

**SUMMARIZATION OF THE FEBRUARY 6, 2006  
FINANCE OFFICE, ADMINISTRATIVE SERVICES, AND OFFICE OF INFORMATION TECHNOLOGY  
COMMITTEE MINUTES**

**2.1.1 TREASURY UPDATE**

**Monthly cash flow and quarterly investment status report:** There are five treasury reports in your board materials for today's meeting. First, the District's Treasurer prepared the FY 2007 *Monthly Cash Flow Report* with actual results through December 2006 for today's meeting. This report covers the District's operating cash and investment fund receipts, disbursements, and balances. There was no significant change to the forecast since last month's meeting. Total projected receipts for Fiscal Year 2007 decreased by \$0.9 million from the prior month's report primarily due to the decrease in projected miscellaneous revenues. Expenses were projected to decrease by about \$7.9 million in accounts payable due to forecasted lower energy costs and unused contractual services budgets.

Cash balances at the end of December total \$133.9 million as compared to minimum balance goal of \$83 million. Total operating fund balances, including restricted and medium to long term investments total \$189.4 million.

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Table 1. District Operating Funds as of December 2006 (Dollars in Millions)

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<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	\$ 15.1	\$ 25.3	\$25.4	(\$ 2.9)	\$ 12.2
State Treasurer	119.0	19.2	16.5	-0-	121.7
Subtotal Cash	\$134.1	\$ 44.5	\$41.9	(\$ 2.9)	\$133.9
Restricted	0.9	-0-	-0-	-0-	0.9
Medium-Long	54.4	0.2	-0-	-0-	54.6
Total Operating	\$189.4	\$ 44.7	\$41.9	(\$ 2.9)	\$189.4

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The second report is the quarterly Weiss, Peck and Greer (WPG) *Medium to Long Term Investments Report* as of the end of December 2006. This report details the results of \$54 million in the District's medium to long term investments covering the portfolio performance, asset and market value reconciliation, schedule of transactions, and portfolio holdings. The fourth quarter investment returns, net of fees, of 1.17% as compared to the one year benchmark of 1.12% and the traditional six month treasury return of 1.26%.

- WPG Duration. The Weiss, Peck and Greer (WPG) reports that medium to long term investment duration at the end of December 2006 is down to .70 years from the .78 years last quarter.
- WPG Returns. The WPG portfolio's December investment returns, gross of fees, of .31% as compared to the one year benchmark of .23% and the traditional six month treasury return of .46%. Full calendar year, net of fees 4.44% compared to 4.44% one-year benchmark.
- Illinois Fund. The District's cash position is primarily invested in the Illinois Fund accounts earning .433%, net of fees. The Illinois Funds admin fees are .06% of invested assets
- Investment Services. Treasurer expects to issue an RFP for investment management services in February 2007.

The third report is the December 2006 Quarterly Investment Report by term and investment instruments. This report does not include the liquid cash account balances at various Chicago banks (They are

### **2.1.1 TREASURY UPDATE-continued**

detailed in a separate report with balances totaling \$12.2 million.) This report does include all of the District's operating and non-operating (CCC Foundation and debt service funds) investments totaling \$220.2 million, including \$159.5 million in short-term investments and \$60.6 million in medium to long-term investments.

The fourth report is the detailed list of the District's investments. The District's investments conform to both State statutes and the District's investment policy. As you can see, the District's investments have the highest investment ratings and the market values are approximately equal to the District's investment purchase price.

The final report is the Quarterly list of Operating Fund cash and disbursement accounts listed alphabetically by bank. There are no changes to this list from the prior quarters report. The District's fifty (50) cash bank accounts include seven types of accounts (the main account, colleges federal Perkins, colleges imprest, colleges agency, etc.)

### **2.1.2 BUDGET/FINANCE UPDATE**

#### **Budget Update**

The Finance Office is preparing the preliminary FY 2008 Budget Development Calendar. Key tasks, events and timeframes include:

- December 2006 - Updated the PeopleSoft budget panels. Surveyed and reviewed community college tuition and fee schedules.
- January 2007 - Governor's State of the State address and initial budget planning meetings with Chancellor and Officers of the District.
- March 2007 - Governor's Budget address
- April 2007 - Hold budget hearings with College Presidents
- May 2007 - Chief Administrative Officers Report due to Board
- June 2007 - Public hearings and budget adoption

We expect to deliver budget briefings with the Executive Vice Chancellor at the colleges starting in the month of February through March 2007.

