

**SUMMARIZATION OF THE JANUARY 3, 2006
FINANCE OFFICE, ADMINISTRATIVE SERVICES, AND OFFICE OF
INFORMATION TECHNOLOGY COMMITTEE MINUTES**

Office of Finance Reports:

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

- **Treasury Update**

In the Board packets was the Monthly Cash flow report as of November 2005. The total revenue and expenditure projections remained essentially unchanged since last months report. Total cash in flows (revenues) are expected to be about \$325 million. Total cash out flows (expenditures) are expected to be \$325 million. Cash balances at the end of November were \$115 million. The report also included market commentary from Weiss, Peck & Greer. Yield on the District's medium to long-term portfolio increased by 35 basis points to 4.78%. At the February 2006 Finance Committee meeting, Weiss, Peck & Greer will provide the quarterly medium to long-term investments report of investment activities as of December 2005.

Treasury staff is working on an RFP for the Safekeeping & Custodial Services of District's investment securities. The District's current custodial agreement is with Harris Bank with annual fees of about \$3,500. We are recommending a Board Resolution to ratify the current contract with Harris Bank as we are unable to find the original documentation.

Treasury staff is also working with Human Resources with implementing a pilot monthly pre-tax CTA fare payroll deductions program at Truman College. About 80 employees began this program with the last week's payroll.

- **Budget/Financial Update**

Accounting and Budget staff worked to prepare the District's first Interim Financial Report for FY 2006. It covers the first four months of the fiscal year, through the end of October 2005. Revenues are aligned with budget projections. Expenditures variances are where they should be. The College based reports have been reviewed by each college. The Finance Office expects the Second Interim Financial Report to cover six months through December 2005.

- **Audit Update**

The status of FY 2004 External Audit:

Pursuant to the additional FY 2004 audit cost and subsequent board approval, the Finance Office worked with D&T to complete the contract amendment to FY 2004 contract. Finance expects this task to be completed this week.

The FY 2004 *Other State Grants Audits* were completed by D & T and issued by the Controller's staff in early December to the respective State agencies. Copies will be sent to the Chancellor and Board members.

D&T completed the FY 2004 *Federal Single Audit (A133)* last week. The Controller will send copies State agencies today. Copies will be sent to the Chancellor and Board members.

Office of Finance Reports (cont'd):

An ICCB required *Performance Improvement Grant* audit for FY 2004 expenditures was left out of last years work plan. D&T conducted the audit this past fall and now is in final Partner review. We expect this audit to be completed and issued in the next two weeks.

For the external audits for FY 2005, audit kick-off meetings were held, the Chancellor issued formal communications to senior staffs outlining the audit objectives and timelines, and Accounting staff have worked weekends and over the holidays:

- Financial Statements Audit – Finance is working with Legal staff on the Deloitte & Touche LLP contract amendment. The Controller reported that the auditors have reviewed 50% of work papers. The District is current with all auditor requests as of 12/28/05.
- WYCC TV20-Completed the required legal and management representation letters. Auditors requested additional footnote explanation of WYCC-TV20's temporary FCC license status.
- Federal Single Audit is underway.
- ICCB Required Audits is underway.
- Foundation Audit starts this week.
- Planned completion of all audits is February 20, 2006.

Treasury Review--D&T expects to start the Agreed Upon Procedures review of the Treasury Department's compliance with the Board's Investment Policy on January 17, 2006. Expected completion is mid February.

Foundation Audit—The FY 2005 audit of CCC Foundation starts this week.

Bond Market Disclosure. The District's Series 1995 bond covenants required the FY 2005 CAFR be forwarded to the NIMSERS (the four municipal document repositories) by December 31, 2005. The District posted a notice, through DAC, of its intention to file its required financial information by February 20, 2006.

Internal audits underway with Washington, Pittman and McKeever: (1) The ICCB Credit Hour Review final draft audits were submitted to the colleges for review. Expect to have report issued by February 2006 Finance Committee meeting. (2) The detailed Payroll audit is underway. Expect to have it completed by February 2006. (3) The review of Administrative Services procurements process is underway.

- Student Financial Issues:

Student refund checks were issued totaling \$10.1 million to approximately 20,000 students (about \$500 per student). Some minor issues arose affecting several hundred students due to wrong student mailing address and new system issues.

Issued first automated student billing on 12/21/05 to 19,298 students, of which, about 9,000 were for FY 2006 Spring semester and 10,000 for summer/fall semester. Amount of the invoices total \$13.2 million (\$6.4 million due for Spring 2006.) District's collection agency, William & Fudge, will be tracking down \$2.3 million owed from prior years from about 20,000 students.

- Purchasing Update:

Resolutions

(4A) Pre-Employment Drug Testing and Post Employment Fitness for Duty Services, Human Resources Department

Office of Finance Reports (cont'd):

Through a Request for Proposal, *Mercy Works Occupational Health Network* of Chicago is recommended to provide pre and post employee health and fitness for duty screenings as well as other services requiring licensed physicians for a period of three years at a cost not to exceed \$31,000 annually with indirect M/WBE participation.

(4B) Professional Consulting Services, Human Resources and the Office of Finance

City Colleges is proposing to partner with the *Chicago Public Schools (CPS)* to offer District eligible employees an Employer Assisted Homebuyer and Rental Assistance Program and seeks authority to establish a fund of \$100,000 for the program and to pay \$10,000 per year to the *Rodgers Park Community Development Corporation* to administer the program. They were selected pursuant to an RFP issued jointly by CPS and the District to administrator the program over a three year period. A MBE/WBE Waiver is sought for the organization since it is a not-for-profit community organization.

