

**SUMMARIZATION OF THE JULY 17, 2007
FINANCE OFFICE, ADMINISTRATIVE SERVICES, AND OFFICE OF
INFORMATION TECHNOLOGY COMMITTEE MEETING**

Office of Finance**2.1.1 TREASURY UPDATE**

Monthly cash flow and investment status report: The District's Treasurer prepared the FY 2007 Monthly Cash Flow Report with actual results through May 2007 for today's meeting. This report covers the District's operating cash and investment fund receipts, disbursements, and balances. Total projected receipts for Fiscal Year 2007 increased by \$6.7 million to \$381.5 million from the prior month's report primarily due additional state aid receipts and federal financial aid draw downs. Expense projections declined by \$11.0 million to \$317.6 million from last month's projections due to lower projected student aid refunds and lower projected vendor payments.

Total cash balances at the end of May equal \$202.0 million, up by \$1.2 million from April's \$200.8 million balance and above the minimum balance goal of \$83 million. Total operating fund balances, including restricted and medium to long term investments total \$258.4 million.

Table 1. District Operating Funds as of May 2007 (Dollars in Millions)

<u>Duration</u>	<u>Beginning Balance</u>	<u>In Flow</u>	<u>Out Flow</u>	<u>In/Out Invest.</u>	<u>End Balance</u>
Cash	\$ 10.9	\$ 26.1	\$24.8	\$(1.7)	\$ 10.5
State Treasurer	<u>189.9</u>	<u>56.1</u>	<u>54.5</u>	<u>0.0</u>	<u>191.5</u>
Subtotal Cash	\$200.8	\$ 82.2	\$79.3	\$(1.7)	\$202.0
Restricted	0.9	.0	-0-	-0-	.9
Medium-Long	<u>55.3</u>	<u>.2</u>	<u>-0-</u>	<u>-0-</u>	<u>55.5</u>
Total Operating	\$257.0	\$ 82.4	\$79.3	\$(1.7)	\$258.4

Also in your orange Finance Office folder this morning is the monthly Weiss, Peck and Greer (WPG) commentary as of the end of June 2007 detailing the \$55.7 million short-to medium term portfolio's performance trend.

WPG Duration. The Weiss, Peck and Greer (WPG) reports that medium to long term investment duration at the end of June 2007 was down to .34 years. WPG would recommend extending the duration to 1.25 to 1.5 year level as soon as there is an opportunity to do so without incurring capital losses.

WPG Returns. The WPG portfolio's June 2007 investment returns, net of fees, is .38% as compared to the one year benchmark of .41%. Year-to-date return on the portfolio is

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2.47% net of fees, year-to-date return on one year benchmark is 2.31% and 6 month 2.59%.

Illinois Fund Returns. The District's cash position is primarily invested in two Illinois Fund accounts. The MMF balance as of June 30, 2007 is \$16.5 million. June 2007 return was .418% net of fees. The Prime Fund Portfolio balance as of June 30, 2007 was \$165.6 million. The fund's duration is 30 days or longer. The June return was .436% net of fees.

2.1.2 BUDGET/FINANCE UPDATE

Budget Update

Status of State Budget – The Governor's temporary spending plan for July 2007 includes District appropriations.

The District's FY 2008 budget recommendation is pending your approval this morning. Highlights include: The District's new Vision 2011 Strategic Plan is presented in summary form as well as summaries of the colleges and District Office departments' tactical and strategic plans. The colleges involved faculty and staff, using a "shared governance" model in the preparation of the FY 2008 spending plans.

FY 2008 Budget Development Process Current and Next Steps:

May –	Completed required Chief Administrative Officers Report.
May -	Worked with Administrative Services to update FY 2008 Capital Plan.
June 20 –	Placed five (5) copies of FY08 Budget on file in Board Office.
June 21 –	Published notice of FY 2008 Budget and public hearings <i>Chicago Sun-Times</i> .
July -	Met with Board members on budget.
July 9, 2007 –	Held public hearing at Truman College
July 10, 2007 –	Held public hearing on budget at Olive-Harvey College
July 17, 2007 –	Public hearing at District Office at special Board meeting
August -	Submit final and technical budget to ICCB (Due by October 15, 2007)
August –	Submit budget to GFOA for review (Due 30 days after adoption)
	October – File revenue certificate with ICCB
Fall 2007 -	Monitor FY 2008 Budget
Fall 2007–	FY 2008 colleges budget presentations

State Capital Funding Status – Truman College – Truman College and the Finance Office are working with Alderman Helen Schiller to plan community meetings on project and secure the City's \$10 million in Wilson Yard TIF funds for this project.

