

## SUMMARIZATION OF THE JUNE 6, 2006 FINANCE OFFICE, ADMINISTRATIVE SERVICES, AND OFFICE OF INFORMATION TECHNOLOGY COMMITTEE MINUTES

### Office of Finance Reports:

Thank you Finance Committee chairperson Nancy Clawson. I would like to start my remarks this morning by providing the Finance Committee an update on the District's treasury issues:

#### 2.1.1 TREASURY UPDATE

Monthly cash flow and investment status report: The District's Treasurer was not able to prepare the monthly cash flow forecast in time for today's meeting due to illness of the CFO. It will be completed, reviewed and distributed to Board members by early next week.

The Treasurer has prepared a memo summarizing the Weiss, Peck & Greer (WPG) review of the District's investments as of May 2006. The Treasurer will receive the final Weiss, Peck & Greer (WPG) investment figures for the month of May 2006 some time today.

Preliminary figures show the District's end of May 2006 short to medium term investment portfolio at \$63.8 million, down \$8.7 million from the end of March 2006 balance \$72.5 million. As investments mature, the Treasurer will be withdrawing a total of \$21.7 million through July 2006 to repay the Education Fund for the proceeds used to retire the District's Series 1995 revenue bonds. The portfolio yield was 5.81% in May, up from April's 4.91%. Portfolio duration was 1.02 years compared to 1.6 year duration allowed by investment guidelines. WPG expect further rate and yield increases. As stated in their report, WPG recommends updating District benchmark to include longer portfolio duration.

#### 2.1.2 BUDGET/FINANCE UPDATE

Budget: The Finance Office has tentatively scheduled public budget hearings for June 23, 2006.

Audit Status: The Executive Audit Committee met last Thursday:

- Deloitte & Touche LLP reviewed the FY 2005 management comments on internal control issues with the Committee.
- They also discussed preparation for the up coming audit of the FY 2006 books and records.
- Washington, Pittman & McKeever reviewed the status of audits for FY 2006, covering in detail the payroll and administrative services audits.
- The proposed internal audit work plan for FY 2007 was also presented.
- It was reported that the ICCB was conducting a monitoring review of the District's Adult Education programs. Expect report to be issued in about six months.
- Subsequent to the meeting, the District's Controller Valerie Highsmith distributed copies of the FY 2005 Comprehensive Annual Financial Report (CAFR) to board members and District Officers.

Chief Administrators Report: The Finance Office will be distributing to the Board today the required Chief Administrative Officer's report of estimated resources and requirements for FY 2007. This report and it's format is required to be submitted to the Board by the Chancellor of the colleges pursuant to Section 7-7 of the Public Community College Act (110 ILCS 805/7-7) as amended.

Annual Programs and Services Analysis (APSA): The Finance Office's JR Dempsey worked with the Office of Research and Analysis to complete the financial analysis of program costs for FY 2004 and FY 2005.

Monthly Micro City Purchases: The District's monthly Micro-City purchases report for the month of April 2006 totaled \$403,688.

#### 2.1.3 PROCUREMENTS REPORT

Several resolutions before the Board this month pertain to the District's Finance Office as follows:

**Office of Finance Reports (cont'd):**

Section 1 – Resolutions:

1B – requests Board approval of the District's proposed ICCB Resource Allocation Management Program (RAMP) for FY 2008. This is prepared by Administrative Services. The District is requesting the State to consider funding \$175 million in five capital projects with a total project cost of \$233 million as follows:

Project Description	STATE	CCC	TOTAL
New Kennedy King College	\$119.2	\$39.1	\$158.3
Truman Parking Structure	24.3	8.1	32.4
Classrooms at District Office	5.7	1.9	7.6
Daley's New Industrial technology Center	8.5	2.8	11.3
OH's New Transportation Building	8.2	2.7	10.9
Malcolm X Fireproofing Material Removal	9.6	3.2	12.8
Total RAMP FY 2008 Requests	\$175.5	\$57.8	\$233.3

1C – requests Board authorization to purchase the LaSalle Bank branch at 4163 West 76<sup>th</sup> street for Daley College for \$2.1 million plus closing costs. This is well below the advertised price of \$5 million.

