

**SUMMARIZATION OF THE AUGUST 9, 2007
FINANCE OFFICE, ADMINISTRATIVE SERVICES, AND OFFICE OF
INFORMATION TECHNOLOGY COMMITTEE MINUTES**

Office of Finance

TREASURY UPDATE

Monthly cash flow and investment status report: The District's Treasurer prepared the final FY 2007 Monthly Cash Flow Report and the projected FY 2008 Monthly Cash Flow Report. Both of these reports cover the District's operating cash and investment fund receipts, disbursements, and balances. Total projected receipts for Fiscal Year 2008 are \$350.1 million. Total projected disbursements are \$336.3 million. At this time, the FY 2008 report does not include receipts or payments for capital projects.

Also reported is the monthly Weiss, Peck and Greer (WPG) commentary as of the end of July 2007 detailing portfolio performance trend.

- WPG Returns. The WPG portfolio's July 2007 investment returns, net of fees, is .42% as compared to the one year benchmark of .62% and the traditional six month treasury return of .41%.
- Illinois Fund Returns. The District's cash position is primarily invested in the Illinois Fund accounts which in July 2007 earned .44%, net of fees. Portfolio duration is about 30 days.
- Investment Services. Contract negotiation with PFM is in progress and staff is working with the team with some preliminary transition activities.

Also, included in your package is the investment report for the fourth quarter ending June 30, 2007, which shows a balance of \$271.5 million for all funds.

Finally, included in your packet is the list of the Board depository accounts for the fourth quarter ending June 30, 2007.

BUDGET/FINANCE UPDATE

Budget Update

Status of State Budget – The Illinois community college president's council's Terry Bruce reports the State's community college budget is being held to last years level, or about a 1.6% reduction from the budget. Capital funding for Olive-Harvey of approximately \$31 million was added to the budget. This simply adds us to the list of projects, but does not guarantee funding. In addition, there is no new information from the Governor on the \$15 million for the completion of Kennedy-King College.

AUDIT STATUS

External audit status: The completed FY 2006 Federal Single audit was returned to the District by the USDOE due to coding errors on the intake form. This was corrected by Deloitte & Touche LLP and re-filed with the USDOE. The A-133 has been issued and filed with the appropriate State agencies. The Office of Finance and the Deloitte & Touche LLP teams have been engaged

Finance Report (cont'd)

in preliminary conversation for the planning of the FY 2007 audit. The auditors are expected to begin the internal control testing on September 1st. The Controller is expected to issue the final trial balance to the auditors on October 1st.

Internal Audit Summary: No report this month

Monthly Micro City Purchases: The total June 2007 Micro City purchases were about \$803,000. The year-to-date totals were about \$5.6 million.

<u>EQUIPMENT</u>	<u>June 2007</u>	<u>Year to Date</u>
Computers	\$ 295,477.00	\$2,428,956.00
Printers	23,151.00	227,311.50
Software	108,675.00	601,972.00
Related Equipment	<u>375,334.00</u>	<u>2,372,653.00</u>
Total	\$ 802,637.00	\$5,630,892.50

Section 1 – Resolutions:

1A – authorizes the levying of taxes for the levy year 2007 for a total of \$116,500,000 (Office of Finance).

1B – authorizes the tentative agreement for successor collective bargaining agreement between Board of Trustees and Service Employees International Union, Local Number 73 AFL-CIO. (General Counsel)

1C – authorizes paying off the Federal Perkins Loan Debt for an estimated amount of \$400,000 (Office of Finance).

1D – authorizes the close out of the Nursing Loan Debt for an estimated amount of \$225,000 (Office of Finance).

1E – authorizes the July 2007 monthly transfer of funds totaling about \$1.7 million (District-wide).

