BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 502
COUNTIES OF DuPAGE, COOK AND WILL
STATE OF ILLINOIS

MINUTES
TUESDAY, AUGUST 21, 2012
HELD ON CAMPUS IN SSC-2200, GLEN ELLYN, IL

CALL TO ORDER
At 7:01 p.m., the Regular Meeting of the Board of Trustees was called to order by Chairman Carlin.

ROLL CALL

Also Present: President Dr. Robert L. Breuder, Legal Counsel Respicio F. Vazquez of Franczek Radelet P.C., staff members, representatives of the press and visitors. (Minutes prepared by Carol Blotteaux, Administrative Assistant, Office of the President.)

APPROVAL OF AGENDA
Chairman Carlin called for a motion to approve tonight's Agenda. Vice Chairman Birt moved, Trustee Svoboda seconded the motion. On voice vote, the Board of Trustees approved the Agenda for the Regular Board Meeting of August 21, 2012. The motion carried unanimously. (Trustee Wozniak arrived at 7:11 p.m.)

PRESENTATIONS
The Center for Entrepreneurship is located on Cabot Drive in Lisle. Dr. Donna Stewart, Dean, Business and Technology, introduced Rita Haake, Program Manager of the Procurement Technical Assistance Center; David Gay, Program Manager of the Small Business Development Center; and Luanne Mayorga, Manager of the International Trade Center. The Board received a packet of information for their review.

Rita Haake shared the work the Center is doing for the County of DuPage and the surrounding area in terms of job creation, economic development and new business creation. The Center’s work is tied to the Strategic Long Range Plan goal, Strengthen Community Partnerships. They are advisors to the small business community, but also act as coaches, trainers and advocates for the small businesses (500 or less employees) within COD’s district and beyond since 1984. They design and implement seminars, business workshops and webinars to meet their business needs on a one-on-one basis or as speakers at various events.
Their funding originates from the Federal Government, with the primary state grantor being the State of Illinois Department of Commerce and Economic Opportunity. Their grant requires a 75% cash match. They have used the Illinois Community College Board Workforce Development Grant as their cash match, as well as a portion of their rent from Cabot Drive. Ms. Haake noted the Governor depleted the Workforce Development Grant for the coming year. The team, along with Dean Donna Stewart, meets on a regular basis to identify alternative funding sources.

**Bad Debt at C.O.D. – An Update**

Before introducing Tom Glaser, Senior Vice President, Administration/Treasurer, to give an update on Bad Debt at COD, Dr. Breuder noted the federal government requires banks to set aside a percentage of their assets for default on loans. Although COD does not make loans, the College has been influenced by similar behavior. We provide educational opportunity to students, who are then obliged to pay for the services they receive here at COD. On occasion, they default, so “x” amount of dollars were set aside, as required, for payments we do not receive. The element of fraud is also a problem.

Tom Glaser noted that in 2010, we had to add $5 million to our loan loss reserve based on some bad practices at the College. The work that has been done by several administrators to improve that situation has taken a great deal of time and effort.

As of August 17, 2012, students owed almost $23 million for tuition and fees, $9.6 million of which is past due. There are three reasons why those receivables are not being paid: 1) loss of financial aid due to attendance or unsatisfactory academic progress in class; 2) poor management of receivables prior to FY2011; and, 3) financial aid fraud. A sophisticated fraud ring that has contributed to this situation was just recently discovered.

In early May, the College was notified of suspicious activity related to student refund checks which had been issued. The Finance Department verified the students were enrolled in internet classes. It was learned the students registered for online programs and participated in minimal online instruction, enough to establish they meet the program, but did not meet the completion requirements after financial aid had been disbursed to them.

The internal auditor, Financial Aid, the COD Police Department and IT met to discuss how to remedy this situation. Contact was made with the Inspector General at the Department of Education (DOE), who confirmed the 69 students had been part of a broad fraud ring working in distance learning. It was disappointing to learn the DOE did not pass this information along to COD. We have contacted other area college administrators, some of whom were not aware they may have experienced a similar case of fraud.

Controls have been implemented to deter this type of activity. Financial Aid worked with IT to create a report identifying students enrolled in only internet classes. They will determine how many times the students log into Blackboard. If they have not logged on the first day...
of class, financial aid will be dropped, which would prompt the student to return and re-establish financial aid. Financial Aid funds are disbursed at the latest possible date, as required by law.

