

**SUMMARIZATION OF THE MARCH 06, 2008
 FINANCE OFFICE, ADMINISTRATIVE SERVICES, AND OFFICE OF
 INFORMATION TECHNOLOGY COMMITTEE MINUTES**

Office of Finance Report

TREASURY UPDATE

Monthly cash flow report: The District's Treasurer prepared the FY 2008 Monthly Cash Flow Report with actual results through January 2008 for today's meeting. This report covers the District's operating cash and investment fund receipts, disbursements, and balances. Total projected receipts and expenses for Fiscal Year 2008 were essentially unchanged from last month's report.

The minor changes to this monthly cash flow forecast are a slight revision to state grant receipts, a decrease of interest earnings of \$577,000 due to lower rates and accrued interest earnings on investments, and spending slightly above forecast by \$363,000.

Total cash balances at the end of January 2008 were \$148.6 million, up \$33.2 million from December's \$115.4 million balance and above the District's minimum balance goal of \$83 million. Total Operating fund balances, including restricted and medium to long term investments total \$245.3 million, up \$48.2 million from last month's total.

Table 1. District Operating Funds as of January 2008 (Dollars in Millions)

| <u>Duration</u> | <u>Beginning Balance</u> | <u>In/Out In Flow</u> | <u>End Out Flow</u> | <u>Invest.</u> | <u>Balance</u> |
|-----------------|------------------------------|---------------------------|-------------------------|----------------|----------------|
| Cash | \$ 9.5 | \$ 42.9 | \$ 24.9 | \$17.7) | 9.8 |
| PFM-Short Term | 24.7 | 20.0 | -0- | (0.1) | 44.6 |
| State Treasurer | 105.9 | 26.9 | 38.6 | 0.0 | 94.2 |
| Subtotal Cash | \$140.1 | \$ 89.9 | \$ 63.5 | (\$17.8) | \$148.6 |
| PFM-Working Cap | 56.1 | 3.5 | 3.4 | -0- | 56.2 |
| Seaway-Capital | 0.9 | .0 | -0- | -0- | .9 |
| PFM-OPEB Resrv | -0- | 29.0 | 19.3 | (0.1) | 9.6 |
| PFM-Truman Proj | 30.3 | 9.7 | 10.0 | -0- | 30.0 |
| Total Operating | \$227.4 | \$ 132.0 | \$ 96.2 | (\$17.9) | \$245.3 |

Also reported is the Public Financial Management, Inc (PFM) commentary as of the end of February 2008 detailing portfolio performance trend.

Budget Update – Initial planning and preparation of the FY 2009 Budget process is underway:

- Completed review of FY2009 PeopleSoft budget panels;
- Enrollment and class size trend information sent to colleges. Enrollment & revenue projections due back this week;
- Reviewing District Office department year end spending estimates;
- Completed Tuition and Fee Committee evaluation. Prepared student fee and tuition recommendations for today's Board meeting;
- Prepared salary estimates for FY2009 budget;
- Developed a presentation for the Chancellor's Administrators Meeting on the Enterprise Fund policy and practice;
- Prepared cost estimates for Local 399 engineers negotiations;
- Participated in PeopleSoft Financial System Phase 2 planning meetings; and
- Reviewed and responded to all new requests for positions (RFP).

Capital Projects – The Finance Office made a \$10 million payment to the PBC of the \$13.5 million final invoice for the new Kennedy-King College.

Student Financial Assistance – During February 2008, Student Financial Assistance staff supported follow-up questions on the approximately 25,000 student 1098T forms issued in January.

PeopleSoft Financial System Upgrade - The Finance Office again worked closely with OIT to correct problems with upgrade to PeopleSoft 8.9. The Finance System version 8.9 put was placed in production on

November 19th. Colleges are having difficulty timely generating payments to vendors due to learning new system features and software errors. OIT will comment more on this in their remarks at today's meeting.

External audit status:

- Met with external audit team to evaluate the FY 2007 audit process;
- The FY 2007 Federal single audit field work has been completed. Responding to proposed findings on R2T4 and TRIO. It will be filed before the March 31, 2008 due date.
- The FY 2007 Illinois Department of Human Services' FY 2007 "in-relation to" review is complete.
- The FY 2007 annual Treasury Agreed Upon Procedures is complete.
- Plan quarterly Executive Audit Committee for April 2005.