Section 4 – Agreements

4A – amends the agreement with **Best Practices Training, Inc.** for additional facilitation services for the District's 2011 Strategic Planning process and Service Excellence Initiative from September 1, 2007 through December 31, 2007 in an amount not to exceed \$36,000. (ACADEMIC AFFAIRS)

4B - amends the agreements with (1) **Susan R. Hatfield, Ph.D.** in an amount not to exceed \$30,000, (2) **Susan A. Murphy, Ph.D.** in an amount not to exceed \$30,000, (3) **Gregory Light, Ph.D.** in an amount not to exceed \$19,000, and (4) **Denise Drane, Ph.D.** in an amount not to exceed \$9,000 to provide the Train – The - Trainer model for the City Colleges of Chicago from August 9, 2007 through January 29, 2008, with a total cost not to exceed \$88,000. (ACADEMIC AFFAIRS)

4C - renews the plagiarism detection software license agreement with **Turnitin** in the amount of \$26,157 for the period of August 1, 2007 through August 31, 2008. (ACADEMIC AFFAIRS)

4D - authorizes a service agreement with **Chicago Area Interpreter Services** to provide the City Colleges of Chicago with sign language interpreter services for the period September 9, 2007 through September 9, 2010 at an estimated annual cost of \$170,000 with an option to renew for two additional years. (ACADEMIC AFFAIRS)

Finance Report (cont'd)

4E - executes an agreement with **W. P. Hickman Systems, Inc.** for the caulking of the exterior windows and doors of Harold Washington College for an amount not to exceed \$562,100 plus a 10% contingency of \$56,210 for a total of \$618,310. (ADMINISTRATIVE SERVICES)

4F - executes an agreement with **Chicago Commercial Contractors, LLC** for site upgrades, exterior construction of the building plaza and three parking lots at Malcolm X College in an amount not to exceed \$5,070,706 and the parking lot at Lakeview Learning Center, a satellite facility of Truman College, in the amount not to exceed \$294,149. (ADMINISTRATIVE SERVICES)

4G - executes a contract with **Bonaparte Corp** for electrical repair services for a three year period effective August 1, 2007 through July 31, 2010 with an option to renew for one (1) additional year in accordance with RFP specification number IW0716 dated July 17, 2007. (ADMINISTRATIVE SERVICES)

4H- to execute an agreement with **Muller and Muller Architects**, to provide planning and design services for interior renovations for District Office floors to be used by students and staff in an amount not to exceed \$280,000. (ADMINISTRATIVE SERVICES)

4I - executes a master agreement with **Nelnet Business Solutions** (formerly FACTS Management Co) to provide payment processing services to students who desire to enter into a payment plan to pay tuition and fees from August, 2007 through July 30,2010 with an option to extend for an additional two (2) years. Five colleges currently use this service. Daley College will begin utilizing the services in Fall 2007. There is no cost to the District. Fees are paid by the students directly to Nelnet Business Solutions. (OFFICE OF FINANCE)

4J - authorizes the agreement with **eProject Inc.** for hosting services, training, software licenses, support and maintenance for the period August 15, 2007 through June 30, 2009 in a total amount not to exceed \$75,610. (Office of Information Technology)

4K – authorizes the District to enter into an intergovernmental agreement with the **City of Chicago** to provide employee skills assessment and training with expected revenue of \$500,000 from August 1, 2007 through August 1, 2011. (Harold Washington College)

4L - executes an agreement with **Career Link, Inc.** to provide the Nursing Preparatory Institute to entering Practical Nursing Program students in an amount not to exceed \$20,000 beginning July 23, 2007 through June 30, 2008. (KENNEDY-KING COLLEGE)

4M- approve an agreement with **Magna Systems, Inc** whereby City Colleges of Chicago is granted telecourse license with fees totaling \$2,800 plus an estimated enrollment fee of \$21,140 for a total cost of \$23,940 for a period of August 9, 2007 through August 31, 2009. (KENNEDY-KING COLLEGE)

4N- amend the existing lease agreement in the Board Report #23694, dated March 6, 2003 replacing Shorenstein Realty Services as agent for the John Hancock Center with **Golub & Company, LLC.** (WYCC)

Walk-On Board Agreements:

4O - approves the payment to **Arthur J. Gallagher & Co** in the amount of \$55,142. for the period of May 30,2007 through November 15,2007 for the additional premium due to the opening of the new Kennedy-King College campus to insure the property and its contents under the Master Property Policy. (Risk Management) **Not listed in Board Book.**