While the cases of fraud deal with a minority of registered students, Financial Aid has implemented additional requirements affecting all students, but especially dealing with GED students or those from out-of-state. High school transcripts are now required, and financial aid will not be disbursed until the transcripts are provided. There is a third party vendor that helps Financial Aid evaluate the applications to deter the likelihood of fraud. Students who complete 60% of their courses are eligible for financial aid. When faculty drops a student or students drop prior to that time, the College is responsible for the unearned portion of the funding.

To assist in managing receivables, the College has participated in the local debt recovery program established by the Illinois Comptroller’s Office which enables local units of government to collect debts through a tax intercept program. If you are owed money from the State of Illinois, they will take this money off the top of what the State owes the College. It is held for 60 days, to give the person an opportunity to appeal, and then the College would receive the money owed them. In March of 2012, COD entered into an Inter-governmental Program Agreement with the State and turned $8.4 million over to them. The College received almost 60% of the dollars we were owed.

The College also entered into an agreement with a law firm/collection agency and has turned over $7.9 million of delinquent receivables to them. This is mostly old receivables which will be very challenging to collect. As of August 14, they have recovered $450,000.

Mr. Glaser discussed additional controls being used by the College and answered Board members’ questions. A letter is being prepared to send to our legislative delegation which will address inefficiencies in the system which could prompt some legislative changes.

STUDENT TRUSTEE’S REPORT
Student Trustee Martin reported on the events sponsored by the many student clubs and organizations.

In cooperation with Dr. Breuder, the Student Leaders are bringing to the Board for action tonight the commissioning of a Chaparral sculpture, a permanent gift from the students.

PRESIDENT’S REPORT
Dr. Breuder had no further comments.

COMMENTS FROM COLLEGE OF DuPAGE EMPLOYEES
Glenn Hansen, President of the Faculty Association and Faculty Senate, asked that it be noted that the comments he makes to the Board of Trustees are as an elected faculty leader, not as an individual. While written by him, they express the views and sentiment of the Faculty Senate, who represent the faculty on all issues. He requested the July 19 Minutes reflect accordingly.
Mr. Hansen noted the Faculty Senate accepted an invitation to an all day retreat with the Senior Management Team. They look forward to working with Vice President Sands-Vanker to arrange the meeting.

COMMENTS FROM DISTRICT 502 CITIZENS
There were no comments from District 502 citizens.

COMMENTS FROM CITIZENS AT-LARGE
There were no comments from citizens at-large.

CONSENT AGENDA
Chairman Carlin asked if there were any Consent Agenda items the Board would like to remove and vote on separately. Trustee Svoboda moved that Board item 9.B.1b), Minutes of the July 19, 2012 Regular Board Meeting, be removed for further discussion. (A second is not required.)

Chairman Carlin asked if there were any additional Consent Agenda items the Board would like to remove and vote on separately. Hearing none, Trustee Savage moved, Trustee McGuire seconded, that the Board of Trustees approve the Consent Agenda consisting of the remaining items:

A. The following items for BOARD INFORMATION only:
   1) Gifts and Grants Report
   2) Governmental Consortium/Cooperative Purchases - None
   3) Financial Statements consisting of Schedule of Investments, Operating Funds – Budget and Expenditures, Disposal of Capital Assets

B. The following items for BOARD APPROVAL:
   1) Minutes of the July 19 Regular Board Meeting – Pulled
      a) 7/19/12 Closed Session Meeting
      b) 7/19/12 Regular Board Meeting

   2) Financial Reports
      a) June Treasurer’s Report
      b) July Treasurer’s Report
      c) Payroll and Accounts Payable Report

   3) Bid Items:
      a) Physical Education Building (PE) Bid Package 2
         a] The Board awarded the bids for Physical Education Building Bid Package 2 to the lowest responsible bidders and assigned the contracts to Power Construction Company, LLC as follows:
Demolition work to Robinette Demolition, Inc., 0S 560 Highway 83, Oakbrook Terrace, IL for the value of $572,250.00. Alternate #23 for an additional $1,000.00 is being recommended. Total contract award of $573,250.00.

