

27151

**SUMMARIZATION OF THE FEBRUARY 7, 2006
FINANCE OFFICE, ADMINISTRATIVE SERVICES, AND OFFICE OF INFORMATION
TECHNOLOGY COMMITTEE MINUTES**

Office of Finance Reports:

Vice Chancellor Kenneth C. Gotsch reported the following Purchasing updates to the board:

Treasury Update

- **Bond Warrant Agreement Resolution** – The Board issued taxable working capital revenue bonds in 1995. The Board then entered into a Bond Warrant Agreement with JP Morgan in 2003. The Finance Office anticipates JP Morgan will move to exercise their rights under the agreement. The Finance Office would like to request the Board to adopt the resolution before them which would:
 - authorize the Chairman and the Chief Financial Officer to execute the best option and close out of the bond warrant agreement prior to March 1, 2006;
 - Decide on the status of the 1995 taxable bonds at its upcoming call date.
 - Prepare a working capital strategy to terminate the BWA and defease the 1995 taxable working capital revenue bond...
- **Monthly Cash Flow Report** – In your folders is a copy of the Treasurer's monthly cash flow report. It covers actual monthly revenue and expense data as of December 2005. Major changes from last months report includes update to interest earnings assumptions, now assuming 4%.
- **Quarterly Investment report from Weiss, Peck & Greer** is also enclosed listing the investments in the medium term accounts.

Audit Status Update

- **For the FY 2003 and FY2004 external audits:**
 - The Finance Office learned this past month that the District's FY 2003 federal single audit was never posted to the national audit clearinghouse due to incomplete opinion language by Ernest & Young. The Controller has successfully contacted the Ernst & Young audit partner who has agreed to help the District properly comply with federal audit clearinghouse posting requirements.
 - All opening FY 2004 audit issues are closed out. During, January, the Finance Office distributed the various completed FY 2004 state grant audit reports to Board Members, district officers and college presidents.
- **The status of the FY 2005 external audits, weekly status meetings with Deloitte & Touche** have continued through January.
 - The WYCC TV20 has been completed and filed on time.
 - The financial statements audit and the production of the CAFR is underway. The Finance Office is in the process of submitting a second draft of the financial statements to Deloitte. Many of the footnotes need to be updated to reflect new GASB pronouncements on investment disclosure, other post employment benefits, and others.
 - The review of the District's ICCB Credit Hour Report is underway.

- Deloitte is also reviewing the Other ICCB Required operations reviews.
- Deloitte is reviewing the District's system controls.

Office of Finance Report (cont'd)

- The Federal Single Audit is under review
 - ICCB required grant audits is underway.
 - Other State grant audits are nearing completion.
 - CCC Foundation audit is nearing completion.
 - Treasury Agreed Upon Procedures review of compliance with the District's investment policy is underway.
- FY2006 Internal Audits – Washington, Pittman & McKeever. The following audits are nearing completion:
 - Payroll Audit
 - ICCB Credit Hour Audit
 - Administrative Services procurements review

Budget/Finance Update

- The preliminary Budget Calendar was distributed to District Officers for FY 2007. A copy was enclosed in the board packet. The Finance Office expects the Budget to be presented for final adoption at the June 2006 board meeting.
- The Finance Office reviewed several ICCB reports in January including the State's community college strategic plan, the FY 2007 Capital Budget recommendations, and the recommended funding allocations for FY 2007.

Purchasing

Resolutions

1A Investment and Depository Policies is being amended to add and remove bank account signatories.

1B Transfer of Funds – January 2006. This standard monthly report is included for your review.

1F Resolution: For Illinois Community College System Procurement Consortium (ICCSPC) - The Finance Office is requesting the Board to allow the District to join this statewide purchasing coalition.

Section 2 – Personnel Actions – Resignation of Joanna Koh, Districts Budget Director. The Finance Office is in the process of recruiting a replacement as well as filling other vacancies in the District's budget office.

Agreements

4A – Professional services agreement with Shawn Taylor for a report on Building Trades Apprenticeship Programs. It is for an amount not to exceed \$30,000 from February 13, 2006 through May 13, 2006.

4B – Gas utility contract with Peoples Energy Services Corporation for an amount not to exceed \$6,729,776 until June 30, 2007. It allows the District to be on a month –to-month basis with Peoples Energy while the City's energy consortium decides on an intergovernmental natural gas procurement strategy.

4C – Contract addendum to the Certificate of Advanced Study in Early Development and Education. (The previous board report was # 26822 dated July 14, 2005.) Additional cost is not expected to exceed \$ 3,570.)

Office of Finance Report (cont'd)

4D – Professional services agreement and ratification for Shaker Recruitment Advertising for Human Resources in an amount not exceed \$ 32,000 which includes a ratification of \$12,000 and an executed agreement through June 30, 2006 for an additional amount not to exceed \$20,000. Business Services will RFP this Service for Human Resources this Spring.

4E – WYCC-TV20 seeks to amend the U.S Digital Television Bandwidth Lease. (They expect the revenue in year one to generate \$3.84 per year per subscriber 1; 4.32 year 2; 4.80 years 3,4 and 5 per subscriber to begin in May 2006.)

4F – Rental of a graduation site for Harold Washington College agreement with the Chicago Symphony Orchestra at a cost not to exceed \$ 13,597.70.

