

**GOVERNORS STATE UNIVERSITY
BUDGET AND FINANCE COMMITTEE**

Minutes of the May 9, 2014 Meeting

Patrick Ormsby, Chair

CALL TO ORDER AND ROLL CALL

The Budget and Finance Committee of the Board of Trustees met on Friday, May 9, 2014 in Engbretson Hall at Governors State University. The meeting was called to order at 11:30 a.m. by Committee Chair Patrick Ormsby. Also in attendance were Committee members Lorraine Tyson, Jack Beaupre, and Kayla Randolph-Clark, and Trustees Anibal Taboas, Eileen Durkin, Brian D. Mitchell and Bruce Friefeld.

Others present: Elaine P. Maimon, President; Deborah E. Bordelon, Provost and Vice President for Academic Affairs; Alexis Kennedy, General Counsel; Karen Kissel, Vice President for Administration and Finance; Will Davis, Vice President for Development; Courtney Sanders, Vice President for Enrollment Management and Marketing; Maureen Kelly, Director of Government and Community Relations; Rashidah J. Muhammad, Faculty Senate President; Laura Owens, Civil Service Senate President; Natasha Dillard, Student Senate Representative; Elizabeth Ruiz, President, GSU University Professionals of Illinois; Angela Latham, Associate Provost; Sandra Mayfield, Associate Provost; Reinhold Hill, Dean, College of Arts and Sciences; Ellen Foster Curtis, Dean, College of Business and Public Administration; Elizabeth Cada, Dean, College of Health and Human Services; Aurelio Valente, Dean of Students; Faculty Senate Representatives Susan Ji and Walter Henne; and David Dixon, Internal Auditor.

Chair Ormsby welcomed Faculty Senate President, Rashidah Muhammad; Civil Service Senate President, Laura Owens; Student Senate Representative Natasha Dillard; and Faculty Senate Representatives, Professor Susan Ji and Professor Walter Henne.

INFORMATION ITEMS

1. **Report on Purchases \$50,000-\$99,999 – January 25, 2014 through April 14, 2014**
There were no items to report for this period.

2. **Operational Budget vs. Actual as of April 30, 2014**
Kissel noted the report is in the Board Book. She commented that the University is operating within its budget. There were no questions.

3. **Annual Report on Depositories**

Kissel noted the report, which is a requirement of the Board of Trustees Regulations, is provided annually. The report is in the Board Book. There were no questions.

4. **Academic Computing Services (ACS) Lab and Library Construction Contracts Update**

Kissel commented that this report is being given following action at the February 28, 2014 Board meeting which allowed the President to authorize bids and award contracts for this project due to time restraints. A Request for Proposal (RFP) was issued in March 2014 and contracts were awarded in April to the following companies: General Contracting - Chicago Heights Construction Company; Heating – Amber Mechanical Contractors Inc.; Electrical – Linear Electric Inc.; Cabling – TelePlus, Inc. Tyson asked if the general contractor’s contract allowed provisions for cost overruns and if so, in what amount. Kissel explained the bidding contractors are given instructions for the scope of the work and subsequently submit their bids. If there are unforeseen circumstances a change order is agreed upon, which typically runs 10% or less of the total contract award.

ACTION ITEMS

1. **Approval of Minutes**

Ormsby requested a motion to approve the minutes of the February 28, 2014 Budget and Finance Committee meeting. Beaupre made a motion. Tyson requested a motion to amend the minutes under “Action Items, 3. *Resolution 14-22: Award of Contract for Financial Advisor Services*” by striking “Lloyd” and “he” and inserting “Columbia Capital Management” for both. Beaupre withdrew his motion. Ormsby asked for a motion to approve the amended minutes. Tyson made a motion. Mitchell seconded. The minutes were approved by unanimous voice vote.