Controller Office activities include:

- Completed second interim final report as of January 2008;
- Preparing for FY 2008 year end close;
- Working with colleges to clear up payroll suspense transactions and enterprise fund accounts;
- Monitoring grant program spending activity;
- Helping Academic Affairs prepare for federal head start audit;
- Published the FY 2007 annual financial statements the Sun-Times on Monday, February 11, 2008; and
- Completing the final review of the Unit Cost Reconciliation and submission to ICCB.

Procurement and Business Services - has successfully completed the following activities in the month of February 2008:

- Received Board approval for sixteen (16) agenda items at the February 2008 Board meeting and nine (9) agenda items for the March 2008 Board meeting;
- Processed 43 purchase orders for transactions over \$5,000 with total expenditures of \$1.7 million, down from last month's 62 purchase orders with total expenditures of \$3.3 million.
- The current Bid schedule includes the following nine (9) items:

| Dept/Campus | Contract | Status |
|------------------|---|-----------------------------|
| Admin Services | Temporary Roof Repairs at Wilbur Wright College | Ad 3/07-Bids due 3/27 /2008 |
| Admin Services | Demolition of Cooling tower and Pump House at Malcolm X College | Ad 3/7-Bids due 3/28/2008 |
| Academic Affairs | Web-Based Management System for continuing Education and Business & Industrial Services | Ad 1/30-RFP due 3/7/ 2008 |

| | | |
|-----------------------|---|---------------------------|
| District Wide | Pre-Sort, Print and Mail Services | Ad 2/28-RFP due 3/26/2008 |
| District Wide | Promotional Items | Ad 2/20 Bids due 3/6/2008 |
| Office of Development | Marketing and Design Services | Ad 3/5 RFP due 3/25 |
| District Wide | Moving Services | Ad 3/5 RFP due 3/28 |
| Kennedy King College | Supply and Deliver Fitness Equipment | Ad 2/22 Bid due 3/12 |
| Daley College | Supply and Deliver Manufacturing Tooling Kits | AD 2/20 Bid due 3/12 |

In February 2008, the Accounts Payable team has:

- Processed a total of 3,555 vouchers for vendor payments, up from 3,202 vouchers processed in January;
- Mailed 348 1099-Misc Vendor Forms to all eligible recipients and sent the file to the IRS on all 1099 eligible vendors.

Micro City Purchases - The District's January 2008 monthly Micro-City purchases report includes both monthly and year-to-date information. The total January 2008 Micro City purchases were about \$204,000, down from last month's expenditures of \$212,000. The seven month year-to-date totals were approximately \$2,260,000.

| <u>EQUIPMENT</u> | <u>January 2008</u> | <u>Year to Date</u> |
|-------------------|---------------------|---------------------|
| Computers | \$ 63,853 | \$ 520,968 |
| Printers | 5,354 | 55,062 |
| Software | 12,760 | 312,462 |
| Related Equipment | <u>121,616</u> | <u>1,371,620</u> |
| Total | \$ 203,583 | \$2,260,112 |

Resolutions, Agreements, Purchases and other information before the Board this month are as follows:

Section 1 – Resolutions:

The Finance Office has two resolutions in the March 2008 Board folder before the board:

Resolution 1A– authorizes the routine transfer of approximately \$1.1 million during the month of February 2008.

Resolution 1D – amends the approved tuition and fees (pursuant to Board Rule Section 4.3.4a) to include the new Out-of-District and Out-of-State tuition charges and the new full time student activity course (lab) fees.

