

**SUMMARIZATION OF THE MAY 3, 2007  
FINANCE OFFICE, ADMINISTRATIVE SERVICES, AND OFFICE OF INFORMATION  
TECHNOLOGY COMMITTEE MINUTES**

**Office of Finance:**

**Treasury Update**

- There were five treasury reports included in the board packet. First, the FY 2007 Monthly Cash Flow Report with actual results through March 2007 for today's meeting. This report covered the District's operating cash and investment fund receipts, disbursements, and balances. Total projected receipts for Fiscal Year 2007 increased by \$0.4 million from the prior month's report primarily due to the increase in projected Personal Property Replacement Tax revenues offset by a reduction in projected miscellaneous receipts. Expenses were essentially unchanged from last month's projections.

Total cash balances at the end of March was \$165.5 million as compared to minimum balance goal of \$83 million. Total operating fund balances, including restricted and medium to long term investments total \$221.6 million.

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

<u>Duration</u>	<u>Beginning Balance</u>	<u>In Flow</u>	<u>Out Flow</u>	<u>Invest.</u>	<u>In/Out Balance</u>	<u>End</u>
Cash	\$ 10.5	\$ 75.6		\$ 43.0	\$(31.7)	\$ 11.4
State Treasurer	122.6	92.4		61.0	-0-	154.1
Subtotal Cash	\$133.1	\$168.0		\$104.0	\$(31.7)	\$165.5
Restricted	0.9	.00		-0-	-0-	.9
Medium-Long	55.0	.20		-0-	-0-	55.2
Total Operating	\$189.0	\$168.2		\$104.0	\$(31.7)	\$221.6

- The second report was the quarterly Weiss, Peck and Greer (WPG) Medium to Long Term Investments Report as of the end of March 2007. This report detailed results of \$55 million in the District's investments covering the portfolio performance, asset and market value reconciliation, schedule of transactions, and portfolio holdings. The First quarter investment returns, net of fees, was 1.26% as compared to the one year benchmark of 1.32%.
  - WPG Duration. The Weiss, Peck and Greer (WPG) reports that medium to long term investment duration at the end of April 2007 was .50 years.
  - WPG Returns. The WPG portfolio's April 2007 investment returns, net of fees, is .42% as compared to the one year benchmark of .39%.
  - Illinois Fund Returns. The District's cash position is primarily invested in the Illinois Fund accounts. Due to the early date of this month's Board meeting, no data is available for April. The Treasurer will cover in the next month's Finance committee report.
  - Investment Services. The RFP for investment management services was mailed to fifty three (53) firms, seventeen (17) of whom attended the pre-bid conference on April 18, 2007 and six (6) firms responded on April 25, 2007. The District's seven member evaluation team has narrowed the list down to two firms. The evaluation team is planning to make a recommendation to the Board at the June 2007 meeting.

## **Office of Finance (cont'd)**

- The third report was the March 2007 Quarterly list of operating fund cash and disbursement accounts listed alphabetically by bank. There were no changes to the list from the prior quarter's report. The District's fifty accounts are structured essentially to cover approximately seven types of accounts (the main account, college depository, college nursing aid, college federal Perkins, college imprest, college student, foundation account, etc.)
- The fourth report was a detailed list of the district's investments. The District's investments comply with both the State statutes and the District's Investment policy. The District's investments have the highest investment ratings and the market values are close to the District's purchase price.
- The final report was the March 2007 quarterly investment report by term and type of investment instruments. This report did not include the liquid cash accounts balances at various Chicago banks. (They are detailed in the separate report with balances totaling \$11.5 million.) This report includes all of the District's operating and non-operating (CCC Foundation and debt service funds) investments totaling \$246.6 million). The short term amount included in this report is \$185.2 million and the medium to long-term balance is \$61.3 million.

## **Budget Update**

- Status of State Budget – There has been no change since last month's report. The Illinois Board of Higher Education recommended to the Governor about a 2% increase in funding to community colleges. The Illinois Community College Board has not finalized the operating budget allocations pending action by the General Assembly on the state budget.
- Preparation of the District's FY 2008 budget is in progress. The colleges and district office budget hearings with the Chancellor are underway, scheduled for first round meetings to be completed by the first week of May. A tentative budget is planned to be finished in time for the required Administrative Report due on or before June 1, 2007.

## **State Capital Funding Status**

- 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.

*Note – No progress has been made in getting the State to release its \$15 million funding commitment for the new Kennedy-King College project.*

**City Receivable Issue** – The District's Treasurer deposited a check from the City of Chicago for \$41 million last week to reimburse the District for 1999 General Obligation Bond capital projects.

## **AUDIT STATUS**

- **External audit status:** First, a presentation of the Comprehensive Annual Audit Report (CAFR) will be presented at the Executive Audit Committee meeting scheduled for May 10, 2007. Secondly, the concurring 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. Third, the treasury policy agreed upon procedures work is complete with no major exceptions identified. Finally, the District's foundation audit and tax returns should be completed by May 15, 2007.

