

**SUMMARIZATION OF THE JANUARY 3, 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 FY 2007 *Monthly Cash Flow Report* with actual results through November 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 increased by \$525,000 from the prior month's report primarily due to the increase in projected property taxes and tuition revenue. Projected expenses decreased by about \$708,000 in accounts payable.
- Total cash balances at the end of November total \$134.1 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.

Table 1. District Operating Funds as of November 30, 2006 (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	\$ 11.9	\$ 22.2		\$30.2	\$11.2	\$ 15.1
State Treasurer	<u>130.4</u>	<u>40.1</u>		<u>51.5</u>	<u>-0-</u>	<u>119.0</u>
Subtotal Cash	\$142.3	\$ 62.3		\$81.7	\$11.2	\$134.1
Restricted	0.9	-0-		-0-	-0-	0.9
Medium-Long	<u>54.2</u>	<u>0.2</u>		<u>-0-</u>	<u>-0-</u>	<u>54.4</u>
Total Operating	\$197.4	\$ 62.5		\$81.7	\$11.2	\$189.4

- 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 .78 years from the .86 years last month.
- WPG Returns. The WPG portfolio's December investment returns, gross of fees, of .28% as compared to the one year benchmark of .24% and the traditional six month treasury return of .40% Full calendar year, net of fees 4.32% compared to 4.45% one-year benchmark.
- Illinois Fund. The District's cash position is primarily invested in the Illinois Fund accounts earning .433%, net of fees. The Finance Office received and reviewed the audited financial statements for the Illinois Funds for Fiscal Year 2006. Out-going State Treasurer Judy Baar Topinka reports no audit findings and S&P reaffirmed "AAAm", highest rating available to local government investment pools. The Illinois Funds admin fees are .06% of invested assets
- Investment Services. Treasurer expects to issue an RFP for investment management services in January 2007.

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.

Office of Finance Report cont'd

- January 2007 – Governor's State of the State address and initial budget planning meetings with Chancellor and Officers of the District.
- February 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

Budget briefings with the Executive Vice Chancellor at the colleges is expected to start January 2007.

- **APSA Status:** The Finance Office has completed initial analysis and allocation of FY 2006 direct instructional costs which have been completed and validated with the 2006 Unit Cost data submitted to ICCB. Indirect cost calculation and allocation will be completed after the FY 2006 audit is finished and the CAFR is published (end of January 2007). Discussions concerning the next phase of APSA involving student services have begun with the business managers and district office staff (Academic Affairs and Budget Offices). These include identification of appropriate performance measures for student services and review of current data and data collection methods. Finally, development of analytic and allocation methods for student services' costs will follow the definition of performance measures to be used.
- **PeopleSoft Upgrade:** The Project is planned to be a vanilla technical upgrade from the current PeopleSoft financials version 7.5 to the latest PeopleSoft 8.9 version with the estimated completion June, 2007 for implementation in July, 2007.
- The upgrade will enable the Finance Office to get Oracle/PeopleSoft support to maintain and implement future system releases. The new platform will also give us the capability to implement new reporting solutions (e.g. Cognos, XML Publisher), document imaging solutions, and e-mailing solutions.

Current Status: Completed two passes of PeopleSoft 7.5 to PeopleSoft 8.9 technical upgrades. The following tasks are in progress. (1) Internal Testing – Financial Systems Department, OIT, Procurement (12/01/06 - 02/19/07) Unit Testing; Securities Setup; Data Validation; Reports Validation; Cleanup of 7.5 Data; and (2) UPK Proof of Concept.

