

**BOARD COMMITTEE ON FINANCE AND ADMINISTRATIVE**  
**SERVICES**  
**Minutes of November 2, 2009**

**Office of Finance Reports:**

**Treasury**

Included in the Office of Finance folder is the Treasurer's monthly investment and cash flow report. The actual for the month of September is \$15 million higher than previously projected due to the receipt of payment from the city of the receivable related to projects funded by the 1999 and 2007 City bonds. Projections for the remaining of the year are basically unchanged.

The cash balance of \$96.4 million as of the end of September is above the \$85 million minimum cash balance required by the District's investment policy. At this time, the State has paid all of the FY 2009 grants and has paid majority of the FY 2010 first quarter scheduled payments. The final bill for the property taxes were sent out by the Cook County due on the first of December, we will monitor receipt of those funds and report accordingly.

Included in the Board binder in the Finance Committee section are three quarterly reports for the quarter ending September 30, 2009:

1. Summary of Investments by Type of investment instruments totally about \$217 million
2. Detailed list of Investment by type -
3. List of bank accounts balance total - \$15 million

Also in the Office of Finance folder are the investment reports from PFM for the month and quarter ending September 30, 2009. The approximately \$177 million of portfolios under PFM management are all performing better or in line with the respective benchmarks.

**Other Treasury Activities**

- Working with Accounts Payable and OIT to create an ACH vendor payment file. Testing will begin the last week of October.
- Working collaboratively with JPMorgan Chase, Accounts Payable, Susan Kilby, and OIT to implement an Accounts Payable Vendor Purchasing Card Program. Testing of two vendors will begin the first week of November. After successful testing, a process will be developed to implement the Program.
- Chase has agreed to renegotiate the ATM contract and remove the exclusive clause that prevents other vendors from placing their ATMs at City Colleges. The bank will draft an amendment to the Agreement in early November.
- After a review of the Armored Car RFP response, the Evaluation Committee has recommended Dunbar Armored, Inc. as the preferred vendor. The recommendation will be presented at the November Board.
- The Evaluation Committee for Electronic Student Refunds recommended HigherOne as City Colleges preferred vendor. The recommendation will be presented at the November Board.
- Printed and disbursed the following:

| <b>Payroll</b>         | <b>October 2009</b> | <b>September 2009</b> |
|------------------------|---------------------|-----------------------|
| Payroll Checks Printed | 2,818               | 2,818                 |
| Payroll Direct Deposit | 7,615               | 7,615                 |

**Office of Finance Reports: continued**

- 4,350 **Accounts Payable** checks were printed for a total of \$8,844,190
- Received \$95,997.00 in property taxes and \$9.6 million in state funds. \$9 million was transferred to the PFM Prime Fund Account.
- The Illinois Funds Money Market Fund Account has a current balance of \$269,728.

**Controller’s Office Activities**

The audit is in progress. The Controller’s office have experienced some challenges in the finalization of the accounts payable reconciliation and capital assets roll forward causing the delay in the submission of the final trial balance to Deloitte due today, November 2<sup>nd</sup>. However, we do not anticipate that this will change the expected audit completion date of December 15th. We will keep the Board posted with the status of the audit.

**Budget Activities**

- Presented the FY2010 budget at to Daley, Wright, Truman, Harold Washington College.
- Submitted final FY2010 budget to GFOA for review.
- Restored remaining instructional costs to colleges. Restorations totaled approximately \$1.4 million. Approximately \$2.7 million of cuts have yet to be restored to the colleges, and none of the cuts have been restored to the district office departments.
- Prepared historical library expenditures and presented them to the APSA Library Review Committee.
- Presented FY2008 financial APSA data to the APSA Student Services Committee.
- Finalize course fee increases in particular high cost programs for implementation in the Spring of FY2010.
- Prepared details of all FY2009 enterprise fund revenues and expenditures and fund balances for distribution to colleges.

