

**SUMMARIZATION OF THE JUNE 20, 2007
FINANCE OFFICE, ADMINISTRATIVE SERVICES, AND OFFICE OF
INFORMATION TECHNOLOGY COMMITTEE MINUTES**

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 April 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 \$42.0 million from the prior month's report primarily due to the \$41 million City of Chicago capital projects reimbursement. Expenses were essentially unchanged from last month's projections.

Total cash balances at the end of April are \$200.8 million as compared to minimum balance goal of \$83 million. Total operating fund balances, including restricted and medium to long term investments total \$257.0 million.

Table 1. District Operating Funds as of April 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	\$ 11.4	\$ 63.9	\$28.3	\$36.1	\$ 10.9
State Treasurer	<u>154.1</u>	<u>57.9</u>	<u>22.0</u>	<u>.1</u>	<u>189.9</u>
Subtotal Cash	\$165.5	\$121.8	\$50.3	\$36.2	\$200.8
Restricted	0.9	.0	-0-	-0-	.9
Medium-Long	<u>55.2</u>	<u>.2</u>	<u>-0-</u>	<u>-0-</u>	<u>55.4</u>
Total Operating	\$221.6	\$122.0	\$50.3	\$36.2	\$257.0

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

- WPG Duration. The Weiss, Peck and Greer (WPG) reports that medium to long term investment duration at the end of May 2007 was .42 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 May 2007 investment returns, net of fees, is .39% as compared to the one year benchmark of .19% and the traditional six month treasury return of .45%.
- Illinois Fund Returns. The District's cash position is primarily invested in the Illinois Fund accounts which in May 2007 earned .424%, net of fees. Portfolio duration is about 30 days
- Investment Services. The RFP for investment management services is completed with recommendation to select PFM and is on the Board agenda for today's meeting. The Treasurer's report provides more detail.

2.1.2 BUDGET/FINANCE UPDATE

Budget Update

Status of State Budget – There has been no change since last month's report. The Governor's budget recommends about a 2% increase in funding to community colleges. The Illinois Community College Board still has not finalized the operating budget allocations pending action by the General Assembly on the state budget.

The District's preliminary FY 2008 budget is complete and available for your review this morning. This is the second year the Finance Office is using a PeopleSoft-based budget development tool which includes

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detailed information on expenditures, tuition and fee revenues, full-time positions, and capital and technology projects. The District's new updated 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.

Summary of FY 2008 Budget Development Process:

January – Reviewed and updated forecasted revenues
 February – Finalize budget panels and demonstrate to business managers and district office directors
 March - Colleges submit revenue and expenditure projections
 April - Budget hearings were held with colleges and departments.
 May - Chief Administrative Officers Report completed
 Worked with Administrative Services to update Capital Budget
 June 20 – place budget on file in Board Office
 June 21 – Ad runs in Sun-Times
 June-July - Available to meet with Board members on budget.
 July 9, 2007 – Truman College - Public Hearing
 July 10, 2007 – Olive-Harvey College Public Hearing
 July 17, 2007 – District Office Public Hearing at Special Board Meeting on Budget
 July 2007 - Submit final budget to ICCB
 Fall 2007 - Monitor FY 2008 Budget
 Fall 2007– FY 2008 colleges budget presentations

State Capital Funding Status – Truman College - The District received notice that the State transferred \$13.3 million to the Truman College Student Services Center and Parking Structure project on April 19, 2007. This brings total State funding for the project to about \$14.9 million of the approximately \$60 million project. The District's Treasury staff is working to deposit approximately \$24 million into a CDB trust account for this project. Truman College and the Finance Office are working with the City to secure the \$10 million in Wilson Yard TIF funds for this project.

New Kennedy-King College - No progress has been made in getting the State to release its \$15 million funding commitment for the new Kennedy-King College project. The Finance Office received a \$14 million invoice from PBC to pay final new Kennedy-King College construction costs.

AUDIT STATUS

External audit status: The concurrent partner review of the FY 2007 federal single audit identified and consolidated the multiple TRIO grants as a new, single "first-time" major federal grant requiring it to be audited in FY 2006. The Controller filed for a 60-day extension with the US Department of Education to allow Deloitte & Touche LLP to complete this work. The District's foundation tax return has been completed.