Precast stair work to Advanced Cast Stone Company, W5104 Hwy144, Random Lake, WI for the value of $120,510.00.

Masonry will be presented at a later date following completion of the review of bid responses.

Stairs and miscellaneous metals will be presented at a later date following completion of the review of bid responses.

Millwork and cabinetry will be presented at a later date following completion of the review of bid responses.

Metal Panels will be presented at a later date following completion of the review of bid responses.

Roofing and sheet metal will be presented at a later date following completion of the review of bid responses.

Overhead coiling doors will be presented at a later date following completion of the review of bid responses.

General trades work to L.J. Morse Construction 128 S. Broadway, Aurora, IL for the value of $2,169,600.00. Alternate #05 for an additional $20,890.00 is being recommended. Alternate #13A for an additional $13,330.00 is being recommended. Alternate #13B for an additional $21,760.00 is being recommended. Total contract award of $2,225,580.00.

Tile will be presented at a later date following completion of the review of bid responses.

Sports Flooring will be presented at a later date following completion of the review of bid responses.

Carpet will be presented at a later date following completion of the review of bid responses.

Painting will be presented at a later date following completion of the review of bid responses.

Lockers & cubicles, no bids were received and the trade package will be re-bid.

Bleachers will be presented at a later date following completion of the review of bid responses.

Swimming pool work to Schaefges Brothers, Inc., 851 Seton court, 2A, Wheeling, IL for the value of $865,500.00.

Elevators will be presented at a later date following completion of the review of bid responses.

Fire Suppression work to Absolute Fire Protection, Inc., 5279 28th Avenue, Rockford, IL for the value of $211,600.00.
Consent Agenda
Item 9.B.1)a)

September 20, 2012

- Plumbing work to Abitua Sewer, Water & Plumbing, Inc., 887 Church Rd., Elgin, IL for the value of $1,115,000.00.
- HVAC work to Amber Mechanical Contractors, Inc., 11950 S. Central Ave., Alsip, IL for the value of $2,472,000.00.
- Electrical, Fire Alarm, Security, Low Voltage Communications, and Audio / Visual Systems to Block Electric Company, Inc., 203C Earl Road, Shorewood, IL for the value of $2,277,130.00. Alternate #05 for an additional $3,000.00 is being recommended. Alternate #16B for an additional $7,300 is being recommended. Alternate #28 for an additional $4,000.00 is being recommended. Total contract award value of $2,293,430.00.

For a subtotal expenditure of $10,193,535.00.

b) The Board of Trustees accepted the increase in the contract amount with Power Construction Company, LLC., 2360 Palmer Drive, Schaumburg, IL 60137 related to Physical Education Building Bid Package 2 in accordance with contract terms and the previously approved fee schedule that includes .85% fee for insurance in the amount of $88,595 and a 2.25% fee for trade contract costs in the amount of $229,355 and a 4.95% fee for General Conditions in the amount of $515,933 for a total fee amount of $833,882.

For a total expenditure of $11,027,418.

9.B.3)b) Student Resource Center (SRC) Bid Package 4

a) The Board of Trustees awarded the bid for SRC Renovation Bid Package #4 to the lowest responsible bidders as follows:
- Selective Demolition to Kinsale Contracting Group, Inc., 648 Blackhawk Drive, Westmont, IL for the base bid of $1,030,000.00.
- Structural Steel to Ralph H. Simpson, 733 Industrial Drive, Elmhurst, IL for the base bid plus Alternates 4 and 6 for a total of $833,797.00.
- Carpentry to M. A. Mortenson Company, 25 Northwest Point Boulevard, Elk Grove Village, IL for the base bid plus Alternate 4 for a total of $2,080,700.00.
- Architectural Casework to Accurate Custom Cabinets, 115 West Fay Avenue, Addison, IL for the base bid of $329,205.00.
- Roofing to G. E. Riddiford Company, 2333 Hamilton Road, Arlington Heights, IL for the base bid plus Alternate 4 for a total of $1,471,200.00.
- Glass and Glazing to Gateway Glazing, Inc., 3455 Stern Avenue, St. Charles, IL for the base bid of $355,000.00.
- Drywall to International Decorators, Inc, 28059 West Commercial Avenue, Barrington, IL for the base bid plus Alternates 4, 9 and 11 for a total of $2,532,328.00.
- Fire Protection to Nelson Fire Protection, 11028 Raleigh Court, Rockford, IL for the base bid plus Alternate 4 for a total of $807,365.00.
- Plumbing to Capitol Mechanical Industries, Inc., 998 North Lombard Road, Suite 150, Lombard, IL for the base bid of $723,450.00.
- Electrical to Gibson Electric Company, Inc., 3100 Woodcreek Drive, Downers Grove, IL for the base bid plus Alternates 4 and 11 for a total of $6,206,600.00.