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New Kennedy-King College – State Budget Director John Filan reported that funds are appropriated in the FY2008 budget, but as of now are not included in the State’s FY 2008 spending plan.

AUDIT STATUS

External audit status: No report for this months meeting.

Internal Audit Summary: No report this month.

Monthly Micro City Purchases: The District’s May 2007 monthly Micro-City purchases report includes both monthly and year-to-date information. The total May 2007 Micro City purchases were about \$1.1 million, three times last month’s spend of \$375,000. The eleven month year-to-date totals were about \$4.8 million, up 30% from last month’s ten month year-to-date total of \$3.7 million.

<u>EQUIPMENT</u>	<u>May 2007</u>	<u>Year-to-date</u>
Computers	\$ 453,734	\$ 2,133,479.00
Printers	39,162	204,160.50
Software	61,008	493,297.00
Related Equipment	<u>581,532</u>	<u>1,997,319.00</u>
Total	\$1,135,436	\$4,828,255.50

2.1.3 FINANCE OFFICE MARCH 2007 BOARD AGENDA ITEMS

Resolutions, Agreements, Purchases and other informational information before the Board this month are as follows:

Section 1 – Resolutions:

The Finance Office has three (3) resolutions in the July 2007 Board folder before the board and four walk-on resolutions:

1A – is the District’s annual Budget Resolution for the FY 2008.

1B – is the District’s annual property tax levy, or the estimated amount necessary to be raised by property taxation for the levy year 2007. It totals \$116.5 million, up from \$112.3 million in levy year 2006.

1C – is a resolution authorizing the transfer of funds for the month of June 2007.

Walk-on resolutions include:

Xx – investment and depository policy-change in authorized signatories-for Truman College

Xx – Property tax objection lawsuit settlement (1999 to 2003)

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Xx – Transfer of education funds to capital funds
Xx – close out of PBC Series 87B and 88A O & M funds

Section 4 - Agreements

There are eleven (11) agreements on today's agenda:

4A– approves entering into a maintenance agreement with *Johnson Controls, Inc.* to provide preventive maintenance and technical support services for building automation systems, beginning August 1, 2007 through July 31, 2012 in an amount not to exceed \$762,789 (\$587,789 maintenance cost plus \$175,000 repair allowance) for a five year period with a one year option to extend. (ADMINISTRATIVE SERVICES)

4B– is an agreement with *Triad Consulting Services Inc.* for implementation, training, and software use for an amount not to exceed \$363,023 and technical support of the Computerized Maintenance Management System (CMMS) for an amount not to exceed \$86,290 annually for three years. (ADMINISTRATIVE SERVICES)

4C- to approve the assignment of the cost-plus electrical contract to *Mundo Development Co.* and to approve a contract amendment authorizing assignment of the *Universal Electric and Communications, Inc.* contract to Mundo Development Co., Chicago, IL for electrical repair services as well as grant a time extension for the period July 1, 2007 through October 31, 2007 with a total contract amount not to exceed the annual allocation of \$350,000 (including the additional four months). (ADMINISTRATIVE SERVICES)

4D – approves a payment ratification with *Delta Heating and Air Conditioning*, Elk Grove, IL to provide repair services to maintain the mechanical and HVAC systems in the entire District facilities for \$129,000, making the contract total for FY2007 \$379,000 for the period of June 8, 2006 through June 7, 2009 with an option to renew for one (1) additional year. (ADMINISTRATIVE SERVICES)

4E – is an agreement with *Jackson Architects, LLC*, Chicago, IL, for the automation of lavatories district-wide for a cost not to exceed \$1,688,500 which includes the base bid plus a 10% owner's contingency. (ADMINISTRATIVE SERVICES)