1M – is the Chief Financial Officer's report on various working capital and use of fund balance issues. It requests the board to authorize the District's CFO and/or Treasurer to repay the \$14.7 million inter fund loan between capital and the working capital fund, to increase the working cash reserve by \$35 million to \$60 million to restore the reserve to about three months of operating fund spending, and transfer Education Fund balance to the capital fund to pay for much needed deferred maintenance.

1N – amends the District's Investment and Depository Policies to add Jacqueline Lonquist as an authorized signatory to Wright College's college agency and imprest accounts.

1O – is the monthly request for Board approval of routine District Transfer of Funds. Transfer of funds for May 2006 total \$3,277,846.22

Section 4 – Agreements:

4A – is for a professional service agreement with T. Shawn Taylor to provide data and reports on the Construction Trade Industry for the District Office Marketing Department from June 15 2006 through August 15, 2006 at cost not to exceed \$34,000 plus expenses.

4B – is a professional service agreement to provide books, periodicals, reference books and instructional materials for all colleges with Baker & Taylor as the Primary firm for \$585,000; Steck-Vaughn a preferred vendor for \$300,000; Thomson/Gale a preferred vendor for \$435,000 and H.W. Wilson a preferred vendor for \$90,000, for a three year period beginning June 30, 2006 through June 29, 2009 with an option to extend for an additional two (2) year period, in accordance with RFP# IW0602 dated January 1, 2006.

4C – is a payment ratification to the Public Broadcasting Service (PBS) for telecourses for open air broadcast in the amount of \$16,460 for Harold Washington College.

4D – is a professional service agreement with Gardner, Carton and Douglas to provide legal services in at discounted hourly rates to develop contracts with five different departments of the Spanish government to exclusively procure Spanish language electronic training materials. (Office of the General Counsel) – ITEM WITHDRAWN FROM AGENDA

4E – is a contract renewal with Humana Inc. for the HMO plan for the District at a cost not to exceed \$7,449,819.72 from July 1, 2006 through June 30, 2007. (Office of Human Resources)

4F – is for design build agreements to replace ceilings with the following firms: ESD Construction, Inc. for Daley College in the amount of \$2,547,500; Primera Construction Group, LLC. for Truman College in the amount of \$3,330,800; and The Architect's Enterprise, Ltd. for Dawson Technical Institute in the amount of \$1,720,500. Each contract amount includes a 10% contingency fund. (Office of Administrative Services)

**Office of Finance Reports (cont'd):**

4G – is for a professional services agreement with A+Media to provide the WYCC- TV monthly Program Guide in the amount of \$266,040 for a two year period beginning July 1, 2006 through June 30, 2008 with an one year extension option.

4H - amends the agreement with Condensed Curriculum International, Inc. to include Kennedy King College's health occupational programs at a cost of \$35,000 per year for a three year period beginning June 9, 2006 through June 8, 2009.

4I – is a payment ratification to Office Team Inc. in the amount of \$1,976.50 for services rendered for the Office of Finance from September 15, 2005 through February 10, 2006.

4J – is a professional services agreement with David Hilquist to provide accounting services to the Office of Finance from July 1, 2006 to June 30, 2007 in the amount of \$137,000 including expenses.

4K – is a contract renewal with VSP to offer vision coverage to District employees and retirees at a cost not to exceed \$24,930.87 for the period July 1, 2006, through June 30, 2007.

4L – is a payment ratification and amends the existing agreement with Washington, Pittman and McKeever through June 30, 2006 to include the work performed for the Finance Office on the District's IRS audit in an amount of \$20,000.

4M – is a payment ratification of \$7,500 for services performed during the Spring 2006 recess to migrate the library system to a new server and amends the agreement with Innovative Interfaces Inc. for the period July 1, 2006 through June 30, 2007 for software support and maintenance service in a total amount not to exceed \$30,132 for the Office of Information Technology.