Schedule of Events and the Time Line:

Chart Field Review	11/27/06	04/23/07
➤ ICCB Reporting requirement Analysis		
➤ Define Chart Field Changes		
➤ Generate Cross Walks		
➤ Define Speed Types		
➤ Define Combo Edits		
➤ Existing Customization Review		
Technical Upgrade from PeopleSoft 7.5 to 8.9	12/01/06	02/19/07
➤ Stabilize the Instance		
➤ Internal Testing		
➤ Data Validation		
UPK Setup/ Proof of Concept and Demo (Documentation and Training Tool)	12/11/06	01/15/07
Hardware Configuration and Analysis for Financial Production (OIT)	01/22/07	02/05/07

Office of Finance Report cont'd

- **Outstanding Receivable Issue:** The City's finance staff introduced an ordinance at last month's 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 is expected to vote next week on this ordinance.
- **New Kennedy-King College:** The City CFO Dana Levenson plans to issue about \$40 million in City Colleges Bond, Series 2007 early this year based upon expiring District capital property tax levies. The District will dedicate \$30 million to fund the new Kennedy-King College funding short fall and \$10 million to fund other critical District capital projects.

AUDIT STATUS

- **External audit status:** The Controller and its auditors from Hill Taylor successfully completed the nine required Illinois Board of Higher Education (IBHE) and Illinois State Board of Education (ISBE) audits on time: Copies were mailed to Board members this week. The basic financial statement audit work is almost complete. The major due dates of the various annual financial audits are as follows:

<u>Audit Report</u>	<u>Due Date</u>	<u>Status</u>
Basic Financial Statements	October 15, 2006	January 31, 2007
ICCB Required Audits	October 15, 2006	January 31, 2007
Foundation Audit	November 15, 2006	January 31, 2007
WYCC TV-20 CPB Audit	November 30, 2006	Completed
ISBE-Truants Alter.& Optional Ed Prog	November 30, 2006	Completed
IBHE-Com. Based Org College Access	November 30, 2006	Completed
IBHE-IL Cooperative Work Study	November 30, 2006	Completed
ISBE -On-Track	November 30, 2006	Completed
IBHE-Minority Student Transfer	November 30, 2006	Completed
IDCEO-Eliminate the Digital Divide	March 30, 2007	Completed
Federal Single Audit (A-133), Grants	March 31, 2007	Early
Treasury agreed-upon procedures	January 2007	On time

- **Internal Audit Summary:** The Executive Audit Committee will be scheduled to meet the third or fourth week in January. The following audit reports will be presented at this audit committee meeting: Grant Compliance Review; KKC Student Government Association Review; and status update on fraud risk assessment.
- The following audit engagements are scheduled for the third quarter of FY 2007: Procurement Card review; Healthcare Benefits Administration review; Student Accounts Receivable and Payables review; and the Colleges' Security review.
- Additionally, the new Internal Audit Director will begin to develop new internal audit strategies, which will include: an entity-wide business risk assessment; review and update of Internal Audit Charter and Manual; and internal audit follow-up and reporting procedures.
- **Monthly Micro City Purchases:** The District's monthly Micro-City purchases report for the month of November 2006 totaled \$174,702.

Resolutions:

- 1A – requests the Board to authorize approve the transfer of funds for the month of December 2006.