Finance Report (cont'd)

4P - amends the existing agreement with **KPMG, LLP** to assist the Director of Internal Audit conduct a risk assessment and multi-year audit plan to include an operational audit of WYCC from August 17, 2007 through October 19, 2007 in an amount not to exceed \$50,000. (OFFICE OF FINANCE) **Not listed In Board Book**

Purchases

6A - approves the issuance of a purchase order to **American Solutions** in an amount not to exceed \$174,398 to provide printing and imaging (CD) of college catalogs for student distribution for the period of August 9, 2007 through August 9, 2010 pursuant to the RFP specification number SC0719 dated June 5, 2007. (ACADEMIC AFFAIRS)

6B - is for the issuance of purchase orders in an annual amount not to exceed \$75,000 to **Lechner and Sons** for the rental of uniforms for the City Colleges of Chicago engineers and custodians for the period of September 08, 2007 through September 8, 2008. (ADMINISTRATIVE SERVICES)

6C - approves the issuance of purchase orders on as needed basis with the listed vendors for travel arrangements for the totals listed per vendor with a total cost not to exceed \$230,000 from February 9, 2007 through June 30, 2008. (OFFICE OF FINANCE)

6D - approves issuance of purchase orders (1) to **Hexagon Metrology** in an amount not to exceed \$127,100, (2) to **Hitech Machinery Sales** in an amount no to exceed \$69,927, (3) to Aidex Corporation in an amount not to exceed \$39,900, (4) to **Advanced Learning Systems** in an amount not to exceed \$537,493 and (5) to **Arthur Machinery, Inc.** in an amount not to exceed \$634,550 for the purchase of various manufacturing equipment in accordance with the Sealed Bid# IW0713 dated June 7, 2007. (DALEY COLLEGE)

6E - approves a purchase order (1) to **Predator Software, Inc.** for the purchase of CNC Software, maintenance, hardware and services for a total cost of \$13,585 with annual maintenance cost of \$780 and (2) the Mastercam software purchase from **DEPCO, LLC** for the Milling, Turning, and Wire EDM equipment at a total cost of \$18,605, with an annual maintenance cost of \$700. (DALEY COLLEGE)

6F - approves the issuance of an annual purchase order to **Burmax Co.** in the amount of \$25,618 to purchase cosmetology supplies for the period of August 9, 2007 through August 9, 2009 with a one year optional extension in accordance with the RFP specification number, SC0720 dated June 7, 2007. (TRUMAN COLLEGE)

6G - approves the issuance of a purchase order to **Executive Program Services** for the acquisition of broadcast programming in an amount not to exceed \$70,000 from August 9, 2007 through September 30, 2008. (WYCC-TV20)

6H - renews the membership in the **Association of Public Television Stations** for Fiscal Years 2008 and 2009 for the amount not to exceed 45,000. (WYCC-TV20)

6I - approves a purchase order to the **Corporation for Public Broadcasting** for WYCC TV-20 for participation in the Program Differentiation Plan from August 9, 2007 through August 8, 2008 in an amount not to exceed \$300,000. (WYCC-TV20)

Informational Reports

7D. Monthly Utility, Postage and Other Expenditures Report for June 2007:

Finance Report (cont'd)

▪ AT & T.....Utilities.....	\$ 174,230.91
▪ Peoples Energy.....Utilities.....	\$ 143,851.33
▪ Constellation New Energy.....Utilities.....	\$ 524,662.02
▪ United States Postal.....	\$ 270,258.26
▪ Pitney Bowes.....	none

A total \$840,290 purchases in June 2007 was through the Illinois Community College Purchasing Consortium:

▪ Krueger International (ICCSPC).....	\$ 37,690.98
▪ Centennial Contractors Enterprise Inc. (ICCSPC).....	\$ 526,689.00
▪ Jostens Inc. (ICCSPC).....	\$ 29,232.54
▪ Roe and Company (ICCSPC).....	\$ 90,155.98
▪ Midwest Office Interiors(ICCSPC).....	\$ 29,893.35
▪ Office Depot (ICCSPC).....	\$ 98,858.21
▪ Magnetic Office Products (ICCSPC).....	\$ 27,770.44