4F – is an agreement with *Goettsch Partners of Chicago*, IL to provide architectural engineering services for the renovation of the deteriorating exterior curtain walls at Olive-Harvey College for the period July 12, 2007 through December 31, 2008 in an amount not-to-exceed \$717,656 (ADMINISTRATIVE SERVICES)

4G – is a services agreement with *David Hilquist* to provide the consulting services to the Office of Finance from July 1, 2007 to June 30, 2008 in an amount not to exceed \$125,000 including expenses. (OFFICE OF FINANCE)

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4H – is an agreement with *Deloitte Tax LLP* to provide employment tax consultation to Human Resources and Finance Office in an amount not to exceed \$ 50,000 from July 1, 2007 to June 30, 2008. (OFFICE OF FINANCE)

4I - is to authorize and execute the assignment and assumption agreement between *Smart and Associates LLP*, City Colleges of Chicago, and *Smart Business & Advisory and Consulting LLC*. (OFFICE OF FINANCE)

4J – is an agreement with *Lopez-Martin & Associates*, Chicago IL for the Hispanic market program development and implementation for a period of one year beginning July 12, 2007 through July 12, 2008 in an amount not to exceed \$168,000.00 with an option to renew for an additional year. (MARKETING AND PUBLICATION DEPARTMENT)

4K- is to enter into a professional services agreement with *VIP Enterprises* in an amount not to exceed \$20,000 for remediation services for Olive Harvey College respiratory care students for the period of July 9, 2007 through June 30, 2008. (OLIVE HARVEY COLLEGE)

WALK-ON AGREEMENT

4L – AUTHORIZES AN AGREEMENT WITH REGULATORY COMPLIANCE MANAGEMENT TO PROVIDE EMERGENCY ABATEMENT SERVICES TO MALCOLM X COLLEGE FOR THE TOTAL COST OF \$49,475.

Section 6 – Purchases

There are four (4) purchase reports for today's meeting:

6A- is an agreement with *ACT, Inc.* to provide COMPASS computer adaptive and ASSET paper and pencil forms of testing services to all colleges and Dawson Tech from July 1, 2007 – June 30, 2008. (ACADEMIC AFFAIRS)

6B- approves the payment ratification for *Executive Protection Services, Inc.* to continue security services for the new Kennedy-King College for a thirty day period beginning June 12, 2007 through July 10, 2007 in an amount not to exceed \$45,264. (ADMINISTRATIVE SERVICES)

6C – is for the issuance of purchase orders during FY2008 for advertising purchases and production activities listed in this board report not to exceed a total of \$2,206,100. (MARKETING AND PUBLIC RELATIONS)

6D- to approve the issuance of purchase orders on an as-needed-basis for diesel fuel from *Avalon Petroleum Company* of Tinley Park, IL., *West Fuels Inc.* of Forest Park, IL and

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the City of Chicago fueling stations as listed for the period of July 01, 2007 through June 30, 2008 in the amount not to exceed \$30,000. (OLIVE HARVEY COLLEGE)

Section 7- Informational Reports

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

AT & T.....	Utilities.....	\$193,078.61
Constellation New Energy.....	Utilities.....	none
Peoples Energy Services.....	Utilities.....	\$350,846.47
United States Postal.....	Postage.....	\$ 53,664.10
Pitney Bowes	Postage.....	\$ 10,715.77

No purchases in June 2007 through the Illinois Community College Purchasing Consortium.

Administrative Services

Board Reports

4A Preventive Maintenance & Technical Support Services for the Building Automation Systems for the Various College Facilities

In the last two years, the main campus buildings for Malcolm X, Olive-Harvey, Harold Washington, Kennedy-King and Truman have had the mechanical plants upgrades with state of the art Johnson Controls equipment that is maintained and monitored through the METASYS Systems. With the warranty period over, Administrative and Procurement Services issued a Request for Proposals for comprehensive and diagnostic services, data base archival download saves, Direct Digital Control Panel preventative maintenance and all other tasks related to the efficient and effective operations of the building plant controls. Of the two respondents, Johnson Controls was found to be the lowest, most responsive vendor. To meet M/WBE compliance goals, Applied Controls, a certified MBE, will work on this project as a subcontractor to Johnson as will certified WBE, Cable Communications. JCI has also established a Board-approved training program at the new Kennedy-King for students to learn the operations and maintenance of these state-of -the-art systems and will bring onboard the District's students upon their successful completion of the classes.