Internal Audit Summary: No report this month

Monthly Micro City Purchases: Pursuant to a Board Member's request at last month's board meeting, the District's April 2007 monthly Micro-City purchases report has been expanded to include both monthly and year-to-date information. The total April 2007 Micro City purchases were about \$375,000. The year-to-date totals were about \$3.7 million.

<u>EQUIPMENT</u>	<u>April 2007</u>	<u>Year to Date</u>
Computers	\$ 89,869.00	\$1,679,745.00
Printers	18,763.00	164,998.50
Software	31,280.00	432,289.00
Related Equipment	<u>234,871.00</u>	<u>1,415,787.00</u>
Total	\$374,783.00	\$3,692,819.50

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:

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Section 1 – Resolutions:

The Finance Office has seven (7) resolutions before the Board this month:

1A – authorizes \$169 million in capital projects for the FY 2008 Capital Improvement Plan (Administrative Services).

1B – authorizes the transfer of \$2.5 million to a reserve fund for future property tax refunds and \$2.5 million to the capital fund (O&M Restricted Fund) for Board approved capital projects from the \$5 million remaining PBC Series 1987 B and 1990 COP rental payment escrow account balances (Office of Finance).

1C – authorizes paying off Truman College's \$70,471.23 net outstanding inactive Federal Nursing Student Loan Debt (NSL) to take advantage of settlement offer.

1D – authorizes the monthly transfer of funds totaling about \$6.3 million (District-wide).

1E – approves, pursuant to a Treasury policies and procedures review by the District's external auditor Deloitte & Touche LLP, amending the Investment Policy to include Federal National Mortgage Association (FNMA or Fannie Mae) as a "permitted investment" and requires Treasury to monitor any legislative activity that might impact the District's ability to invest in FNMA. FNMA is a government sponsored enterprise sponsored by the United States government. It is not backed or funded by the U.S. government, nor do the securities it issues benefit from any explicit government guarantee or protection.

1F – authorizes execution of Internal Revenue Service (IRS) closing documents, application for Voluntary Correction Plan for re-classified workers' 403(b) plan, and payment of \$217,156 to the IRS and other affected parties.

1G – approves the annual State capital project requests' Resources Allocation Management Plan (RAMP) to be submitted to the Illinois Community College Board for FY 2009 (Administrative Services).

Section 4 - Agreements

4A - (amended) is an agreement with *NCS Pearson, Inc.* for the continuation of NovaNET during the period of July 1, 2007 through June 30, 2010, at a cost of \$730,575. **(ACADEMIC AFFAIRS)**

4B - is an agreement with *Molloy Consulting, Inc.* to provide professional consulting services to the Office of Human Resources to review vision and PPO benefit bid responses and help solicit life insurance bids through September 30, 2007 in an amount not to exceed \$22,500. **(HUMAN RESOURCES)**

4C - a contract extension with *Standard Insurance Company* for the voluntary employee group life insurance plan for a three-month period beginning July 1, 2007 through September 30, 2007 to allow time to solicit bids, in an amount not to exceed \$240,488. **(HUMAN RESOURCES)**

4D - a contract extension with *Unum* for the voluntary employee paid disability and life insurance plan for Local 1708 employees for a three-month period beginning July 1, 2007 through September 30, 2007, to allow time to solicit bids, in an amount not to exceed \$9,332. **(HUMAN RESOURCES)**

4E - a contract renewal with *VSP* for the District's vision plan for the period July 1, 2007, through June 30, 2009, or until City government coalition bid is completed at an annual cost not to exceed \$30,681 with a total amount not to exceed \$61,361. **(HUMAN RESOURCES)**

4F - agreement with *Harris and Harris, Ltd.*, Chicago, IL to provide collection services for all campuses with collection fee rates of 19% , 24% and 33% of litigated accounts for a three-year period from, July 31, 2007 through July 30, 2010 **(OFFICE OF FINANCE)**

4G - agreement with *FACS, Inc.* who will provide financial advisory consulting services beginning July 1, 2007 through June 30, 2008, for an amount not to exceed \$37,000 (including expenses). **(OFFICE OF FINANCE) - WITHDRAWN**

OFFICE OF FINANCE – CONTINUED

4H - agreement with PFM Asset Management LLC for a three year period beginning July 1, 2007 through June 30, 2010 with a one year option to renew, in accordance with RFP# SC0710 dated March 29, 2007. **(OFFICE OF FINANCE) – REVISED**

The following are revisions per the Board: (1) Provision for termination at any time (2) change in the fee structure to 10 basis points (bps) and (3) change in the WBE participation to 20 %.