## Office of Finance (cont'd)

- **Internal Audit Summary:** The District's Internal Audit Director is planning the implementation of a district-wide risk assessment and evaluation program. To assist in the project implementation, an RFP has been issued and recommendations for the vendors will be taken to the May 10<sup>th</sup> Executive Audit Committee meeting.

The status of all FY 2007 fourth quarter audit projects, including a review of Procurement Card transactions, Health Care benefits, a Fraud Risk assessment and audit follow-up activities will be presented at the May audit committee.

- **Monthly Micro City Purchases:** The District's monthly Micro-City purchases report for the month of March 2007 total \$437,007.

## BOARD AGENDA ITEMS

### **Resolutions:**

- 1B – recommends the transfer of auxiliary fund and prior year education fund balance to fund capital projects approved at the April 2007 board meeting.

Walk on report – the monthly transfer of unrestricted funds report.

### **Agreements:**

- 4A. agreement with **Dr. Craig Nelson** in an amount not to exceed \$15,000 for the period of May 14, 2007 through December 30, 2007 to provide six lectures and assist with curricula development for faculty professional development initiative. (ACADEMIC AFFAIRS)
- 4B. increase in the agreement with **Gregory Light, Ph.D.** in an amount not to exceed \$3,000 to provide additional training to thirty-three administrators for the faculty development train-the-trainer model beginning April 12, 2007 through July 30, 2007, with a total cost not to exceed \$18,000. (ACADEMIC AFFAIRS)
- 4C. increase in the agreement with **Susan Hatfield, Ph.D.** and **Susan Murphy, Ph.D.** in an amount not to exceed \$4,500 to provide faculty development train-the-trainer model for City Colleges of Chicago for the period April 12, 2007 through July 30, 2007, with a total cost not to exceed \$54,000. (ACADEMIC AFFAIRS)
- Reports 4D, 4E, 4F, 4G, 4H to be covered by Administrative Services.
- 4I Risk Assessment for Internal Audit until June Board Meeting. (INTERNAL AUDIT) – WITHDRAWN
- 4J. amendment of the agreement with **The Foster Group** at a cost not to exceed \$6,900,737 for operational support in the Office of Finance beginning July 1, 2007 through June 30, 2011. (OFFICE OF FINANCE) – WITHDRAWN
- 4K. amendment of the agreement with the **Gallup Organization** to include an additional cost of \$25,500 for the assessment and analysis of candidates for a total amount not to exceed \$105,500 beginning January 4, 2007 through August 31, 2008 (See Board report # 27786 adopted January 4, 2007 - OFFICE OF HUMAN RESOURCES)
- 4L. agreement with **A. LaVelle Consulting Services, LLC.** for project management and execution of opening events for the new Kennedy King College beginning May 10, 2007 through September 10, 2007 in an amount not to exceed \$34,000. (OFFICE OF MARKETING AND PUBLIC RELATIONS)

### **Office of Finance (cont'd)**

- Reports 4M, 4N, 4O to be covered by OIT.
- 4P. three year agreement with Condensed Curriculum International, Inc. to provide Pharmacy Technician classes in the Adult Education Program at Truman College in an amount not to exceed \$200,000 per year. (Truman College)
- 4Q. three year agreement with **Aramark** to provide janitorial maintenance services at the South Shore Cultural Center for the Washburne Culinary School and the Parrot Cage Restaurant beginning May 1, 2007 through April 30, 2010 in an amount not to exceed \$246,000 and ratification of payments made from September 1, 2006 through April 30, 2007 in the amount not to exceed \$45,000 (KENNEDY-KING COLLEGE / ADMINISTRATIVE SERVICES)

### **Purchases**

- 6A. approval of the issuance of a purchase order to Amazon.com in amount not to exceed of \$26,265 for purchases of books for use at the Faculty Development Seminars beginning May 17, 2007.(Academic Affairs)
- 6B. approval of the issuance of a purchase order on an as needed basis to Cambridge University Press for health occupation and technical trade books through June 30, 2007 in a total amount not to exceed \$345,000. (Academic Affairs)
- 6C. renewal of the Apple collegiate purchase agreement beginning May 1, 2007 through May 1, 2008 with Apple Computer Inc. for estimated amount o to exceed \$245,000. (DISTRICT WIDE)
- 6D. correction of the conference title and date and ratification of the payments made to the Higher Learning Commission in the total amount of \$48,035 Board Report # 27968 adopted April 12, 2007 (DISTRICT WIDE)
- 6E. approval of the issuance of a purchase order to Select Trucks in the amount of \$24,000 for the purchase of a used 2001 Freightliner for the Truck Driving Program at Olive Harvey College. (OLIVE HARVEY COLLEGE)
- 6F. approval of the issuance of purchase orders through June 30, 2007 for the purchase of diesel fuel from Fleetcor Technologies in the amount not to exceed \$5,100.00 and approval of the ratification of payments made in the amount of \$3,417.42 with a total amount not to exceed \$8,517.42. (OLIVE HARVEY COLLEGE)
- 6G. approval of the issuance of a purchase order to Medical Education Technologies, Inc. (METI) in the amount of \$53,100 for the purchase of the simulator equipment for Nursing Program. (TRUMAN COLLEGE)
- 6H. approval of the issuance a purchase order to Pasco Scientific in the amount of \$38,000 to replace various equipment damaged in the recent mercury spill at Wright College. (WRIGHT COLLEGE)
- 6I. ratification of payment to Vytis International Travel Service, Salzburg Seminars International Study Program, and University of Salamanca for the recently approved Study Abroad Programs at Salzburg, Austria and Salamanca, Spain in a total amount not to exceed \$180,692. (ACADEMIC AFFAIRS)