4N – is an agreement with the Illinois State Library who will provide ILLINET/OCLC services to all colleges for Fiscal Year 2007 at a cost not to exceed \$20,000. (Office of Academic Affairs)

4O - amends the agreement with Blackboard Inc. for hosting services and the Blackboard license including support and maintenance for the period July 1, 2006 through June 30, 2007 in a total amount not to exceed \$132,500 for the Office of Information Technology.

4P – is to execute a contract with Delta Heating and Air Conditioning and Anchor Mechanical for HVAC and Mechanical repair services district wide for a three year period beginning June 8, 2006 through June 7, 2009. (Office of Administrative Services)

4Q - amends the agreement with Axiom for continuation of remote mainframe facility and system services in an amount not to exceed \$966,178.00, with from July 1, 2006 through June 30, 2007 for the Office of Information Technology.

4R – is a professional service agreement with Tantus Enterprises to provide long distance, telephone conferencing and video conferencing services for a three year period beginning July 1, 2006 through June 30, 2009 at an estimated annual cost of \$50,000 district wide. (Office of Information Technology)

4S - amends the agreement with Canon Business Solution to continue to provide imaging services for the District through November 2006 at an cost not to exceed \$250,000. (Office of Administrative Services)

4T – requests Board approval of the FY 2007 capital projects. (Office of Administrative Services)

4U – is a professional services agreement with The Foster Group to provide an offsite data center for a three year period beginning July 1, 2006 through June 30, 2009 at cost not to exceed \$1,793,642 for the Office of Information Technology.

4V – is a professional service agreement with Compuware Corporation to provide testing monitoring activities of the PeopleSoft systems at a cost not to exceed \$643,450 beginning June 14, 2006 through June 14, 2007 for the Office of Information Technology.

**Office of Finance Reports (cont'd):**

4W - amends the agreement with Illinois Century Network (ICN) to provide dedicated internet access at a cost no to exceed \$52,500 beginning July 1, 2006 through June 30, 2007 for the Office of Information Technology.

Walk on for today's Finance Committee meeting:

4X - is for the annual renewal of membership dues for the National Association for Equal Opportunity in Higher Education (NAEOHE) for FY2006 and FY2007 in the amount of \$ 19500 per year. (Chancellor's Office)

4Y - is a professional services agreement to provide online virtual tutorial for nursing students through Assessment Technologies Institute (ATI) at a cost no to exceed \$17,160 (Office of Academic Affairs)

**Section 6 - Purchases:**

6A - is for the software license renewal with IBM in an amount of \$17,608 for the period of July1, 2006 through June 30, 2007 for the Office of Information Technology.

6B - is for the issuance of purchase orders to the various bus companies to provide bus transportation district wide in the amount of \$190,000 through June 30, 2008.

6C - is for the issuance of purchase orders to the various database publishers to provide database products as needed district wide through June 30, 2007.

6D - is for the issuance of purchase orders on an as needed basis to Micro City and execution of a master agreement for hardware and software technology for a three year period beginning July 2006 through June 30, 2009 at an estimated annual cost of \$15,000,000. (Office of Information Technology)

6E - is to purchase of a Gas Chromatograph for Physical Science Department for Kennedy King College in the amount of \$31,000 from PerkinElmer.

6F - is for the purchase of audio visual equipment for Harold Washington College from United Audio Visual, Inc. in the amount of \$ 32,146.

6G - is for the purchase of a 9,000 lb scissor rack for Automotive Department for Kennedy-King College in the amount of \$ 14,881.99.

**Section 7 - Informational Reports:**

7D - is the Monthly Expenditures and Utility Report.

**Office of Administrative Services Reports:**

Updating current major projects for the District,

**--New Kennedy-King Campus**

The Public Building Commission has indicated in discussions with us that they are close to a final Gross Maximum Price (GMP) with the construction manager, McClier, and should be ready to present to their Board and the City Colleges that number. PBC has also issued amendments for Phase II, allowing the four masonry contractors to begin site work in preparation of enclosing the buildings.