**OCTOBER BUDGET TRANSFER SUMMARY**

**Education Fund Transfer Summary**

| <b>Account</b> | <b>Transfers Out</b> | <b>Transfers In</b> | <b>Net Change</b> |
|----------------|----------------------|---------------------|-------------------|
| Salaries       | -\$1,063,445.43      | \$2,237,305.77      | \$1,173,860.34    |
| Benefits       | \$0.00               | \$274,556.14        | \$274,556.14      |
| Services       | -\$76,715.19         | \$105,088.00        | \$28,372.81       |
| Supplies       | -\$181,491.86        | \$90,286.46         | -\$91,205.40      |
| Travel         | -\$4,914.47          | \$63,029.06         | \$58,114.59       |
| Other          | -\$1,464,698.48      | \$13,500.00         | -\$1,451,198.48   |

**O&M Fund Transfer Summary**

| <b>Account</b> | <b>Transfers Out</b> | <b>Transfers In</b> | <b>Net Change</b> |
|----------------|----------------------|---------------------|-------------------|
| Services       | -\$2,400.00          | \$31,500.00         | \$29,100.00       |
| Supplies       | -\$31,500.00         | \$0.00              | -\$31,500.00      |
| Travel         | -\$1,490.20          | \$3,890.20          | \$2,400.00        |

**Enterprise Fund Transfer Summary**

| <b>Account</b> | <b>Transfers Out</b> | <b>Transfers In</b> | <b>Net Change</b> |
|----------------|----------------------|---------------------|-------------------|
| Salaries       | -\$97,692.48         | \$103,192.48        | \$5,500.00        |
| Fringes        | \$0.00               | \$1,000.00          | \$1,000.00        |
| Services       | \$0.00               | \$2,580.00          | \$2,580.00        |
| Supplies       | -\$6,724.57          | \$47,882.90         | \$41,158.33       |
| Travel         | -\$514.99            | \$12,000.00         | \$11,485.01       |
| Fixed Charges  | \$0.00               | \$3,200.00          | \$3,200.00        |
| Other          | -\$62,641.63         | \$5,218.29          | -\$57,423.34      |

**Office of Finance Reports: continued**

**Financial Aid Fund Transfer Summary**

| Account  | Transfers Out   | Transfers In   | Net Change |
|----------|-----------------|----------------|------------|
| Salaries | -\$1,599,999.99 | \$1,599,999.99 | \$0.00     |

Descriptions:

- Approximately \$1.4 million of the transfers were to restore any remaining instructional costs from the college budget cuts. Almost all of these funds went to instructional salaries and benefits.
- \$1.6 million of transfers were to correct the department code within the financial aid fund.
- Approximately \$1 million of the transfers were to make changes to class or program codes within the salaries budgets to prevent issues of payroll suspense.

**System Financials Department Activities**

1. Developed programs for the AP to GL Data Reconciliation
2. Current with the FY2010 Payroll Posting
3. Working on to expand the usage of Vendor Payments through ACH Payment process
4. Working with the Treasury and Accounts Payable to Implement the PCARD Payment Process – WIP
5. Defined new fields to capture the Invoice Information on chase online Payment net
6. Performed unposted journal cleanup for the FY2009 Audit
7. Working with the Campuses to setup new Customers and create Customer Contracts, Bills, and Collections
8. Working on to develop the Process flow diagrams and the Documentation

**Student Financial Activities**

Disbursed to eligible students 50% of Pell and Supplemental Equal Opportunity Grant (SEOG) and 100% of Monetary Award Program (MAP) and Illinois Incentive for Access (IIA) for the Fall 2009. Total federal and state posted to student's account was approximately \$21 million.

Issued approximately 8,400 refund transactions, 4,210 (51%) direct deposit via ACH and 4,170 (49%) paper check. Total amount refunded to students for the month of October was approximately \$4 million.

**Electronic Student Refunds** – The RFP process for electronic student refunds was completed. The committee received 4 proposals; *Higher One*, *US Bank*, *Shore Bank*, and *TCF Bank*. Based on the evaluations and rankings from CCC committee representatives, the potential provider recommended for electronic student refund is *Higher One*.

Records currently show a slight increase of .08% in the number of students selecting to receive refunds via direct deposit.