Office of Finance Report cont'd

Section 4 – Agreements

- 4A- requests ratification of a legal services agreement with **Perkins Coie** and authorize payment of services rendered from May 22, 2006 to October 31, 2006 in the amount of \$5,505. (OFFICE OF THE CHANCELLOR)
- 4B- health education partnership with the **Ruth Rothstein CORE Center** for Spring 2007 totaling \$56,000 to provide critical HIV/AIDS health education information to the City Colleges of Chicago students. (ACADEMIC AFFAIRS AND STUDENT SERVICES)
- 4C- agreement with **Susan R. Hartfield, Ph.D.** in an amount not to exceed \$17,600 and enter into an agreement with **Susan A. Murphy, Ph.D.** in an amount not to exceed \$17,400 to provide the trainer the trainer model for City Colleges of Chicago from January 22, 2007 through June 1, 2007, with a total cost not to exceed \$35,000 for both consultants. (ACADEMIC AFFAIRS)
- 4D- amendment of the original agreement with **Bauer Latoza Studio** to provide additional architectural services for the Parrot Cage Restaurant in an amount not to exceed \$29,000.00 beginning January 4, 2007 through June 4, 2007 bringing the total project cost to \$64,277. (ADMINISTRATIVE SERVICES-KENNEDY-KING COLLEGE)
- 4E- payment to **GSG Consultants, Inc.** in the amount of \$44,337 for the emergency mercury spill abatement work at Wright College. (ADMINISTRATIVE SERVICES-WRIGHT COLLEGE)
- 4F- a contract with **Flood Brothers Disposal Co.**, in the annual amount not to exceed \$98,600 to provide scavenger services and a recycling program for a 3-year period with an option to extend for an additional 2-year period, in accordance with RFP specification number IW0627 dated November 13, 2006. (ADMINISTRATIVE SERVICES)
- 4G- legal services agreement with **Franczek Sullivan P.C.** for legal services in the unfair labor practice charge, Case No. 2007 CA 0035, filed with the Illinois Educational Labor Relations Board against the District by Local 1600, Cook County College Teachers Union, AFT, and AFL-CIO. (OFFICE OF THE GENERAL COUNSEL)
- 4H- agreement with **HR Management Partners, Inc.** for compensation review services in an amount not to exceed \$29,798 for a six month period beginning January 4, 2007 through July 4, 2007, with an option to extend for additional six month period, accordance with RFP specification number IW0628 dated October 31, 2006. (OFFICE OF HUMAN RESOURCES)
- 4I- agreement with **The Gallup Organization** of Minneapolis, MN to provide an interviewing and selection tool in an amount not to exceed \$80,000 for a period of one year beginning January 4, 2007 through January 3, 2008 or until completion of the interviewing and selection tool project, in accordance with RFP number IW0625 dated November 6, 2006. (OFFICE OF HUMAN RESOURCES)
- 4J- agreement with **Mayer, Brown, Rowe, & Maw, Vincent R. Williams and Associates, Luking and Associates,** and **Gabriel Lopez and Associates** stating the terms and conditions whereby lobbying services will be provided for the period January 1, 2007 through December 31, 2007: at a annual fee of not to exceed \$231,900. (INTERGOVERNMENTAL AFFAIRS) – WITHDRAWN

Office of Finance Report cont'd

- 4K – agreement with **Front Range Solutions** for software maintenance services for the period of January 1, 2007 through December 31, 2007 in an amount not to exceed \$17,905. (OFFICE OF INFORMATION TECHNOLOGY)
- 4L- agreement in an amount not to exceed \$10,941 with **Liebert Global Services** to provide maintenance services for the Liebert UPS system from February 18, 2007 through February 17, 2008. (OFFICE OF INFORMATION TECHNOLOGY)

Purchases

- 6A- Revision of the FY 2007 for the spending among approved vendors list of media outlets and planned expenditures in an amount not to exceed of \$1,092,400. (DALEY, HAROLD WASHINGTON, KENNEDY-KING, MALCOLM X, OLIVE-HARVEY, TRUMAN AND WRIGHT COLLEGES)
- 6B- license agreement with **Advanced Learning Systems** in the amount of \$33,250 for purchase of the programmable logic training system for Daley College; in accordance with the specification number IW0630 dated November 10, 2006. (DALEY COLLEGE)
- 6C- issuance of purchase order to **Crown Gym Mats Inc.** in the amount of \$14,400 to purchase sporting goods for Olive Harvey College; in accordance with the specification number SC0625 dated November 1, 2006. (OLIVE HARVEY COLLEGE)
- 6D- issuance of purchase order to **Reliable Distribution** of Chicago, Illinois to supply and deliver milling machines for the precision metalworking program at West Side Technical Institute for the total cost of \$11,387 in accordance with sealed bid # SC0626 dated November 16, 2006. (WEST SIDE TECHNICAL INSTITUTE)

Informational Reports

- 7D- Monthly Utility, Postage and Other Expenditures Report for November 2006:
 - AT & T.....\$142,866.92
 - Peoples Energy.....\$78,309.44
 - Constellation New Energy.....\$373,256.80
 - Chicago Department of Water.....\$11,644.91
 - American Association of Community Colleges.....\$29,920.00
- No purchases in November 2006 through the Illinois Community College Purchasing Consortium.