(4C) Professional Services for the Railroad Conductor Training Program, Daley College

With funding from the Mayor's Office of Workforce Development, Daley College works in collaboration with AMDG, Inc. of Atlanta, Ga, to provide a pre-employment training program in railroad conducting for the CSX Railroad. AMDG is the recommended service provider from CSX Railroad. Approval is sought for the program with the term beginning January 1, 2006 through December 30, 2007 in an amount not to exceed \$250,000 annually as well as ratify the payment to AMDG for previous services already rendered, not to exceed \$150,000.

A waiver is sought for M/WBE utilization at this time.

(4D) Seamless Connection Agreement in Business Administration for Alliant International University, Office of Academic Affairs

City Colleges seeks approval to enter into an agreement with *Alliant International University* whereby the District's graduates earning an Associates Arts Degree in Business Administration can matriculate into a Bachelor of Science Program in Business Administration from Alliant International University. There is no financial implication for City Colleges at this time.

(4E) Food Service Operations for Harold Washington College

Approval is sought for the establishment of a food service operation in the lower level of Harold Washington College (HWC) as well as a beverage kiosk in the lobby for *University Foods Systems, Inc.* DBA Plum Cafes of Chicago, II, which has significant experience of twenty years in operating small college based food facilities and commits to making a \$170,000 capital investment in HWC and hire at least 50% of the staff with HWC

students. Estimated commission payments to HWC are \$28,125 quarterly based on an annual commission of 4.5% for a five year period from January, 2006 through January, 2011. This agreement has full M/WBE compliance.

(4F) 2006 Legislative Services, Office of Intergovernmental Affairs

Professional Services Agreements for 2006 with *Mayer, Brown, Rowe & Maw*, not to exceed \$102,000; *Vincent R. Williams and Associates*, not to exceed \$84,000; *Luking and Associates* for \$27,000 annually; and *Gabriel Lopez and Associates* for \$16,500 annually for legislative representation, monitoring legislation and other pertinent issues for the District as well as performing all other needed duties.

Purchases

(6A) Purchase of Various Lighting Fixtures for City Colleges of Chicago, District-wide

Office of Finance Reports cont'd:

Approval of a competitive bid issued by Procurement Services for electrical supplies is sought where *Evergreen Supply Company* of Chicago was the lowest responsible and responsive bidder providing the greatest percentage discount off catalog prices for various lighting fixtures, lamps and ballasts. The award is for a \$500,000 in a three year period with a two year extension option. Evergreen Supply is certified with the City of Chicago as Women-owned and is in full compliance with the District's M/WBE Compliance Plan.

(6B) Purchase of Security Vehicle, Malcolm X College

Approval is sought for the purchase of a 2006 Ford Explorer for Malcolm X's Security Force from a competitively bid contract through the City of Chicago with *Sutton Ford of Matteson, IL* for an amount not to exceed \$29,500. Sutton Ford is a certified MBE with the City of Chicago and has been granted a waiver for WBE participation.

(6C) Purchase of Dialysis Machine, Malcolm X College

The Renal Nephrology Department at Malcolm X needs to purchase a Fresenius 2008K Dialysis System for classroom instruction. The Department has researched and found that this system is predominant in over 90% of all hospitals and clinics and provides state of the art training as well experience with the electronic transmittal of patient data to assist in their treatment. The manufacturer, *Fresenius USA Marketing, Inc.*, Lexington, Mass, holds the patent on the dialysis and is the sole source. Cost is not to exceed \$13,000. A waiver was granted for M/WBE utilization.

(6D) Amendment to Furniture Upholstery, Truman College

OEC Business Interior, Inc. was originally issued a purchase order to upholster 400 chairs and sofas through Board Report #26710. At this time, Truman College would like to include an additional 125 theatre chairs for re-upholstery rather than purchase new replacement seating for a cost of \$25,380. M/WBE compliance has been met.

College Information (New item 7D)

(7D) Utilities Services and Certain Exempt from Competitive Bid Payments

In accordance with the City Colleges of Chicago Operations Manual passed in August, 2005, Section 1.07(P), monthly reports are to be submitted for utility service payments and certain items exempt from competitive bid such as postage. The report submitted for this month covers district-wide payments for natural gas, electricity, water, and land phones as well as postage totaling \$1,559,728.72 from July 1, 2005 to December 9, 2005.

Office of Information Technology Reports:

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

- OIT has successfully completed the fall semester using the Peoplesoft Student System and look forward to the spring open registration next week. Required changes were made to meet the City Colleges requirements in order to preserve data. OIT will continue to review, retrain staff and update the system with new functionalities. OIT is committed to keep City Colleges in the forefront of using this system and to give CCC students the best information available for self services. OIT will work with Academic Affairs on the business design and quality of the programs to make sure the system supports CCC's needs.
- OIT had no board reports this month

Office of Administrative Services Reports:

Vice Chancellor William Donahue presented the following board report to the board:

- Administrative Services had no board reports this month

Truman College Parking

- The temporary parking lot at Truman is complete.

Kennedy King College

- The project continues on schedule. CCC is continuing to work with the PBC in an effort to get more Dawson Tech and KKC students hired for the project.