS CENTER (MAC) MARKETING AND PUBLIC RELATIONS CONSULTANT FOR FY2018-2020: The Board of Trustees approved a three year contract with Carol Fox & Associates, \$211,100 in year one and two and \$217,433 in year three. Fenne moved to accept and seconded by Bernstein. Bennett brought up the RFP, circulated to all the trustees, because the bid was accepted after only 20 days. Napolitano concerned Fox was not the lowest bidder, but the lowest bidder misunderstood the contract. Low bidder wanted to build on contract, and would only provide one support person. Purchasing dept. made list of 60 vendors. Told MAC it had to go out to bid. Mazzochi concerned 39 vendors downloaded, but only received two bids. Stevens and Tate did not provide a bid. Marketing spend for most big agencies are large. COD's isn't a big pay off. Director of MAC shared a lot of positive information about the MAC. Student shows bring in \$60K, and touring shows bring in \$1.8M. Since Carol Fox brought in, MAC is trending up, while industry trend is going down. Bernstein believed that we should defer to expertise of MAC's director. Mazzochi fears the "appearance" that college is going through the motions with Carol Fox, but director said RFP was very specific and transparent, so what the college wanted was clearly spelled out. Mazzochi, Napolitano and Wozniak voted "no." Motion passed.

RENEWAL OF LIBRARY VENDORS FY18: The Board of Trustees approved the following:

- For Governmental Consortium/Cooperative Agreements:
 - IHLS-OCLC \$61,800.00
 - CARLI-UIUC \$113,050.00
 - Total \$174,850.00
- Expenditures with the following vendors:
 - EBSCO Information Services \$116,700.00

- Amazon, Inc. \$70,000.00
- Yankee Book Peddler \$140,000.00
- Total \$326,700.00
- Sole Source Vendors:
 - Cengage Learning \$75,000.00
 - ProQuest LLC \$93,500.00
 - LinkedIn Corp \$77,700.00
 - Bepress \$27,545.00
 - Thompson Reuters \$43,050.00
 - Total \$316,795.00

Fenne moved to approve and Markwell seconded. Mazzochi questioned protocol for purchasing. Vendors are identified by technical supervisor, and the actual purchase is routed through the finance department. Trustee Wozniak voted no, and motion passed.

CONTRACT FOR THE HSC CADAVER LAB RENOVATION: The Board of Trustees approved Reed Construction, \$246,748.00. Moved to approve by Bennett and seconded by Markwell. Bennett questioned that, according to narrative, notice went out and bids were opened before Board approved bidding process. Explained that it was a separate item that was approved on April 20th. Mazzochi questioned two bids, one with ceiling grid and one without ceiling grid. Picked lowest base bid, per usual process. So, will not get a new ceiling grid. Motion passed with Mazzochi and Wozniak voting no.

TRUSTEE DISCUSSION – No further discussion before adjournment

No need for another closed session identified.

Calendar Dates

Thursday, June 22, 2017: Public Hearing of FY18 Budget @ 6:45PM –SSC-2200

Thursday, June 22, 2017: Regular Board Meeting @ 7:00PM – SSC-2200

Markwell moved to adjourn, and Napolitano seconded. Motion passed. Adjourned at 9:32 PM

Comments/Concerns: Viewing the budget presentation by Dr. Caputo and Bob Haley, beginning at 51 minute mark and ending at 1hr 15 minute mark in meeting, is highly recommended to get clear picture of financial health and plans for COD. They definitely explained the \$22M projected deficit for FY18.

Regarding the extended discussion on the IT contracts, it should be noted that certain items do not have to be bid if they concern specific functions that may relate to specific vendors. I got the distinct impression that most of the contracts have been long standing and, in most cases, the renewals of contracts with original vendors is primarily because they provide very timely repairs and software updates, equipment replacement, etc. and basically, they know the product the best.

General Features

	Yes	No	Comments
Did the meeting start on time?	X		
Were members attentive and prepared?	X		New trustee Alan Bennett came very prepared with many questions.
Were members courteous to each other?	X		
Were members attentive to the publics' comments?	X		Since comments were all very positive, they were applauded by Board and audience.
Was the facility adequate?	X		
Could the audience see and hear?	X		
Were visual aids easily visible to the audience	X		
Were the meeting facilities handicapped accessible	X		

FOIA (Complete once, unless information changes.)

Illinois Open Meetings Act requirements

	Yes	No	Comments
Was the agenda posted 48 hours before the meeting? If yes, note where	X		
Did the agenda items clearly describe what was to be discussed?	X		One item, Audit Committee Report, was not on agenda as posted
Were background materials made available to the public?	X		

Was there adequate discussion of the issues?	X		
Was there a closed session before, during or after the meeting?	X		Before regular meeting only
If there was a closed meeting, was any action taken after the closed session? If so, what action?	X		All votes taken after closed session before regular open meeting commenced.

Date Submitted: May 21, 2017

By: Di Niesman