## **Informational Reports**

- 7D. Monthly Utility, Postage and Other Expenditures Report for January 2007:
  - AT & T.....Utilities.....\$335,886.92
  - Constellation New Energy.....Utilities..... none
  - United States Postal.....\$ 87,568.27
  - Pitney Bowes .....none
- No purchases in March 2007 through the Illinois Community College Purchasing Consortium.

## **Office of Information Technology**

- The first report (Item 4M) is to amend the agreement with Acxiom Remote Mainframe Services. The amendment involves extending the mainframe processing and storage capability (that support OIT's SPAS legacy system) through June 30, 2008 for a total amount not to exceed \$750,000.00.
- The second report (Item 4N) is to amend the agreement with Blackboard, Inc. The amendment involves extending the hosting services to include maintenance and support through June 30, 2008 for a total amount not to exceed \$228,349.00.
- The third report (Item 4O) is for the purchase of an IBM controller software license for the period July 1, 2007 through June 30, 2008. The controller provides communications between the district office and the Acxiom mainframe. The controller requires the renewal of an annual software license through IBM at a total cost not to exceed \$17,608.00.
- Two months ago, the board asked that OIT provide information regarding the hiring of 12 new CCC OIT management positions. To this end, IT has provided a new report included in the board packet which reflects this information.
- Last month, 15 enhancements and/or changes were applied to the production PeopleSoft Student Administration System.

## **Office of Administrative Services:**

### **Board Reports**

- 4D - AT & T Telecommunication Service Agreement / WYCC needs to establish lines for a direct connection for internet and data communication from the New Kennedy-King to the broadcast facility at the John Hancock Center. This agreement is in effect from April, 2007 through March, 2010 at an amount not to exceed \$136,514.
- 4E - Cafeteria & Vending Services for All Colleges and District Office / Administrative Services worked with Procurement Services to solicit responses through a publicly advertised RFP to provide a variety of food service options to service their school populations along with district-wide vending services. Proposals were sent to nineteen firms, with responses from three companies. The evaluation was based on the quality and types of service, vending commissions, annual fees, and capital upgrades invested into the schools. The current provider, Compass Group, Elmhurst, IL, was found the most qualified, providing cafeteria services with Thompson Hospitality and Ideal Services, expanded grab & go counters, name brand vending machines and coffee kiosks located in the lobbies and libraries. Commissions of \$150,000 from the cafeterias and 4% from the vending will be paid to the District at the start of each contract year. Washburne Culinary and the Child Care programs also have the ability to purchase food items through Compass at their cost with a 2% handling fee. The contract should begin July 1, 2007 continuing through June 30, 2012 for five years with an option to extend for another two years.

**Office of Administrative Services (cont'd)**

- 4F - Copier, Reproduction Equipment and Services, District-Wide / This is an amendment to Board Report #27678 authorizing the District to enter into an agreement with Océ' Imagistics to provide small, medium and high volume copiers as well as equip the Colleges' reprographic centers at a cost not to exceed \$900,000. Since the original award, Administrative Services has worked with the various colleges, identifying the replacement equipment for the repro centers as well as reviewing the additional service requests of the various business and academic departments to address their operational needs. The replacement of the machines in the Reprographic Centers was based upon the expiration of equipment leases and service agreements with several other providers. Océ is now our only reprographic machine provider. The twenty-two additional high volume machines cost approximately \$600,000 annually, bringing the contract total to \$1.5 million. The original contract dates do not change, starting December 1, 2006 through November 30, 2011.
- 4G - Pulled from Board and Committee Agenda
- 4H - Professional Services for Interior Design Services in Building U at the New Kennedy-King / According to the terms of the contract awarded by the Public Building Commission to the NKKC
- Construction Manager at Risk, McClier, the build out of the Washburn Culinary Institute's restaurant site was to be left as a roughed out space. The District is requesting authorization to utilize the architect of record, Johnson & Lee dba as Kennedy-King Architects that was competitively selected by PBC, for an amount not to exceed \$70,000 to complete the space plans and oversee the final build out.
- 4Q - Facility Maintenance for Washburn Culinary Institute (payment ratification and new agreement) / Board Report #27350 authorized Aramark Management Service, L.P., for a limited period to provide janitorial services for the Washburn Culinary School and Parrot Cage Restaurant until the Chicago Park District completed its evaluation of RFP responses for South Shore Cultural Center cleaning services. Subsequently, CPD awarded the contract to Aramark as the most responsive bidder. The District will continue to use the same cleaning service at the request of CPD to maintain their established standards. The contract is recommended for three years, beginning May 1, 2007 through April 30, 2010, for an annual amount of \$82,000 with payment ratification from September, 2006 through April, 2007 not to exceed \$45,000.