4I - agreement with *Mayer, Brown, Rowe, and Maw LLP* to provide legal advisory services on or before July 1, 2007 to June 30, 2008 with a fee not to exceed \$35,000 **(OFFICE OF FINANCE)- WITHDRAWN**

4J - a services agreement with *David Hilquist* who will provide expertise assistance 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) - WITHDRAWN**

4K - a services Agreement with the *Foster Group* for the term beginning July 1, 2007 through June 30, 2011 in an amount not to exceed \$6,782,017 **(OFFICE OF FINANCE) - REVISED**

The following is the revision per the Board: (1) Change the contract term to two years beginning July 1, 2007 through June 30, 2010.

4L - is an agreement with *KPMG, LLP* in an amount not to exceed \$33,600 for the period June 11, 2007 through August 30, 2007 to assist in the conduct of the risk assessment and to develop a multi-year audit plan. **(OFFICE OF FINANCE)**

4M - is a service agreement with *A-Plus Media, Inc.* for design of newsletters; design and printing of posters; and design and printing of brochures in an amount not to exceed \$116,400 for the period June 11, 2007 through June 11, 2008 with an option to renew for an additional year. **(MARKETING DEPARTMENT)**

4N - a service agreement with *CR Market Surveys* for marketing research services during the period of June 11, 2007 through May 30, 2008 for an amount not to exceed \$80,000 with an option to renew for an additional year **(MARKETING DEPARTMENT DISRICT OFFICE)**

4O - is an agreement with *Compuware Corporation* for the TestPartner software license, software maintenance, and agreement for training services for a period of one year from July 1, 2007 to June 30, 2008 resulting in a total cost not to exceed \$138,938 **(OFFICE OF INFORMATION TECHNOLOGY)**

4P - is an agreement with *Innovative Interfaces Inc.* for the period July 1, 2007 through June 30, 2008 for software support and maintenance service in a total amount not to exceed \$30,876. **(OFFICE OF INFORMATION TECHNOLOGY)**

4Q – agreement with *Illinois Century Network* in the amount of \$175,000 for dedicated internet access for the period of July 1, 2007 through June 30, 2008; **(OFFICE OF INFORMATION TECHNOLOGY)**

4R - amends an agreement with SDI, in the amount of \$47,200 including expenses for a one-time transition release fee for the two consultants. **(OFFICE OF INFORMATION TECHNOLOGY)**

4S – is a second Contract Amendment to its agreement with *Cannon Cochran Management Services, Inc.* for an estimated annual cost of \$59,820 with an estimated annual Escrow Deposit in the amount of \$300,000 for the period of June 30, 2007 through June 30, 2008. **(RISK MANAGEMENT)**

4T - is a contract with *Arthur J. Gallagher & Co.*, pursuant to a Request For Proposals issued February 14, 2007, for a period of three years with the option to renew for two additional one year periods and the initial rate for Year One shall not exceed \$103,700; for Year Two shall not exceed \$108,900 and for Year Three shall not exceed \$114,400. **(RISK MANAGEMENT)**

4U – is a service maintenance agreement for the postage mailing machines from July 1, 2007 through June 30, 2008 with *Pitney Bowes*, Stamford, CT in the total amount of \$27,268. **(Harold Washington, Kennedy-King, Malcolm X, Olive Harvey and Wright Colleges)**

4V - is an agreement with *Archdiocese of Chicago* in an annual amount of \$136,000 beginning July 1, 2007 through June 30, 2009 to lease twelve (12) classrooms, parking, two offices, utilities, and maintenance from the St. Henry's School with a total amount not to exceed \$272,000. **(TRUMAN COLLEGE)**

OFFICE OF FINANCE – CONTINUED

4W - amends an agreement with *Solar Service Inc.* to provide the installation of a solar panel system for water heating and photovoltaic electrical generation at Wright College utilizing a reimbursable grant from the Illinois Clean Energy Community for a total estimated cost of \$53,867. **(WRIGHT COLLEGE)**