For a subtotal of $16,369,645.00;

b] The Board of Trustees approved the increase in the construction management contract amount with M. A. Mortenson Company, 25 Northwest Point Blvd., Elk Grove Village, IL 60007, for the contracts related to SRC Library Renovation Bid Package #4, in accordance with the contract terms, for Site Services per the quote dated June 13, 2012 for temporary site services to support construction activities for a subtotal of $1,369,629.00;

c] As previously approved by the board, a 4.58% fee for General Conditions in the amount of $812,459.00; a 0.95% fee for insurance in the amount of $168,523.00; a 2.2% fee for trade contract costs in the amount of $390,264.00 for a subtotal of $1,371,246.00.

For a total project expenditure of $19,110,520.00.
9.B.3(c) The Board awarded Microsoft Enrollment for Education Solutions to SHI International, 290 Davidson Avenue, Somerset, New Jersey, 08873 for a total expenditure of $188,874.30.

4) Requests for Proposals:
   There were no Requests for Proposals.

5) Purchase Orders for:
   a) Continuing Education Department Phase II Furniture Purchase with Krueger International, Inc., 1330 Bellevue Street, Green Bay, WI 54302 for a total expenditure of $46,078.27.
   b) Apple Computer Equipment with Apple Inc., 12545 Riata Vista Circle, Austin, TX 78727, for a total expenditure of $106,506.00.

6) The Board ratified the following Personnel Actions:
   a) Ratification of Classified Appointments
   b) Ratification of Administrative Promotions / Transfers
   c) Ratification of Managerial Promotions / Transfers
   d) Ratification of Classified Promotions / Transfers
   e) Ratification of Operating Engineers Promotions / Transfers
   f) Ratification of Managerial Resignations / Terminations
   g) Ratification of Classified Resignations / Terminations

C. For Approval:
   1) Ratification of Construction Change Orders
      • Referendum-Related Projects

- **2012 SITE AND GROUNDS – CENTRAL LAWN #03: $4,085.00.** This change is to provide sleeves for irrigation lines along Prairie Drive and for additional irrigation due to field conditions. This is an Owner-Requested Scope Change.
- **2012 SITE AND GROUNDS – CENTRAL LAWN #04: $545.00.** This change is to provide the connection of several existing irrigation zones along College Road and Loading Dock Road to the irrigation controller at the soccer fields. This is an Owner-Requested Scope Change.
- **2012 SITE AND GROUNDS – CENTRAL LAWN #05: $1,875.00.** This change is to provide for the reprogramming of the irrigation controllers in construction areas to comply with the College’s water conservation guidelines. This is an Owner-Requested Scope Change.
- **2012 SITE AND GROUNDS – CENTRAL LAWN #06: $1,645.00.** This is a unit-price contract for irrigation work on Bid Package #2. This change is to provide for additional irrigation required due to an increase in the width of the lawn at Lambert Road. This is an Owner-Requested Scope Change.
- **2012 SITE AND GROUNDS – CENTRAL LAWN #07: $6,719.30.** This is a unit-price contract for irrigation work on Bid Package #2. This change is to provide irrigation in the parkway on the west side of Lambert Road north of the TEC crosswalk and south of the HSC. This is an Owner-Requested Scope Change.
- **2012 SITE AND GROUNDS – LANDWORKS #01: $66,907.60.** This change is to provide additional grading, drainage, and landscaping due to high ground water levels. This is an Owner-Requested Scope Change.
• **2012 SITE AND GROUNDS – VIXEN #01: $94,339.22.** This change is to provide foundation piers. The reengineering of the foundation system has enabled a dramatic reduction in cost from the original project budget. *This is an Owner-Requested Scope Change.*