Office of Administrative Services

Board Reports

4E Harold Washington College Window Caulking Project

While Harold Washington had a major renovation that closed out last year, the building had substantial leaks and moisture seepage that was not a part of the original work scope. As a result, Administrative Services developed specifications and an estimated price to address the problem and solicit contractors to undertake the job. In developing the scope, R.S. Means was consulted, as well looking at comparable projects already undertaken by the District. Working with Procurement Services, W.P. Hickman, which was competitively selected by the Illinois Community College Consortium (ICCSPC), was consulted for pricing. Compared to Means pricing and local marketplace costs, W.P. Hickman is 15% lower than the average price, completing the project at \$562,100 and a 10% contingency rate of \$56,210, totaling \$618,310. There is full M/WBE compliance.

4F Site Upgrades and Repairs for Malcolm X and Lakeview Learning Center

Working with Procurement Services, Administrative Services competitively solicited the exterior concrete paving of parking lots, sidewalks and foundation repairs. While fourteen specs were sent out and the pre-bid was well attended, only one responsive bidder, Chicago Commercial Contractors, LLC, of Huntley, IL responded. Most of the other contractors indicated they were unable or unwillingly to commit to the time schedule. Unfortunately the site conditions do not allow for lengthening the timetable. The total bid is for \$4,877,142. Full M/WBE compliance has been met.

4G Annual District-wide Electrical Repair Contract, Administrative Services

Based on the amount of work required annually throughout the District, Administrative Services sought a second electrical contractor to provide service to the fourteen colleges and learning centers. Bonaparte Corporation, Chicago, IL, was the lowest responsive bidder and committed to full M/WBE compliance. A contract term of three years is recommended, with language in the contract to allow for termination for cause or convenience with proper notice. In this term agreement, if any project is not performed in accordance to the quality standards expected by the District, we are not bound to assign any additional work to that company. This contract will not exceed \$400,000 annually.

Administrative Services Report (cont'd)

4H Renovation & Interior Design for the District Office Building

The District Office building is currently experiencing the growth of new or relocated academic programs, resurgence as a major academic and professional credential testing center as well as departments requiring a realignment in their seating and meeting requirements. As a result, a professional services firm is required to plan and oversee the movement within this building, ensuring that performance of those departments and programs are not hampered in the process. Mueller and Mueller Architects, a certified WBE previously approved by the Board, was selected from five firms to oversee this process. Included will be the plans for the new OIT Server Room funded in our current Capital Plan. At this time, the fee of \$280,000 is proposed based on the scope and amount of work to be performed. A commitment to full M/WBE compliance was submitted and approved.

Project Updates

Kennedy-King Campus

The Public Building Commission's Ribbon Cutting Ceremony was held in July, 2007 after the College's occupation of five of the six campus buildings. The Child Care Center in Building Z will take place as soon as the State of Illinois grants temporary license authority for the new location. Although moved, CCC is still reviewing Punch List items with the PBC as well as correcting outstanding construction issues, reviewing supplies and equipment and finalizing systems training.

Truman Student Services and Parking Facility

The first Community Outreach Session for residents, faculty and students was held at Truman College to introduce a conceptual building design for the Student Services and Parking Facility. The initial meeting provides strong support from the community for the "green" initiatives and LEED Certification. Concerns include round-the-clock-security, access to parking for the community during week-end and evening hours, fee structures and aesthetics. Meetings will resume in September after Fall Registration and classes resume.

Office of Information Technology

- This week Siemens will be installing 11 additional licenses to the voice mail system to alleviate congestion. Additionally next week, Siemens will begin a telephone call traffic study to help determine what other improvements can be made to the telephone system.
- This month OIT will begin to scope the work required for the upgrade of IT's HR system to version 9.0. OIT is also working closely with the Finance Department as we prepare to upgrade our Finance system to version 8.9. Migration of the finance system upgrade to production will take place in October, 2007.
- Last month, 19 new modifications or updates to existing modifications were applied to the production PeopleSoft Student Administration System.