Section 6 – Purchases

6A - is a purchase order on an as needed basis to the listed vendors for database publishing service products in an amount not to exceed \$416,000 through June 30, 2008. **(ACADEMIC AFFAIRS)**

6B - a purchase order on an as needed basis to the listed vendors for purchase health occupation, technical trade, various press material and cosmetology books beginning July 1, 2007 through June 30, 2009 in a total amount not to exceed \$397,000. **(ACADEMIC AFFAIRS)**

6C - approves an issuance of purchase orders on an as needed basis in the amount of \$25,000 to the *Network of Illinois Learning Resources in Community Colleges (NILRC)* for membership dues and fees for the period of July 1, 2007 through June 30, 2008. **(ACADEMIC AFFAIRS)**

6D - approves an issuance of purchase orders on as needed basis to the listed vendors for the purchase of the required testing materials through June 30, 2008 in a total amount not to exceed \$685,500. **(ACADEMIC AFFAIRS)**

6E - is for issuance of a purchase order to *Delta Heating and Air-Conditioning* to purchase and install three new walk-in coolers for the French Pastry School in an amount not to exceed \$75,610, which includes the purchase price, removal and installation cost, and a 10% contingency. **(ADMINISTRATIVE SERVICES)**

6F - approves the issuance of purchase orders on an as-needed-basis to the approved janitorial supplies companies listed above through the end of the current Chicago Public Schools contract on July 31, 2008 and August 31, 2008, including any approved extension periods. **(ADMINISTRATIVE SERVICES)**

6G - approved an issuance of purchase orders beginning July 1, 2007 through June 30, 2008 on an as needed basis with the various vendors at a total cost not to exceed \$124,000. **(OFFICE OF FINANCE)**

6H - a payment to Arthur J. Gallagher & Co in the amount of \$5,385.00 for the Premiums due to various Carriers, inclusive of the Workers' Compensation exposure in accordance with Board Report Number 27679, adopted November 9, 2006. **(RISK MANAGEMENT)**

6I - a purchase order to Micro-Optics, NY in the total amount of \$48,240 for the purchase of the BA300MCP Exclusive Microscopes for the Natural Science Department at Daley College. **(DALEY COLLEGE)**

6J - a purchase to E.M VITU, Inc., in the amount of \$52,425 to purchase Kurzweil –National Federation of the Blind Personal Readers Devices for special needs students at Daley College. **(DALEY COLLEGE)**

6K - a purchase order with CD Advantage Design Group, Jacksonville FL., in the amount of \$30,895.00 to purchase and deliver Multi-Media CD-ROMS with Video Production for Daley College, in accordance with the specification number, SC0711 dated April 2, 2007. **(DALEYCOLLEGE)**

6L - a purchase order to House of Trucks in the amount of \$297,500 to purchase five (5) used trucks to support Olive Harvey CDL Truck Driving Program. **(OLIVE HARVEY COLLEGE)**

6M - to approve a purchase order to New Brunswick Scientific Co., Inc. for \$15,075 to purchase the Nucleocounter automated mammalian cell counter equipment. **(TRUMAN COLLEGE)**

6N - an issuance of purchase orders to PRIMUS Sterilizer Co., in an amount not to exceed \$121,266.46 to purchase autoclaves/sterilizers for Truman College, Olive-Harvey College and Harold Washington College, in accordance with the specification number, IW0709 dated April 10, 2007. **(TRUMAN, OLIVE HARVEY, HAROLD WASHINGTON COLLEGE)**

OFFICE OF FINANCE – CONTINUED

Section 7- Informational Reports

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

- AT & T.....Utilities.....\$324,930.50
 - Constellation New Energy.....Utilities.....none
 - United States Postal.....\$ 60,620.00
 - Pitney Bowesnone
- No purchases in May 2007 through the Illinois Community College Purchasing Consortium.

Office of Administrative Services

Since the last Board Meeting, the old Kennedy-King saw a mass exodus into the new Kennedy-King Campus, officially located at 6301 South Halsted Street. Four of the six buildings have been officially turned over to the City Colleges from the Public Building Commission with Certificates of Building Occupancy issued by the City of Chicago while punch list items are identified and completed. Amidst the normal sounds of construction you have faculty, students and the community getting acquainted with their new facilities, registration for the Summer and Fall sessions taking place and business as usual in the classrooms. Administrative Services staff are working in tandem with the College to address the needs of the faculty, identifying areas that need further attention while the Public Building Commission and the Construction Manager, McClier, are still on site.