• **BIC/SRC – MORTENSON #226: $15,461.00.** At the request of the Health and Sciences Division, two offices in the BIC are being converted to observation rooms for use by the Human Services Department. This work includes adding a one way mirror, revising the lighting in the rooms, and adding additional power and data for cameras. *This is an Owner-Requested Scope Change.*

• **BIC/SRC – MORTENSON #227: CREDIT ($28,845.00).** This credit is the result of the final review of SG Krause and Amber Mechanical’s contracts and the associated credits for unused allowances. *This credit is the result of an internal audit.*

• **MAC RENOVATION – LEGAT #01: $5,910.00.** This change order is to increase Legat’s contract for move coordination services for MPTV and Photo. Academic scheduling necessitated that this move been done separately from the rest of the building. This does not include the cost of the actual move and storage which will be bid at a later date. The change order is necessary to document a change in contract amount but has no financial impact to the College because the cost is included as part of the project budget. *This is an Un-bought Scope Change.*

• **PARKING – ABBEY PAVING #39: $17,321.28.** This change is to provide additional irrigation and sod adjacent to the softball field, east of the College Lot 1A. *This is an Owner-Requested Scope Change.*

• **PARKING – ABBEY PAVING #40: $14,181.85.** This change is to provide conduits under College Road west of College Lot 6 for future installation of fiber optic and communication lines to the new Campus Maintenance Center. *This is an Owner-Requested Scope Change.*

• **PE RENOVATION – POWER #05: $42,666.00.** This change order is to increase Power’s contract for budgeted layout, staking, survey work and temporary fencing and gates along with associated fees and general conditions. The change order is necessary to document a change in contract amount but has no financial impact to the College because the cost is included as part of the project budget. *This is an Un-bought Scope Change.*

• **SCC RENOVATION – POWER #03: $22,763.00.** This change order is to increase Power’s contract for budgeted layout, staking, survey work and temporary fencing and gates along with associated fees and general conditions. The change order is necessary to document a change in contract amount but has no financial impact to the College because the cost is included as part of the project budget. *This is an Un-bought Scope Change.*

• There were no Capital Budget Projects.

2) Approval of Construction Change Orders

• There were no Referendum-Related Projects.

• There were no Capital Budget Projects.

Chairman Carlin asked if any Trustee had a question regarding a Consent Agenda item. Hearing no questions or comments from the Board, Secretary O’Donnell called the roll for approval of all Consent Agenda items, except item 9.B.1)b). Student Trustee Martin’s preference is for the motion. Voting aye: Trustees McGuire, Secretary O’Donnell, Trustees Savage, Svoboda, Wozniak, Vice Chairman Birt and Chairman Carlin. Motion to approve all Consent Agenda items listed above carried unanimously.

Trustee Svoboda moved, Trustee Savage seconded that Item 9.B.1)b), which was pulled from the Consent Agenda, will be revised to read “Glen Hansen, President of the Faculty Association and Faculty Senate, presented faculty views on the recently approved faculty contract.” Student Trustee Martin’s preference is for the motion. Voting aye: Vice
Chairman Birt, Trustee McGuire, Secretary O'Donnell, Trustees Savage, Svoboda, Wozniak and Chairman Carlin. The motion carried unanimously.

NEW BUSINESS
A. For Information Only:
There was no New Business for information only.

B. For Approval:
1) Trustee Savage moved, Trustee McGuire seconded, that the Board approve the Semi-Annual Review of Closed Session Minutes. Student Trustee Martin's preference is for the motion. On roll call, voting aye: Secretary O'Donnell, Trustees Savage, Svoboda, Wozniak, Vice Chairman Birt, Trustee McGuire and Chairman Carlin. Motion carried unanimously.

2) Trustee Savage moved, Trustee McGuire seconded, that the Board approve the Semi-Annual Authorization for Destruction of Verbatim Records of Closed Session Meetings. Student Trustee Martin's preference is for the motion. On roll call, voting aye: Trustees Savage, Svoboda, Wozniak, Vice Chairman Birt, Trustee McGuire, Secretary O'Donnell and Chairman Carlin. Motion carried unanimously.

3) Secretary O'Donnell moved, Trustee Savage seconded, that the Board approve the Campus Maintenance Center ICCB Application. Student Trustee Martin's preference is for the motion. On roll call, voting aye: Trustees Svoboda, Wozniak, Vice Chairman Birt, Trustee McGuire, Secretary O'Donnell, Trustee Savage and Chairman Carlin. Motion carried unanimously.