Status of State Budget - The Illinois Community College Board reported to a statewide community college chief financial officer's association (ICCCFO) that they are not making budget recommendations, and they expect FY 2008 to be tight budget year due to State pension and medical obligations. The Illinois Board of Higher Education was planning to submit their proposed FY 2008 budget this week.

**Outstanding Receivable Issue:** The City's finance staff introduced an ordinance at the December City Council Finance Committee to amend the Intergovernmental Agreement to more clearly authorize direct payment to the City Colleges for work authorized. The City Council approved this ordinance at their January meeting.

**City College Bond Series 2007:** The City CFO Dana Levenson plans to issue about \$40 million in City Colleges Bond, Series 2007 in March 2007 based upon expiring District capital property tax levies. The District proposes to dedicate \$30 million to fund the new Kennedy-King College funding short fall and \$10 million to fund Phase II of the Malcolm X College renovation.

#### **AUDIT STATUS**

**External audit status:** The basic financial statement audit work is almost complete. The major due dates of the various annual financial audits are as follows:

### **2.1.2 BUDGET/FINANCE UPDATE-continued**

<b><u>Audit Report</u></b>	<b><u>Due Date</u></b>	<b><u>Status</u></b>
Basic Financial Statements	October 15, 2006	February 28, 2007
ICCB Required Audits	October 15, 2006	February 28 2007
Foundation Audit	November 15, 2006	February 28, 2007
Federal Single Audit (A-133), Grants	March 31, 2007	March 31, 2007
Treasury agreed-upon procedures	January 2007	February 28, 2007

The Controller filed the FY 2006 financial data with IPEDs ahead of schedule. Also, the Controller filed the FY 2007 UFRS with ICCB.

**Internal Audit Summary:** The Executive Audit committee is scheduled to meet on Thursday of this week. The following audit reports will be presented at this audit committee meeting: grant compliance audit; KKC Student Government; and status update on fraud risk assessment.

**Monthly Micro City Purchases:** The District's monthly Micro-City purchases report for the month of December 2006 totaled \$251,465.

### **2.1.3 FINANCE OFFICE DECEMBER 2006 BOARD AGENDA ITEMS**

Several resolutions before the Board this month pertain to the District's Finance Office as follows:

#### **Section 1 – Resolutions:**

The Finance Office has one resolution before the Board this month:

1A – requests the Board to authorize and approve the transfer of funds for the month of January 2007.

1B – Amends the authorized bank account signatures for college agency, imprest, Federal Nursing Aid, and Federal Perkins Loan accounts by adding two employees listed in the report and removes six people from the various college accounts.

#### **Section 4 – Agreements**

There are twenty (20) agreements on the agenda for this morning's Finance Committee meeting:

4A- is a contract amendment with **Susan R. Hatfield, Ph.D. and Susan A. Murphy, Ph.D.** to correct the spelling of Susan Hatfield and increase the contract amount by \$15,000 to provide additional days of faculty professional development train the trainer model for City Colleges of Chicago from January 22, 2007 through July 27, 2007, with a total cost not to exceed \$49,500 for both consultants. This report amends Board Report number 27780, adopted January 4, 2007. (Academic Affairs)

4B – is an agreement with the **Center for Labor & Community Research (CLCR)** to provide assistance to the District in the design and creation of a comprehensive education and training program for the Manufacturing Training Program at Daley College beginning February 9, 2007 through June 30, 2007, in an amount not to exceed \$240,000. (Academic Affairs)

4C – is agreement with **Dr. Patricia Brady** to provide consulting services for the Child Development Center at Malcolm X College beginning February 9, 2007 through May 31, 2007 in the amount of \$8,000. This is funded through a McCormick Tribune Partnership in Early Childhood grant. (Academic Affairs)

4D – is an agreement with **Yvonne Jeffries** to provide consulting services to the Child Development Centers at Kennedy King and Olive-Harvey Colleges beginning February 9, 2007 through May 31, 2007 in the amount of \$8,000. This agreement is also funded by a McCormick Tribune Partnership in Early Childhood grant. (Academic Affairs)