As you may be aware, there was an organized laborer's strike last week. McClier was able to have the majority of its subcontractors sign a Project Labor Agreement and we only lost one day of work on site. As of today, the project is 27% complete in Phase II. Hiring of City College graduates in construction technology still lags at only 4 students so far. We have begun discussions to expand the boundaries of community hiring to include Dawson and West Side Tech students city-wide into all upcoming hire slots. PBC has included hiring of our students criteria in its bid for the new Westinghouse Vocational High School, which we will work with them to provide students.

--Truman College has moved forward with the selection of the Architect of Record for the planned Student Services and Parking Structure that has an anticipated occupancy date of October, 2008 by a joint evaluation

## **Office of Administrative Services Reports: continued**

committee of President Boyd, her staff and representatives from Admin Services. Funding from Capital Development Board has been confirmed, at close to \$13.8 million.

–Malcolm X continues to be at 98% completion for the Energy Performance upgrade and the First floor and Bathroom Renovation.

District staffs have also met to begin the selection process of the project architect for Phase II of the Renovation.

Administrative Services submits the following Board Reports for your approval this month;

1B Resolution for the Resources Allocation Management Plan for FY2008 that is required by the Illinois Community College Board no later than June 30, 2006 with the concurrence of the City Colleges' Board of Trustees' approval that highlights the creation of new assets that enhance the District's academic goals.

The projects have remained the same since last year's RAMP submittal. The Report should be in your folders.

1C Purchase of 4153 West 76<sup>th</sup> Street for Daley College which allows the College to move existing programs from the main building and accommodate the increased demand for classes. Purchase is for \$2.1 million with \$300,000 set aside for acquisition and closing costs pending the approval of the Illinois Community College Board. The purchase price has been negotiated down from the \$5 million originally reported to the Board.

4F Design Build Services that were competitively bid to replace the ceiling tile systems at Truman, Daley, and Dawson Technical Institute for an amount not to exceed \$7.6 million

4P Annual Service Contract for System-wide Mechanical and HVAC Work, with Delta Heating and Air Conditioning found to be the most responsive in that they have met the District's criteria of hiring a Dawson graduate as an apprentice

4S Extension of Imagining Services for Canon Copiers that includes copiers, maintenance and supplies to allow Administrative Services and Procurement to complete the competitive solicitation for services in the second half of FY2007 and beyond

4T Planned Capital Projects for FY2007 provides a broad listing of projects that have an anticipated start date in the upcoming year. Projects have been identified with the assistance of the Colleges and the list may be expanded or placed projects placed on hold based on critical needs.

Copies of the Draft FY2007 Five Year Capital Plan will be distributed on Thursday for the Board's review for approval in July. If you have questions or concerns, do not hesitate to contact me.

Third Quarter Minority and Women Business participation for was 56.4% for MBE's and 2.5% for WBE's. Local Businesses were 63.8% of the vendors that transacted business with the District.

This concludes my report for June 2006.

## **Office of Information Technology:**

The Office of Information Technology reports that:

Included in your packet the status report for the peopleSoft student system Jan. through May, 2006. We have implemented several new functionality; academic management, book voucher access; view on line grades; student history access via student self service. Faculty self services (to view their teaching schedules and class rosters via the internet) and others. We have many working projects from 20% to 90% completed. We are also work on establishing the 48 enrollment cancellation process for fall. We added edits, audits and enhancements to the registration flow to better manage the files and we continue to work on response time. Monday, we registered over 1,000 students for the first day of summer registration.

OIT is working with Oracle to gather information regarding all our projects and create a recommend approach and options for the district to consider. This developing road map will be a 'multi year plan'. Oracle long term business strategies is to redesign and develop new superset of suites for all applications comprised of the best features from the people soft and Oracle systems to develop a state of the art middleware infrastructure on which future applications will be built. This is called the 'road to fusion'. Over the next few years, CCC must upgrade all our systems to the latest version along with adding new/changes to functionally. Staying current with our systems will reduce some customization to the software. This project roadmap will allow CCC to move toward the fusion technologies and outline the necessary steps, required resources, timelines and budget requirements for the district. I hope to have the executive summary at the July board committee meeting.

**Office of Information Technology: continued**

The following 9 board reports are submitted for your approval:  
4M, 4O, 4Q, 4R, 4U, 4V, 4W, 6A and 6D

This concludes my report.