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BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
County of Cook and State of Illinois

Employee Benefit Consulting Agreement
AON Consulting, Inc.
Office of Finance

THE CHANCELLOR

REPORTS

that the City Colleges of Chicago is required by the Illinois Public Community College Act to cause an audit for the Fiscal Year ending June 30, 2005; and

that the City Colleges of Chicago is required by the annual audit to value the liability under the Early Retirement Sick Pay Plan; and

that the City Colleges of Chicago should obtain an early determination of its exposure to the requirement by the Government Accounting Standards Board (GASB) to perform valuations of post-employment benefit plans other than pension plans (OPEB plans) effective for fiscal years after June 15, 2005; and

that City Colleges of Chicago also requires AON to perform the analysis and appropriate steps to develop the information necessary to comply with Medicare Part D and to disclose to all Medicare eligible plan participants the credibility of CCC's drug coverage and matches the level of benefits provided by Medicare; and

that AON Consulting has initiated the scope of work in FY2005, completing the actuarial valuation of the liability under the Early Retirement Sick Pay Plan and the GASB (OPEB) requirement, needing to continue Year Two of the audit and begin the Medicare validation; and

that the Office of M/WBE Contract Compliance has reviewed the above referenced consulting opportunity and has determined that AON will be working with a certified WBE and since there are no certified MBE's, AON Consulting is being granted a waiver from MBE compliance and therefore is in compliance with our Board approved Participation Plan.

THE CHANCELLOR

RECOMMENDS

that the Board of Trustees authorize the Chairman to enter into an agreement with AON Consulting, Inc. to complete the actuarial valuation of the liability under the Early Retirement Sick Pay Plan, perform valuations of post employment benefit plans other than pension plans (OPEB) as of June 30, 2005, and to perform services in order for CCC to comply with Medicare Part D requirements. Total combined fee will not exceed \$45,500 and should be completed within six to eight weeks from the date of receiving the updated census data from CCC.

FINANCIAL

Not to exceed \$45,500 Financial Audit Fund

Respectfully submitted,

Wayne Watson
Chancellor

September 8, 2005