### **2.1.3 FINANCE OFFICE DECEMBER 2006 BOARD AGENDA ITEMS-continued**

#### **Section 4 – Agreements**

4E – is an agreement with **Exclusive Construction Services, Inc.** in an amount not to exceed \$47,000 to provide the grease interceptor replacement work at the District Office, in accordance with publicly advertised bid specification number IW0632 dated December 4, 2006. (Administrative Services)

4F - amend board report 27418, adopted June 8, 2006 to revise the approved list of **Capital Projects for 2007**. (Administrative Services)

4G– is an agreement with **RADA Architects**, Chicago, IL to provide architectural engineering services for the estimated \$41 million renovation of 70,000 square feet of Malcolm X College's first floor east and west ends and to replace the defunct cooling tower with the exterior construction of the garage/storage building for an amount not to exceed \$2,344,000, which includes a 10% design contingency. This firm was selected pursuant to public notice number IW0608. (Administrative Services)

4H- is an agreement with **Nia Architects Inc.** of Chicago for design-build services for the Olive-Harvey College's South Chicago Learning Center roof replacement and District Office roof hatch replacement, for an amount not to exceed \$320,195. (Administrative Services)

4I- is an agreement with **Primera Engineers, Ltd.** to provide civil engineering services for District Wide sidewalks and parking lot upgrades in the amount of \$1,171,000. (Administrative Services)

4J– requests approval of a change order to the contract with **The Architect's Enterprise, Ltd.** for design-build services for the replacement of ceiling tiles at Kennedy-King College's Dawson Technical Institute in the amount of \$285,711 for additional acoustical treatment, increasing the original contract amount to \$2,006,211. (Administrative Services)

4K- extends for one year the agreement with **Deloitte & Touché LLP** from July 1, 2007 through June 30, 2008 to conduct the almost twenty separate Fiscal Year 2007 financial audits of the basic financial statements, the federal grant audits, the required Illinois Community College Board audits, the other state grant audits, the WYCC TV20 audit for CPB and IAF, the foundation audit, and Treasury agreed upon procedures in an amount not to exceed \$750,000 by amending board reports (a) number 26171 adopted May 13, 2004, (b) number 26520 adopted January 6, 2005, (c) number 27022 adopted November 3, 2005, (d) number 27080 adopted December 8, 2005, and (e) number 27684 adopted November 9, 2006. (Office of Finance)

4L- is an amendment to the current agreement with **Deloitte & Touché LLP** for additional services performed for the Fiscal Year 2006 annual financial audits in an amount not to exceed \$58,950 for a total contract amount of \$712,950. (Office of Finance)

4M - extends for one year the current internal audit services agreement with **Washington, Pittman and McKeever** from July 1, 2007 through June 30, 2008 in an amount not to exceed \$350,000. Amend board report # 26873, adopted 8-4-05. (Office of Finance)

4N – is an agreement with **Johnson Research Group**, Chicago, Illinois, to provide tax increment financing (TIF) advisory services for an amount not to exceed \$37,500 beginning February 1, 2007 and ending December 31, 2007. (Office of Finance)

4O - extends the term of the current agreement with **Smart and Associates LLP** to provide accounting procedures documentation and general accounting staffing supervisory services for the Controller during the PeopleSoft Financial System upgrade through August 31, 2007 and to increase the contract amount by \$105,000 for a total contract amount of \$205,000. (Office of Finance)

### **2.1.3 FINANCE OFFICE DECEMBER 2006 BOARD AGENDA ITEMS-continued**

#### **Section 4 – Agreements**

4P – execute agreements for the period January 1, 2007 through December 31, 2007 for lobbying services for City Colleges of Chicago for the Office of Intergovernmental Affairs with the following vendors with total combine cost of \$231,900:

- **Mayer, Brown, Rowe, & Maw**, at an annual fee of \$100,000, plus out-of-pocket expenses not to exceed \$2,000 per year;
- **Vincent R. Williams and Associates**, at an annual fee of \$72,000, plus out of pocket expenses not to exceed \$8,400 per year;
- **Luking and Associates**, at a annual fee of \$30,000; plus out-of-pocket expenses not to exceed \$3,000 per year;
- **Gabriel Lopez and Associates**, at a annual fee of \$16,500