The recommended Agreement is for five years, for a total of \$762,789, with a one year extension option.

4B District Wide Computerized Maintenance Management System (CMMS) (pulled)

4C Amendment to Board Report #27222 for Annual Electrical Repair Work for all Colleges and District Office

Administrative Services is currently working with Procurement Services to solicit new vendors to provide district wide electrical maintenance and repair services. To provide

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continuous service until new contracts are awarded, we are submitting a time extension request for Mundo Development Co., the company formerly known as Universal Electrical and Communications, Inc. The time extension does not involve the allocation of additional funds for any projects still pending.

4D Amendment to Board Report #27414 for Annual District Wide Building Repair for Mechanical/HVAC Work Delta Heating and Air Conditioning was approved for an annual contract amount of \$250,000 to cover routine mechanical and HVAC maintenance and repairs. In FY 2007, extraordinary repairs that were not forecasted or the lack of systemized maintenance data for the buildings caused an additional \$129,000 in repairs to be performed by Delta. Administrative Services is requesting ratification of these expenditures for FY2007. Recognizing that district wide repairs may continue to climb, we are putting out to bid for an additional contractor to provide additional services to the colleges.

4E District Wide Lavatory Automation Project To promote the health, sanitation and energy efficiency, City Colleges is requesting authorization to automate the functions in all college, learning center and District Office lavatories. Jackson Architects, LLC, Chicago, IL, was chosen from the pre-approved architectural and engineering firms to design and implement the upgrades. Total contract value is not to exceed \$1,688,500. Jackson Architects is a certified minority business and has partnered with a certified WBE to meet the compliance goals.

4F Architectural & Engineering Services for the Exterior Façade Evaluation and Remedial Repair for Olive-Harvey College

The State of Illinois began in 2004 the remedial work for Olive-Harvey's building façade and Curtainwall and competitively solicited and selected Goettsch Partners, Chicago, IL, to undertake the architectural and engineering evaluations to repair the deteriorating curtain walls on all four sides of the Olive-Harvey building. Once the initial work was done, the State rescinded the funds necessary to go any further with the project. At this point, the College is sustaining additional damage and the District has identified capital funds to complete the work. Realizing that Goettsch Partners had already performed extensive work, they were evaluated as were other firms and found the most qualified to continue the project, completing the site studies, and completing the bid specifications and contract documents to complete the project. M/WBE compliance has been met, utilizing the certified firms listed in the Board Report. Funding at this time is requested for Goettsch Partners at \$717,656.

OIT BOARD REPORT

OIT has no board reports for your approval this month.

Regarding the new Kennedy-King College, the OIT has been working with the City of Chicago Office of Emergency Management and Communications (OEMC) to install security cameras that can be simultaneously viewed by the security staff at Kennedy-King and the OEMC. The project was initiated approximately three weeks ago and will be complete within the next two weeks.

Last month we reported the districts upgrade to a new email client, Groupwise. Since the report we have upgraded four departments (Academic, Affairs, Academic Services, General Counsel, and Human Resources) who are now utilizing the new Groupwise system.

This month OIT has been moving to implement a new organizational structure that was originally presented to you during the March Board committee meeting. The new structure provides clearer delineation between production support and project related issues and will facilitate better accountability toward IT projects and ensure a more customer-centric approach to delivering quality service to support administrative applications. The new organizational structure will also allow for OIT to be more involved with coordinating the instructional technology needs of our district and continue our support of the district's infrastructure needs. As a priority, OIT is focused on discontinuing the back-feed of data to our legacy system (SPAS) by the end of this calendar year.

Last month, 17 new modifications or updates to existing modifications were applied to the production PeopleSoft Student Administration System.