Section 4 - Agreements

There are five (5) agreements on today's agenda:

4A - approves the Intergovernmental Agreement between the Center for Governmental Studies at **Northern Illinois University** and the City Colleges of Chicago in the amount of \$6,469 beginning March 10, 2008 through June 15, 2008. (ACADEMIC AFFAIRS)

4B - an agreement with **Recall Total Information Management Inc** for off-site data storage for the period April 1, 2008 through March 31, 2011 at an annual cost not to exceed \$15,000.00 resulting in a total cost not to exceed \$45,000.00 for the three year period in accordance with RFP #SC0731 dated September 25, 2007. (OFFICE OF INFORMATION TECHNOLOGY)

4C - an agreement with **Susan R. Hatfield, Ph.D.** and **Susan A. Murphy, Ph.D.** in an amount not to exceed \$11,500, and an agreement with **Gregory Light, Ph.D.** in an amount not to exceed \$7,000 to provide the trainer the trainer model for City Colleges of Chicago from March 14 through May 25, 2008, with a total cost not to exceed \$30,000 for all three consultants. (ACADEMIC AFFAIRS)

4D - is an agreement with **Campus EAI** for the purposes of implementing the student based portal system at a cost not to exceed \$31,565 for each of the fourth and fifth year from March 10, 2008 through March 9, 2010 with a total cost not to exceed \$63,130. (WRIGHT COLLEGE)

4E - is an agreement with **Taylor Uhe, LLC**, at an annual fee of \$90,000, plus out of pocket expenses not to exceed \$2,000 per year; an agreement with **Vincent R. Williams and Associates**, at an annual fee of \$82,000.00, plus out of pocket expenses not to exceed \$8,400.00 per year; an agreement with **Luking and Associates**, at a annual fee of \$46,000.00; plus out-of-pocket expenses not to exceed \$3,000 per year; for the period of January 1, 2008 through December 31, 2008. (INTERGOVERNMENTAL AFFAIRS)

Section 6 – Purchases

There are three (3) purchase reports for today's meeting:

6A – (WITHDRAWN) approves the payment ratification to the various vendors in the total amount of \$283,173 that exceed the \$10,000 vendor tolerance limit. (DISTRICT WIDE)

During February 2008, Finance Office staff noticed a surge of vendor payments that exceed \$10,000 board authorization level. The new PeopleSoft system is preventing the issuance of purchase orders (PO)'s for new transactions that exceed the vendor budget limit based on contract amounts or approved Board Reports. Many different issues in the newly upgraded financial system have given the District challenges during December through March.

For each of the vendor payments listed for ratification on Board Report 6A, the Finance Office reviewed written explanations from the responsible officers and issued written notice of board rule violation. All incidents were referred to internal audit. Furthermore, the Chancellor mandated a district wide Administrators meeting to re-train executives and managers on Board procurement rules. Since then, the Chancellor required colleges and departments to search for any other potential unpaid vendors, an additional eleven plus vendors emerged and are included in board report for this meeting. (Item withdrawn from March 2008 agenda.)

6B - approves the ratification of payment to **Alliance Systems, Inc.** to provide emergency replacement to the annunciator fire alarm panel at Malcolm X College for an amount not to exceed \$11,870. (ADMINISTRATIVE SERVICES)

6C - approves three purchase orders to **Advanced Learning Systems** in an amount not to exceed \$33,015, **Energy Concepts, Inc.** in amount not-to exceed \$118,863 and to **Arthur Machinery, Inc.** in an amount not to exceed \$109,589 for various manufacturing technology equipment for the Humboldt Park Vocational Education Center at Wright College, in accordance with the Sealed Bid no. MWJ0701 dated January 10, 2008. (WRIGHT COLLEGE)

Section 7- Informational Reports

7D. Monthly Utility, Postage and Other Expenditures Report for January 2008:

In accordance with the District's purchasing policies (appendix # 24 of the Board Rules) the following expenditures have been processed for the period of January 1, 2008 thru January 31, 2008:

| CAMPUS/DEPT. | VENDOR | AMOUNT | DESCRIPTION |
|---|---|---------------|---|
| District-Wide | AT&T Inc. | \$625,781.40 | Utilities- Telecommunication |
| District-Wide | Qwest Communication | \$3,267.16 | Utilities-Long Distance Service |
| District-Wide | People Energy | \$315,524.76 | Utilities-Com Ed |
| District-Wide | People Energy Services Corporation | \$443,886.90 | Utilities- Gas |
| District-Wide | City Dept. of Water Management | \$32,070.99 | Utilities |
| Kennedy King College Harold Washington College Olive Harvey College | United States Postage | \$35,700.00 | Postage |
| District Office Harold Washington College Truman College Olive Harvey College | Pitney Bowes | \$3,972.22 | Postage and Maintenance |
| District-Wide | Office Depot | \$38,195.62 | Purchase of Office Supplies from Illinois Community College System Purchasing Consortium (ICCSPC) |
| Kennedy King College Harold Washington College Olive Harvey College Wright College | Magnetic Office Product | \$20,232.59 | Purchase of Office Supplies from Illinois Community College System Purchasing Consortium (ICCSPC) |
| Kennedy King College | Corporate Express | \$665.11 | Purchase of Office Supplies from Illinois Community College System Purchasing Consortium (ICCSPC) |
| District Office Malcolm X College | Centennial Contractors Enterprises Inc. | \$420,098.760 | Contracting Services from Illinois Community College System Purchasing Consortium (ICCSPC) |
| Kennedy- King College | Grainger | \$1,847.16 | Hardware Supplies from Illinois Community College System Purchasing Consortium (ICCSPC) |
| Malcolm X College Wright College | Krueger International Furniture | \$5,767.45 | Furniture from Illinois Community College System Purchasing Consortium (ICCSPC) |
| Kennedy-King College | Midwest Office Interiors | \$4,620.60 | Purchase of Furniture from Illinois Community College System Purchasing Consortium (ICCSPC) |
| Olive Harvey College Truman College Wright College | Praxair Distribution Inc. | \$333.89 | Cylinder Rental Service from Illinois Community College System Purchasing Consortium (ICCSPC) |
| Malcolm X College Olive-Harvey College | Jostens | \$11,401.00 | Graduation Cap & Gown Purchase/Rental Services from |

| | | | |
|--|---------------------|--------------|---|
| | | | Illinois Community College System Purchasing Consortium (ICCSPC) |
| Daley College | Home Depot supply | \$1,017.40 | Hardware Supplies from Illinois Community College System Purchasing Consortium (ICCSPC) |
| District Office Kennedy-King College Malcolm X College Olive-Harvey College | Sprint | \$2,467.49 | Telecommunication Services from Illinois Community College System Purchasing Consortium (ICCSPC) |
| District Office | Unisource Paper Co. | \$6,437.50 | Paper from Illinois Community College System Purchasing Consortium (ICCSPC) |
| District Office Truman College | Burgoon Company | \$52,633.320 | Purchase of Scientific Equipment and Supplies from Illinois Community College System Purchasing Consortium (ICCSPC) |
| District Office Malcolm X College | Lees Carpet | \$138,968.27 | Purchase of Carpeting from Illinois Community College System Purchasing Consortium (ICCSPC) |
| Wright College | Haworth Inc. | \$248.64 | Purchase of Furniture from Illinois Community College System Purchasing Consortium (ICCSPC) |
| Washburne Culinary Institute | ThyssenKrupp | \$505.88 | Maintenance Service from Illinois Community College System Purchasing Consortium (ICCSPC) |
| Harold Washington College Malcolm X College Olive Harvey College | Fisher Scientific | \$6,384.20 | Purchase of Scientific Equipment and Supplies from Illinois Community College System Purchasing Consortium (ICCSPC) |

Office of OIT Report:

Board Reports:

4B - An agreement with Recall Total Information Management, Inc. for off-site data storage. The term of the agreement is for the period April 1, 2008 through March 31, 2011 at an annual cost not to exceed \$15,000 or total cost not to exceed \$45,000 for the three year period.

The Office of Information Technology is currently involved in a number of applications projects that we have been reporting the progress against for the last few months. As it has been reported, we completed the PeopleSoft Finance system upgrade from version 7.5 to version 8.9 in November. The project was completed using primarily core IT staff (versus a project team). There were a number of challenges related to the data conversion and working through business process changes that either required us to change our processes or modify the system to accommodate our processes (e.g., taking our service POs and moving from a two way match to a three way match). Last month, we applied a new patch to the finance system. We are continuing to work through our issues log and have one major issue remaining. The issue involves new POs

that were created prior to our applying the patch. The Finance office is currently working with the Executive Business Directors to establish a process for canceling those POs and creating new ones to expedite payment to our vendors.