4Q – a software license agreement with **Imaginit Technologies**, Schaumburg, IL, for the AutoCAD software at a total cost of \$25,780 for Daley, Truman, Wright and Harold Washington Colleges beginning January 1, 2007 through December 31, 2007. (TRUMAN, HAROLD WASHINGTON, WILBUR WRIGHT AND DALEY COLLEGES)

4R – is an agreement with **Community TV Network** to provide a creative and innovative fine arts program in film making for Truman Middle College students during the period of February 8, 2007 through June 30, 2007 in the amount of \$17,500. (Truman College)

4S- is a software license agreement renewal for year three of the student based portal system with **Campus EAI** at a cost not to exceed \$31,565. (Wright College)

4T- a ten year agreement with the **French Pastry School (FPS)** to provide classes leading to a certificate in Pastry Arts and continuing education classes in the baking and pastry arts beginning January 1, 2007 to December 31, 2017 and ratify payments made to the French Pastry School in the amount of \$1,866,316 beginning January 1, 2006 through December 31, 2006. (Washburne Culinary Institute – Kennedy King College)

The following resolutions are walk-ons:

4P – Address correction – Legislative services Mayer, Brown, Rowe and Maw, LLP, (Vincent Williams), Luking and Associates (William Luking), Gabriel Lopez and Associates (Gabriel Lopez)- (INTERGOVERNMENTAL AFFAIRS)

4U – Payment ratification to Vincent R. Williams and Associates in the amount of \$1,829.05 for additional expenses incurred in FY 2005 (INTERGOVERNMENTAL AFFAIRS)

4V –Payment ratification to and agreement with Franczek Sullivan P.C. for legal services from October 24, 2006 to November 30, 2006 in the amount of \$17,834 (CHANCELLOR'S OFFICE)

#### **Section 6 – Purchases**

6A- approves the issuance of purchase orders from **Cingular Wireless, Verizon Wireless, Sprint/Nextel, T-Mobile, and US Cellular** on an as needed basis for mobile telephones district wide in an amount not to exceed \$150,000 beginning February 9, 2007 through December 31, 2008. (Office of Finance)

### **2.1.3 FINANCE OFFICE DECEMBER 2006 BOARD AGENDA ITEMS-continued**

#### **Section 4 – Agreements**

6B- approve the issuance of purchase orders on an as needed basis for drinking water services district wide with **Hinckley Springs and Ice Mountain** in a cost not to exceed \$31,000 beginning February 9, 2007 through December 31, 2007. (Office of Finance)

6C- approve the issuance of purchase orders on as needed basis with the vendors listed to provide **catering services** district wide with a total cost not to exceed \$435,000 for February 9, 2007 through June 30, 2008.

6D – ratification of emergency plumbing in the President's open office area at Malcolm X College with **T & J Plumbing** in the amount of \$17,450.

6E- is a purchase order to **Sutton Ford** of Matteson, IL in the amount of \$25,304 for the purchase of a 4X2 SUV 2008 Ford Hybrid Escape for Security Department at Daley College. (Purchase through the City of Chicago contract with Sutton Ford.)

6F - approves the issuance of a purchase order to **Sign-A-Rama** of Chicago Illinois to supply and deliver an electronic sign for Dawson Technical Institute in the amount of \$36,716 and enter into a perpetual service agreement in the amount of \$1,100 annually with Sign-A-Rama and for the total cost of \$37,816 in accordance with sealed bid number SC0627 dated November 29, 2006. (Dawson Technical Institute – Kennedy King College)

6G- approves the issuance of a purchase order to **Snap-On Equipment** for the publicly advertised purchase of the Imaging Alignment System for the automotive department at Truman College in the amount of \$ 22,430.46. (Truman College)

#### **Section 7- Informational Reports**

7D- Monthly Utility, Postage and Other Expenditures Report for November 2006:

- AT & T.....\$164,055.34
- Peoples Energy.....
- Constellation New Energy.....
- Qwest Communications.....
- Chicago Department of Water.....
- United States Postal.....\$53,158.61
- No purchases in December 2006 through the Illinois Community College Purchasing Consortium.

