

**SUMMARIZATION OF THE MARCH 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

- The District's Finance Office and financial advisor Kirkpatrick Pettis completed the 2003 Bond Warrant Agreement termination as presented at last months board meeting. In your board packages this morning is a report on the transaction and copy of the agreement. This transaction closes May 1, 2006.
- The District's monthly cash flow report and investment status report was included in the board packet. There were no significant changes to the District's monthly cash flow forecast since last months meeting.
- The District's medium-term portfolio increased its yield over the past month by 15 basis points to 4.85%. In addition, they reported the total returns on a net of fees basis are as follows:

February 2006:	0.19%
YTD 2006:	0.46%
Past 12 months:	2.86%

Budget/Finance Update

- **Audit Status Update:** The Chancellor's quarterly executive audit committee met on Thursday, March 3, 2006 to review the status of the Deloitte & Touche LLP external audit of the District's FY 2005:
 - Basic financial statements;
 - Federal single audit of federally funded programs;
 - Required ICCB audits of enrollment/credit hour and chargeback reimbursements;
 - Eight separately required ICCB program audits;
 - Eleven other separate State agencies grant audits;
 - CCC Foundation Audit
 - WYCC Audit; and
 - Treasury Policy agreed upon procedures review.

As reported in previous Finance Committee meetings, the WYCC – TV 20 audits have been completed and on time. Deloitte & Touche reported that field work is completed on the other audits and expects to complete partner reviews and have opinions issued by March 31, 2006.

- The Committee was briefed on the status of internal audit work conducted over the last three months by Washington, Pittman & McKeever including updates on the ICCB Credit Hour review, the review of Administrative Services procurements, and the District's payroll processes.
- **Budget Development FY 2007 status:** The Governor's overall recommended Community Colleges operating grant funding increased to \$304.1 million in FY 2007, up 1.9% or \$5.8 million from FY 2006 level of \$298.1 million, but still well below the \$327.1 million community college funding level of FY 2002. A summary of the recommendations are as follows:

Office of Finance Reports (cont'd):

Unrestricted grants	up 1%	\$2.8 million
o Base Operating Grant	up 3.9%	\$7.5 million
o Funding formula impact grant	elim./merged BOG	(\$5.5 million)
o Equalization grant	up 1%	\$766K
Restricted Grants	up 48.3%	\$3 million
Adult Grants	up 2%	\$900K
Career & Technical Education	up 2%	\$238K
Federal Perkins III	up 6.3%	\$1.4 million

- ICCB has calculated most of the budgetary allocations impact on the City Colleges of Chicago's share. The Finance Office is waiting for ICCB's estimated allocation of the Adult Ed and Career & Tech Education allocations. Assuming those to areas are flat:
 - o Total funding to the District would be down from \$63.3 million in FY 2006 (or 18.3% of total community college funding) to \$62.2 million as recommended in FY 2007 budget (or 17.6% of total funding)
- Other Finance Office activities during February 2006 include:
 - o Expect to complete monthly interim financial reports through January 2005 this week.
 - o Business Process Mapping
 - o APSA
 - o Strategic Planning – Vision 2011
 - o Monthly city CFOs and statewide community college CFOs business roundtable discussions
 - o Planning for upgrade from PeopleSoft version 7.5 to version 8.8

Resolutions

Monthly Budget Transfer Report – February 2006

Agreements

The March 2006 Board agenda has thirteen agreements 4A to 4M:

4A – Is an electrical repair contract extension with *Universal Electric and Communications, Inc.* It is for an amount not exceed \$350,000 until June 30, 2007.

4B – is a professional service agreement with the *Cognos Corporation* for software licenses, training services and maintenance services for the Office of Information Technology (OIT) to support PeopleSoft enterprise wide reporting for the Student Administrative, Financial, and Human Resources Systems. Term of the agreement will be from March 31, 2006 to March 30, 2007 at an annual cost not to exceed \$97,536.

4C – ratifies a professional service agreement with *Front Range Solutions* for the use of the Heat Call Tracking System for the Office of Information Technology (OIT). This agreement is at a cost not to exceed \$16,631 from January 1, 2006 to December 31, 2006.

4D – is a three-year professional service agreement with *West Publishing Co.* to provide on-line legal research software and companion services for the Office of the General Counsel at a cost not to exceed \$59,293.56 beginning March 1, 2006 – March 1, 2009.

4E – is a professional service agreement with *Mercury Interactive Corporation* to provide software and professional services for performance testing of the PeopleSoft system and monitoring services for the Office of Information Technology (OIT) at a cost not to exceed \$424,997 for a period of one year.