4G – Retention of curriculum specialist for the Olive Harvey Middle College with Dr. Marilyn Bizar and Metchem Inc. at a cost not exceed \$ 13,200.

4H – Training and counseling services for the Truman Middle College High School with Cambridge Educational Services at a cost not to exceed \$44,800 from July 1, 2005 through June 30, 2006.

4I – AutoCAD software license renewal for Truman and Daley Colleges through December 2006 at a cost not to exceed \$13,200.

4J – Training and counseling services Truman Middle College High School with SGA Youth and Family Services at a cost not to exceed \$51,840 from July 1, 2005 through June 30, 2006.

4K – Wright College Great Books Program with Oakton Community College at a cost not to exceed \$ 21,850 and Santa Barbara Community College at a cost not to exceed \$ 20,000 through June 30, 2006.

4L – Insurance placement for Garage Keepers Liability Endorsements for Truman College Parking Agreement through Arthur J Gallagher in an amount of \$ 2, 880.

Section 6 – Purchases

6A – Janitorial Supplies – District Wide purchasing off the Chicago Public School (CPS) contract through March 31, 2007 with an estimated cost of \$500,000.

6B – Amendment to Board Report # 26881 dated August 4, 2005 Advertising Services District wide. Additional dollars requested \$ 90,000.

6C – Micro Optic Microscopes for Daley College with Micro-Optics in an amount not to exceed \$ 36,330.

6D – Mill Machine and Simulators for Daley College purchase from Haas Factory Outlet in a total amount of \$32,180.

6E – Amendment to Board Report # 26838 dated July 14, 2005 Pool Filter Tank Repair to cover additional work in an amount not to exceed \$ 29,650.

6F – Campus EAI Software Licensing Fee and Support for Wright College in an amount not to exceed \$ 31,565.

Office of Information Technology Reports:

Vice Chancellor Claudine Jones presented the following update to the board:

Office of Information Technology Reports (cont'd):

- During the first week of the spring 2006 registration, there was inadequate response time from the PeopleSoft Student System. Over the past six months, OIT had performed eighteen stress test exercises and adjusted over twenty parameters to improve performance in the system. The application server's settings were inappropriate for our open registration period.
- OIT, along with Oracle Customer Support analyzed the current settings. The solution for the settings within the application server took until Thursday to identify, review, test and implement.

Solution:

OIT will be more proactive, aggressive and thorough in our approach which will include:

- Recreate a full copy of the production system from the first week of registration to confirm the changes recommended by Oracle Customer Support and the changes in tuition calc quantifying the improvement in performance. OIT will then stress test the environment to identify any additional weaknesses in the system. A plan will then be developed to address any weaknesses.
- Engage our partners, Oracle, Synch-Solutions, HP, and Mercury to collectively discuss our issues and provide the solution.
- OIT is working with each College on an audit/update of student's records to ensure all policies were adhered to. OIT will hold workshops at the Colleges for their recommendation for improvements to the system.
- The Colleges were able to register an average of 2000 students daily that compared to previous terms and over 5300 students used the self service.

Office of Administrative Services Reports:

Associate Vice Chancellor Bruno Bellissimo presented the following board report to the board:

- Board Reports:

Administrative services issued two board reports; 4B and 6E as indicated by Ken Gotsch.

- MBE/WBE Report for 2nd Quarter of FY2006
 - MBE and WBE spending of the adjusted spending universe for last quarter was 51.2% and 1% respectively

- MBE and WBE spending of the adjusted spending universe for the 1st two quarters of FY2006 combined was 44% and 1.2% respectively

- Capital Project Status Report

A copy of the Administrative Services capital project status report was included in the board packet. There were 26 capital projects open of which Administrative Services is undertaking 20. The CDB has 4 of which 3 are on hold and the PBC has 2 of which 1 is on hold.

Two new district-wide projects have been added which include additional ADA Construction work utilizing an ICCB grant in the amount of \$1.1 million and the second project is district-wide automated toilet room fixtures. Both projects are in the scoping stage.

Office of Administrative Services Reports (cont'd):

- Major Capital Project Status

Malcolm X Renovation project is approximately 75% complete. Contractors are in the process of completing the air handling units, electric upgrades, and chiller modifications to finish out the energy performance contract.

Progress photos of the New Kennedy-King College project was included in the board packet.

Phase I of the project included construction activities related to the foundation scope of work, and will be completed by March 6, 2006. Phase I activities include site clearing, excavation, earth retention, site demolition, fencing, and foundation framing/concrete work. Phase I work is approximately 79% complete.

Phase II construction activities related to the superstructure scope of work commenced on November 29, 2005, and will be complete by June 24, 2007. Phase II activities include structural steel erection, masonry, fire proofing, mechanical, electrical, plumbing, roofing, glass and glazing work, and interior build-out. Phase II work is approximately 11% complete.

Clarification

On Tuesday, I stated that we have regular weekly meetings with the PBC at the new Kennedy-King construction site. The content of these onsite meetings are specifically related to the project schedule and site walk-through issues. Currently, the weekly on-site meetings are being held at the Firehouse on 63rd and Green Street.

- Additional Board Requests:

1. Four Dawson students have been hired to date with a goal of 10.

43% of contracts have been awarded to MBE subs. Of that amount, 6% of contracts have been awarded to WBE subs. .

DM/cs