The two final areas yet to move are the Child Care Center and the Media Learning Center. Build out and finishing work is still taking place in those buildings and has delayed official occupancy. Building U, that houses Washburne Culinary, WYCC and WKKC has an anticipated completion date of July, pushing the move date towards the end of June for those departments. The Child Care Center will be moving into Building Z in early July upon adjustments to the toddler bathrooms, completion of the outdoor playground and site visits by the appropriate accreditation and licensing agencies.

As in all situations that test the patience of all involved, Administrative Services would like to thank the staff of Kennedy-King for their cooperation as well the other six colleges for their patience while the new campus is completed. Staff resources needed to follow-up at their schools will be redeployed to district projects and get the remaining projects underway.

As the project winds down, M/WBE project goals are 37 and 4%, with 16% of the project performed by Community residents. Twenty four Dawson students have been hired as of today. We will have next month more information on their actual placements.

Board Actions

1A-Amendment for Planned Capital Projects for FY2008

During FY2007, Administrative Services submitted to the Board a listing of projects it proposed to undertake in FY2007. A final status will be presented for the FY2007 projects next month. For FY2008, projects were identified from the facilities assessment reports based on immediate need as well as educational enhancements and wish list items from the colleges and district departments. The projects identified in '07 that were not completed are carried over for '08. As funding is identified by Finance, additional projects may be added throughout the year. Each project will be performed by companies that are identified thru a competitive process and brought to the Board for approval. Included in this report are additional dollars identified for the Truman Student Services and Parking Facility, build-out of the recently acquired LaSalle Bank building for Daley College's Medical Technology Program, District-Wide Parking Lot and Sidewalk Paving and long awaited renovations to the infrastructure of Olive-Harvey College. FY2008 can easily expend the \$168 million on the deferred facility maintenance and new construction projects listed.

1G-Resolution of the Resources Allocation Management Plan for FY2009

The Illinois Community College Board requires the annual submittal of anticipated capital projects that will be taking place within the District. To address that requirement, Administrative Services will be submitting the projects identified in our FY2008-2012 Capital Plan for review. These projects have been identified by

Office of Administrative Services-continued

Admin Services through the facilities assessment reports and college driven requests for academic enhancements and deferred maintenance needs.

4V-Lease Agreement for Truman College for St Henry's School
Two Years for \$136,000 annually

6E-Cooler Replacement for French Pastry School
Not to exceed \$75,610 awarded to the Board approved cost plus contractor, Delta Heating

6F-District Wide Janitorial Supplies
Joint Purchasing through the Chicago Public Schools competitively bid janitorial contracts until August, 2008 not to exceed amount of \$500,000

Office of Information Technology

Board Reports

4O – Approve agreements with Compuware Corporation for the TestPartner software license, software maintenance support and training services.

4P – Is to amend to the agreement with Innovative Interfaces Inc. for software maintenance on the library system that used by the colleges.

4Q – Is to amend the agreement with Illinois Century Network for dedicated internet access for FY08. The City Colleges receives basic access bandwidth services. Additional services or increased bandwidth to meet the colleges' needs are charged back to the City Colleges as stipulated in the ICN Cost Recovery Policy.

4R – Allows the district to execute an amended agreement with SDI, Chicago, IL for a one-time transition release fee for two consultants.

This month, we are presenting two personal actions to hire a receptionist and a District Director. The district director will direct and manage OIT's customer service area which includes the help desk, training, and application testing services. This position is listed on the OIT staffing additions report in your OIT folder. The report also indicates the number of additional consultants that are utilizing the transition funding approved during the April Board meeting.

Last month, 21 enhancements and/or changes were applied to the production PeopleSoft Student Administration System. Additionally, the OIT is in the process of upgrading the district-wide email system from iPlanet to Groupwise. This change will provide us with the ability to better manage contacts, calendars, and email through one software solution. Groupwise provides better security and greater storage options. The migration process to Groupwise is currently being done at the district office departments first. This will allow us to adjust and fine tune the migration process for the colleges.

This concludes the report for OIT.