Last month, we completed the planning of phase 2 of our PeopleSoft Finance system upgrade. This month we plan to begin phase 2 that will include the implementation of the Assets and Grants Management modules. A project team will be working with our core team and the project is expected to be completed by July 31, 2008.

The HR upgrade to version 9.0 is running on time and on budget.

We are experiencing some challenges related to the Data Migration and Reporting project that will facilitate the retirement of SPAS. The challenges involve the re-hosting of approximately 6000 files from the systems currently hosted by Axiom. These files may never be used and therefore are not being converted to Oracle databases. However, it is historical data to which we should always have access. To ensure that this project is completed on time we are adding resources to the project team that will help us in the re-hosting effort. We are also adding resources to the project team to help us generate ICCB reports. With these changes the project is on-track and we fully anticipate retiring SPAS by June 30.

The migration to Groupwise as our email application is complete. And, yesterday we launched the OIT website through which you will be able to monitor our progress of all OIT projects.

Last month, we also completed the reevaluation of our Roadmap to Fusion with Oracle. We anticipated having a presentation ready for you this month, but we are still working with our user communities to finalize the documentation. We will present the new Roadmap next month.

Office of Administrative Services Report:

Board Reports

- **6B - Emergency Fire Alarm Work for Malcolm X -** The Fire Alarm Annunciator Panel needed immediate replacement to ensure the continued health and safety of Malcolm X's students and faculty. In accordance with the Board's Operations Policy, three quotes were sought, notification was made to the Board Chairman of the emergency need and we proceeded with the replacement with the lowest responsive bidder, Alliance Systems for an amount of \$11,870. Review of the Minority and Women Owned Businesses Directories did not include any certified businesses to perform this work. The job has been successfully completed.
- **6C - Purchase of Various Manufacturing/Technology Equipment for Wright's Humboldt Park Vocational Education Center -** Various manufacturing equipment was needed to update the program at Humboldt Park Vocational Education Center to meet the requirements for NIMS Certification. The equipment also has the concurrence of the Renaissance Manufacturing Council. Equipment was competitively solicited through the District's Procurement Services.

Second Quarter FY2008 Minority and Women-Owned Business Enterprise Participation

From October through December, 2007 the District reached utilization levels of 32% for MBE's and 3.2% for Women-owned Businesses, the second quarter where WBE's have increased substantially over their participation last year.

The adjusted total of expenditures for the quarter was \$14,020,589, with minority businesses receiving \$4,488,760 and WBE's receiving \$442,010. Local businesses received approximately 38% of the dollars spent.

Project Updates

- **New Kennedy-King Campus**

Punch List items have been steadily coming down, from the original 3,900 to just five as of Wednesday, March 5th. The District was holding close to \$14 million in payouts and released this week a \$10 million payment for work performed by McClier's subcontractors. It is anticipated by the April Board Meeting to have a final closeout report on this construction project.

Administrative Services is working with the Illinois Community College System Purchasing Council's (ICCSPC) JOC contractor, Centennial, to complete additional classroom build-outs to complement the curricula and Kennedy-King's music programs well as complete the state of art Conference Center and restaurant.

- **Old Kennedy-King Campus**

Repeated inquiries to the City's Planning and Development Department has not rendered a decision on the boarded facility. City Colleges is maintaining building security and systems. There have been no reported break-ins since last month since the Police Department's 7th District completed a walk-through of the property with staff and added additional evening and night patrols to work along side Kennedy-King's in-house staff and the canine force.

- **Truman Student Services and Parking Facility**

City Colleges and the Chicago Transit Authority submitted to the City Council Zoning Committee on March 5th the application to amend the current approved zoning for the parcels surrounding the proposed structure of 1,138 parking spaces and 75,000 square feet for student services. As required by City Ordinance, Truman College will be hosting the requisite Public Hearing for Community input in the upcoming weeks. Truman's President Walker and Alderman Schiller will notify the District of the date.

- **Daley College West Side Technical Institute**

In January a Board Report was awarded for new signage at West Side Tech due to the renaming of that facility. Tonight Daley College is hosting the dedication of the building in honor of Arturo Velasquez at 5:30 P.M.