Walk on Board Item:

- 4M- ratification of prior payment for \$8,000.00 and amendment of the agreement with Career Link to provide training services to entering Practical Nursing Students at a cost not to exceed \$8,980 from January 8, 2007, through April 16, 2007, for a total amount of \$16,980.00. (Kennedy-King College)

Office of Information Technology

- This month OIT has two board reports for approval. The first is for Front Range Solutions to provide software maintenance for our HEAT call tracking system not to exceed \$17,904.50 for the period January 1, 2007 through December 31, 2007.

Office of Information Technology (cont'd)

- The item listed above is noted as a change on the Software License Product Support Agreements page in your packet from OIT. The second report is for Liebert Global services to provide maintenance on the Uninterruptible Power System (UPS) at a cost of \$10,941.00 from February 18, 2007 to February 17, 2008.
- In December, the City Colleges' servers were installed and tested at the new Foster data center. On January 2, the high speed AT&T communication link between the district's data center and the Foster data center was activated. OIT staff will begin to replicate the PeopleSoft Student data and programs from the servers at the district office to the servers at the Foster data center using the new high speed data link.
- Last month, OIT processed end-of-term from the PeopleSoft Student Administration system. Major processes within end-of-term include the posting of final grades, the calculation of GPAs, the calculation of credit hours completed, and the identification of students who do not meet Satisfactory Academic Progress (SAP) requirements. Overall, end-of-term processing was successful. OIT is now preparing to support registration that begins on January 8.

Office of Administrative Services:

- 4D Amendment to Board Report #277348 for Architectural Services for Kennedy-King's Washburne Culinary Institute and the Parrot Cage Renovation Project. Additional Services that were included in the original solicitation for work needed in the kitchens of Washburne Culinary at South Shore Cultural Center have been negotiated with Bauer Latoza Architects of Chicago, Illinois to include wall surface improvements and additional kitchen shelving. The additional work is a not to exceed amount of \$29,000, bringing the project total to \$64,277.
- 4E Emergency Abatement for a Mercury Spill at Wright College On October 19, 2006. A mercury spill occurred in a Physical Science Laboratory at Wright, requiring services of GSG Consultants, Inc. (GSG), of Chicago, IL, a licensed contractor that performs in accordance with regulations established by federal, state and local agencies. Several companies were contacted at the time of the spill and GSG was the most responsive, committing to immediate site containment and abatement work. The amount totaled \$44,336.81.
- 4F District wide Scavenger Services. This service was put out for bid twice, the first bids thrown out to include the pick-up of recyclable materials. Flood Brothers was the low bidder with a total price of \$98,600. The three higher bidders were not lower than \$200,000. Administrative Services reviewed the bids and determined that Flood Brothers is not charging the District for pick-up of the recyclable paper and will make up its costs by selling the tonnage rather than paying to dump the material. District staff will monitor the pick-ups and billing of this contract to determine if there are any irregularities and will take appropriate steps if there are any findings.
- New Kennedy-King Campus Construction Project The project is continuing at 60% completion, with roofs installed and windows close to finish. There have been no changes since the last Board Meeting in terms of hiring of City Colleges students.
- MWBE Utilization was a follows:

The second (Q2) Quarter of FY2007 compared to the first (Q1) Quarter of FY2007:
 - (a) MBE Q2 FY2007 = 40.3% compared to 5 1.4% in Q1 FY2007
 - (b) WBE Q2 FY2007 = 1.5% compared to .5% in Q1 FY2007
- Notification of the new and revised MBE/WBE vendor directory was announced.