#### **Office of Administrative Services:**

##### **Board Reports**

- 4E Grease Interceptor Replacement for District Office  
Publicly advertised bid completed with Procurement Services to replace the grease trap ejector pump awarded to Exclusive Construction for \$47,000
- 4F Planned District-wide Capital Projects for FY2007  
Administrative Services submitted to this Board projects identified from the District's five year capital plan that had a critical impact on the health, safety and learning environment of the colleges as well as the District Office. Since June, 2006, Finance has identified additional funding resources of \$124,000,000, totaling \$185, 739,780 for capital projects. Administrative Services is submitting for your review and approval the additional projects that meet the criteria for critical deferred maintenance, environmental updates and academic enhancements. As the projects have been through the competitive bidding process through Procurement Services, final recommendations will be brought to the Board.

### **Office of Administrative Services-continued:**

- 4G Architectural Engineering Services for the Renovation of the East and West Ends of the First Floor and Garage Storage Building of Malcolm X College
- A public solicitation was issued for the environmental remediation, architectural, mechanical and electrical design and preparation of design documents to complete the energy upgrade initiative started at Malcolm X. After the evaluation of the 13 responses by an in-house team from Malcolm X and Administrative Services, RADA Architects, Chicago, Illinois was selected as the most qualified to complete the project. The budget is a not to exceed amount of \$2,344,000.
- Architect \$2,131,000 with 10% contingency. Architect fee is approximately 10% of anticipated project cost.
- 4H Design Build Professional Services for Roof Replacement and Repairs for the South Chicago Learning Center and District Office
- Three proposals were solicited from the list of pre-qualified architects previously approved by the Board of Trustees to complete the design and installation and repair work to replace the SCLC roof for \$310,200 that has comprised the integrity of the building and replace the hatch door blown off during a wind storm for the District Office for \$9,995.
- 4I Civil Engineering Services for District-wide Site Upgrades
- This project was initiated in 2001 with the Illinois Capital Development Board to pave the sidewalks and parking lots of all of the colleges and learning centers but funding from the state was withdrawn. The condition of the thorough ways has deteriorated to cause safety issues for our students so the District is resuming the project. Primera was the original engineering firm selected by CDB and had completed the site conditions and initial rough drawings. For that reason, Admin Services is recommending the continuation of Primera on this project for an amount not to exceed \$1,171,000. They will provide the bid documents and project management. Bidding should occur this spring to ensure access to quantities of asphalt and concrete to complete the District's project.
- 4J Additional Costs for the Design Build Services for the Ceiling Tile Replacement at Dawson Technical Institute, Amending Board Report 27404
- With the initial installation of the ceiling tile, Dawson has requested more sound abatement material. The contractors have recommended the addition of additional acoustical materials resulting in an additional \$285,711 for the project. After review of the sound and materials, Administrative Services agreed with the finding.
- 6A Emergency Plumbing Repair for the President's Office at Malcolm X College
- Due to a sudden leaking waste line that was depositing waste onto one of the desks in the President's suite, immediate emergency repairs were required. As stipulated in the Operations Manual passed by the Board of Trustees, approval was given by the Chancellor to proceed with the work as to not endanger the health and safety of the District's students and employees. Work was performed by our approved cost plus contractor, T & J Plumbing for an amount of \$17,450.

### **District-Wide Update:**

#### **New Kennedy-King Campus**

Work is at 80% completion and there have been no significant changes in the hiring of CCC students, the number is still 14.

#### **Truman Parking Garage and Student Services Center**

Plan documents including five initial drawings of parking lots structures with various entrance/exit designs have been submitted to the College and community representatives for their review and comment. The Construction Manager has been brought on board this week that will work with Truman as their representative in the field.

**OFFICE OF INFORMATION TECHNOLOGY:**

In the month of January, we experienced another successful open registration period using our PeopleSoft Student Administration system. The success of registration is largely due to the comfort level regarding business processes that college staff is continuing to gain. Service interruptions during open registration were few to non-existent from the colleges' perspective, as system performance was monitored closely by OIT staff during the most critical registration week.

In addition to supporting registration, OIT moved 27 enhancements to the production Student Administration system in order to provide better support for such processes as financial aid, academic progress, and transcripts.

The office is currently evaluating the new Windows Vista operating system, and the impact that the changes in daylight savings time will have on our systems in addition to a number of other projects to include: the new KKC project, the co-location disaster recovery plan, PeopleSoft SA reporting, PeopleSoft SA enhancements, and the PeopleSoft HR and Finance upgrades.