4) Trustee Svoboda moved, Vice Chairman Birt seconded, Board approval to Commission Sculptor Matthew Placzek to Create an 8' Chaparral, the College's mascot, sculpture. Student Trustee Martin's preference is for the motion. On roll call, voting aye: Trustee Wozniak, Vice Chairman Birt, Trustee McGuire, Secretary O'Donnell, Trustees Savage, Svoboda, and Chairman Carlin. Motion carried unanimously.

ANNOUNCEMENTS
• ICCTA Report
  o Trustee Svoboda noted that on September 14-15, there will be a meeting of the ICCTA Board of Representatives in Springfield which she and Trustee Savage plan to attend. The ACCT Leadership Congress will be in October this year.
There was an ICCTA Executive Meeting on August 9-10 which Trustee Savage and Chairman Carlin attended. Trustee Savage noted they spent a lot of time discussing the pension reform issues and how they would affect the various colleges. Also discussed ISAC and the MAP Grant program and future regulations which are legislature mandates.

Chairman Carlin stated a lot of the community colleges and their representatives are frustrated with the state of affairs in Springfield and the state government regarding the pension shift, implications for institutions such as the College of DuPage, the unreliability of the State to make its payments on time, etc.

Chairman Carlin indicated that Dr. Breuder wrote a letter to Senator Rodogno noting the fact that, while we don't like the fact that the State is trying to push pension costs on local taxing entities, especially schools, we anticipate this is coming. They're hoping to make it a phased in shift, rather having it come at once.

The Executive Committee set the Agenda for ICCTA, discussing committee work and legislative priorities as they relate to the Association.

- Trustee McGuire stated at a meeting in Springfield on Wednesday, she spoke with the Governor's Budget Director, Jerry Stermer, about the pensions. He said the ICCTA was a remarkable organization that stepped up to the discussion and a leader in this area.

- She also wanted to compliment all who were involved in Chap-A-Palooza. Lots of laughter and clapping. Dr. Breuder, Earl Dowling, Joe Collins, Tom Glaser and Vice President of the Faculty Senate, Bob Hazard, were in the dunk tank and raised $400 for scholarships.

- Dr. Breuder noted the State of Illinois owes the College over $4 million. This year, the State of Illinois has yet to make a payment, so that makes us in arrears of over $2 million. Pension, $17-22 million – no question it will come our way and in what form. Fraud – tuition not being paid by people who had the benefit of it. Unfunded mandates from the State. Reduction in MAP grants and other grants at risk of not being funded at all, such as those used by the Center for Entrepreneurship. We should not lose sight of the fact that we’re still in the midst of challenging times. We make difficult decisions every day to maintain the fiscal integrity of this institution. This may be a more difficult time period than where we were three years ago. In the end, it is about money and how it drives everything. Without it, you don’t build, you don’t teach, you don’t buy software, you don’t pay for benefits...you’ve got to have the money.
• Foundation Report
  o The Foundation has had a great start to FY13, raising over a quarter of a million dollars to date. The series of Chef events at the Waterleaf this summer raised more than $60,000 for scholarships for the culinary program.
  o She reminded everyone the 30th Annual Golf Outing will take place on September 17 at the Glen Oaks Country Club in Glen Ellyn. It is the primary scholarship fundraiser for the College. Dinner only tickets are still available.
  o The Foundation held its orientation for its new Board members on August 9.
  o The Annual Scholarship Reception is scheduled for October 10 in SRC 2000. The reception provides an opportunity for scholarship recipients to meet their donors and thank them in person.

• Chairman Carlin stated the next Board meeting is September 20. There will also be a Board Retreat on September 13. On September 14, the ISAC meeting will be held on campus.

ADJOURN
At 8:10 p.m., Chairman Carlin noted that, if there was no further business to come before the Board, he would entertain a motion to adjourn. Trustee Svoboda moved, Trustee Savage seconded, that the Board Meeting adjourn. On voice vote, the motion carried unanimously.

By: ______________________
Allison O'Donnell, Board Secretary

Approved: September 20, 2012

By: ______________________
David Carlin, Board Chairman