2. ***Resolution 14-30: Award of Contract for Television Services for Student Housing***

Ormsby entertained a motion to approve Resolution 14-30. Randolph-Clark made a motion. Mitchell seconded. Tyson pointed out that in the Executive Summary there were two bidders, and asked what the dollar amounts were for each. Kissel responded that NT Communications, Inc. did not have any higher education references, while Campus TeleVideo, Inc. services over 400 colleges across the country. Taboas commented that it seemed a little strange to have a technology-oriented contract for nine years, three years with two three-year extensions, given the speed at which technology progresses. Kissel responded that if the University believes TeleVideo is not providing adequate service they can opt out of the contract. Taboas asked what the dollar amount is for the complete nine-year period, to which Kissel responded it is approximately \$40,000 per year. Taboas again stated that it seemed rather unusual to sign a nine-year contract. Tyson noted that

this vendor was chosen because they had contracts with other colleges, asking what the terms of those contracts were. Sullivan responded that the University can make changes within the contract given changes in technology. Durkin asked for clarification, stating it could go nine years, but it can be shorter, which Sullivan confirmed. Given the concerns about the contract length Mitchell asked General Counsel Kennedy whether the contract could be brought back to the Board for approval in three years rather than nine. Kennedy responded that this could be done during the Full Board meeting, at which time a motion can be made to amend the contract to state it will be brought before the Board in three years, not nine. It was agreed to do so.

3. ***Resolution 14-31: Award of Department of Children and Family Services (DCFS) Sub-Awards.*** Ormsby entertained a motion to approve Resolution 14-31. Tyson made a motion. Randolph-Clark seconded. Kissel explained that each year, since 1985, the University has brought this action before the Board for approval. It pertains to an intergovernmental agreement for training services through DCFS and involves 100 different employees across the state. Essentially it is a pass-through contract. Taboas asked if GSU receives instruction as to what the funds can be used for and the amount to allocate. Kissel responded that the contract identifies specific dollar amounts, specific employees, and specific actions to be taken. The motion was approved by unanimous voice vote.
4. ***Resolution 14-32: Approval to Extend Legal Services Contract.*** Ormsby entertained a motion to approve Resolution 14-32. Tyson made a motion. Randolph-Clark seconded. Kennedy explained this action involves a three-year legal services contract GSU has with Chapman and Cutler LLP with an option to extend the contract an additional two years. No request for an increase in the contract amount is being made. The motion was approved by unanimous voice vote.
5. ***Resolution 14-33: Approval to Extend Contract with Ellucian, Inc.*** Ormsby entertained a motion to approve Resolution 14-33. Tyson made a motion. Randolph-Clark seconded. Kissel explained the University is asking for authorization to extend this contract for one year, through June 30, 2015, with a zero cost extension. This request is being made because during FY15 the University will be in the process of enhancing modules, and perhaps adding new modules, which require the expertise of Ellucian personnel. Tyson questioned whether this was for software. Kissel explained the contract is for consulting services. Maimon provided a brief background on the most recent ERP process GSU had undertaken. The motion was approved by unanimous voice vote.
6. ***Resolution 14-34: Approval of Preliminary FY15 Budget.*** Ormsby entertained a motion to approve Resolution 14-34. Beaupre made a motion. Ormsby seconded. Kissel stated

each year at this time GSU asks the Board to approve a preliminary operating budget to conduct business through October. At the October Board meeting the Administration will bring the final budget before the Board for approval. She provided a brief explanation of revenue streams, and reiterated that this budget is deliberately conservative in anticipation of decreased allocations from the state. Kissel also pointed out that PBAC (the Planning and Budget Advisory Council) will convene on May 21-22 for budget hearings where each operational unit will present a 5% budget cut. Tyson asked if the budget reflected a 12.5% cut from the State, which Kissel confirmed. Tyson asked if the anticipated enrollment numbers reflected the first freshman class. Kissel responded they did not. Maimon added that expenditures for the first freshman class are included, so this is a definitively conservative budget. Beaupre commented that it behooves the Board to congratulate the finance department and Kissel for dealing with this in a very thorough way, adding that as former Board Chair he was aware of the factors that went into this proposed budget, and the Administration did an outstanding job looking at possible future problems and ways for protecting the University with sound fiscal action. The motion was approved by unanimous voice vote.

PUBLIC COMMENT

Charles Dieringer, community member. Mr. Dieringer made the following remarks: I've been involved in programs that are similar to what Ellucian provides, one which had a network of 1500 universities. We were involved in a Tedx program on healthy food and living. I think this is something that you could do here that would help our community. Ellucian looks like they are a source for doing these types of things. Please look into that further.

There being no further comments Chair Ormsby entertained a motion to adjourn. Randolph-Clark made a motion. Ormsby seconded. The Budget and Finance Committee meeting adjourned at 12:02 p.m.

Respectfully submitted,

Joan Johns Maloney