Office of Finance Reports (cont'd):

4F – increases the payment authorization of the initial \$42,787 of Workers Compensation insurance premium to *Safety National Casualty Corporation* by \$793 due to final review of the District's actual annual payroll required the additional premium payment.

4G – is an agreement and payment ratification to the *Public Broadcasting Service (PBS)* for lease of telecourses for Harold Washington College's Center for Open Learning at a total cost of \$16,460.

4H- is an amendment to Board Report # 26035 dated February 6, 2004, a parking lot lease agreement Joint Venture between Malcolm X College and the *United Center* for the transfer of \$450,000 to the CCC Foundation for the provision of scholarships to Malcolm X College students.

4I- is a ratification of the agreement and payment to *Ramona Munsell & Associates Consulting Inc.* for a successful \$1.1 million at-risk student support grant development services rendered for Malcolm X College. This is a five year U.S. Department of Education grant award. The year one payment is \$10,996 and years 2-5 estimated annual payment of \$11,000.

4J- is for payment ratification of services rendered as the Summer Basketball Coordinator by *Kimberly McQuarter* for Malcolm X College at a cost not to exceed \$4,400.

4K – is for a sole-sourced professional service agreement with *Desmond & Associates* for architectural and engineering services for the repair of Wright College's parking structure at cost not to exceed \$12,980.

4L- is for a professional service agreement with the *Council on Quality and Leadership* for accreditation review services for the Office of Vocational Training and Development at Harold Washington College at a cost not to exceed \$14,000 (beginning March 21, 2006 – March 24, 2006).

4M- increases the amount of a professional service agreement with *Patricia Brady* to provide additional mental health services for the Child Development Lab's Head Start Program at Olive-Harvey College by \$1,500, from \$9,500 to an amount not to exceed \$11,000.

Purchases

Item 6A requests authorization to purchase four (4) hospital beds from the low cost winning bidder *Alliance Health Services* for the Nursing Program at Daley College in the amount of \$ 13,777.92.

Item 6B is for the purchase of mailing machine equipment from *Neopost* off of a State of Illinois contract for Daley College in the amount of \$ 17,688.33.

Item 6C requests board authorization to purchase audio visual equipment from *Integrated Business Group, Inc.*, the lowest responsible bid, for Daley College's Business and Industry Center in the amount of \$ 23,961.71.

Item 6D is for a program purchase from *BBC Worldwide* for WYCC-TV in the amount of \$ 40,000.

Item 6E is a program purchase from the *Executive Program Service* for WYCC – TV in the amount \$50,000.

Item 6F is for the purchase of testing materials from *ACT* for Wright College in the amount of \$20,447.

Office of Information Technology Reports (cont'd):

- OIT is conducting on going research and testing of the PSSA application server to ensure the improvement of response time.
- The OIT web team is working with the Colleges web masters regarding the compliance with the guidelines for the American with Disabilities Act required by ICCB. OIT will have the Faculty self service in the student system which will allow faculty members by term to see their assigned classes, weekly schedule and access their class rosters by April 1, 2006.
- This month IT's web team launched the new financial aid center website.
- OIT will have three presentations at the Oracle/PeopleSoft Higher Education User Group (HEUG, now called Alliance) conference next week regarding: the functional track; On Demand Anticipated Financial Aid and on the technical track, Identity Management using e-directory (sign on security), and How do I convert from SQR programmer to App Engine programmer.

Office of Administrative Services Reports:

Associate Vice Chancellor Diane Minor presented the following board report to the board:

- Board Reports:

Administrative services issued two board reports, 4A and 4K as indicated previously by Ken Gotsch.

4A – District Wide Annual Electrical Repair Work and Renewal. – All Colleges and District Office
Not to Exceed \$350,000.00

4K – Architect and Engineering Services for Parking Structure Repair - Wright College.
\$12, 980.00

We (Administrative Services) are looking to subrogate the costs for a return to come back to the college.

- Capital Project Status Report

We currently have 31 projects district wide in various stages of funding, design and completion. We are presently in the process of completing a five year capital plan which will extend from 2006 to 2011 which will address health, safety and academic needs.

- Major Construction Projects

New Kennedy King

As of February 28, 2006, Phase I of construction is 97% complete. Phase I of the college's interior work is 16% complete. Four students from City Colleges have been hired so far to work on the project. We will keep the Board updated on it's progress.

- Harold Washington

PBC has assigned a new program manager, Ray Gideroff in light of their recent reorganization. We are still developing a punch list of work to be performed.

DM/cs