**"Going Green"  
Electronic Refunds for Student Financial  
(as of October 25, 2009)**

| Methods of Payment             |       |       |       |       |     |     |       | District<br>Totals |              |
|--------------------------------|-------|-------|-------|-------|-----|-----|-------|--------------------|--------------|
|                                | DA    | HW    | KK*   | MX    | OH  | TR  | WR    |                    |              |
| Direct Deposit (Checking)      | 607   | 1,083 | 453   | 1,393 | 517 | 460 | 1,654 | <b>6,167</b>       | <b>35.3%</b> |
| Direct Deposit (Savings)       | 21    | 60    | 15    | 30    | 15  | 12  | 63    | <b>216</b>         | <b>1.2%</b>  |
| Debit Card (Financial Aid)     | 1,165 | 1,022 | 4,911 | 2,225 | 929 | 228 | 590   | <b>11,070</b>      | <b>63.3%</b> |
| Debit Card (Non-Financial Aid) | 0     | 1     | 0     | 5     | 0   | 0   | 30    | <b>36</b>          | <b>0.2%</b>  |

**Office of Finance Reports: continued**

|  |              |              |              |              |              |             |              |               |
|--|--------------|--------------|--------------|--------------|--------------|-------------|--------------|---------------|
| <b>Grand Totals</b>                    | <b>1,793</b> | <b>2,166</b> | <b>5,379</b> | <b>3,653</b> | <b>1,461</b> | <b>700</b>  | <b>2,337</b> | <b>17,489</b> |
| Percentage of Total Number of Students | <b>10.3%</b> | <b>12.4%</b> | <b>30.8%</b> | <b>20.9%</b> | <b>8.4%</b>  | <b>4.0%</b> | <b>13.4%</b> |               |

**MAP Award** – On October 16, 2009, more than 5,000 students and supporters from across Illinois attended a rally in Springfield to have in Monetary Award Program (MAP) funding restored. The General Assembly passed an appropriation bill that would increase funding for the MAP grant to \$425 million. On October 18, 2009 Governor Quinn signed legislation committing to restore \$205 million of MAP funding for the Spring 2010 term. However, the funding source for this appropriation has not yet been identified.

**Business and Procurement Services**

| Dept/Campus   | Solicitation  | Status  |
|---|---|---|
| <b>Current</b>  | <b>Advertised</b>   |   |
| Washburne- Kennedy-King College                           | Supply and Deliver Alcoholic Beverages                                      | Pre Bid Date – 10-29-09<br>Due Date – 11-6-09 |
| Administrative Services                                   | Abatement & Demolition of Old Kennedy-King College                          | Pre Bid Date – 10-16-09<br>Due Date – 11-6-09 |
| Truman Technical Institute & Washburne Culinary Institute | Cosmetology Uniforms (Truman); Chef Uniforms (Washburne Culinary Institute) | Pre Bid Date – 10-29-09<br>Due Date – 11-6-09 |
| Sikia Restaurant – Kennedy-King College                   | Rental – Chef Apparel & Restaurant Linen                                    | Pre Bid Date – 11-3-09<br>Due Date – 11-11-09 |
|   |   |   |
| <b>Current</b>  | <b>Bids being Prepared</b>  |   |
| District Wide   | Biology Supplies  | Expected Ad Date – 11-4-09                    |
| Administrative Services                                   | Elevator Repair- District Office  | Expected Ad Date 11-10-09                     |
| WYCC- TV  | Supply and Deliver Audio Processor  | Expected Ad Date 11-6-09                      |

The Office of Procurement Services has successfully received Board approval for 11 board items at the October Board meeting. We also are requesting approval for 28 board items for the November meeting. We have successfully processed 33 purchase orders over \$5,000 with total expenditures in the amount of \$2,455,288.09. The colleges created 1,187 purchase orders under \$ 5,000 with total expenditures of \$845,176.19. Procurement entered 105 new vendors and 113 vendor updates into the vendor database. The following are the current Bid Projects:

The Office of Business Services (Accounts Payable) has processed a total of **2523 vouchers** for vendor payment from 10-1-09 through 10-29-09.

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

### Board Reports

#### 4.0 Scavenger Services, District Wide

Administrative Services is recommending the award of a “Depends Upon Requirements Contract” (DUR) for the scavenger services of waste and recycled materials to the three lowest responsible and responsive bidders based on the estimated total bid price per facility. The quantities used in the specification were estimates of use based on average annual waste hauling in order to evaluate pricing on a comparable basis. During the course of this contract, actual quantities may vary based on increased recycling initiatives, growing enrollments and continued renovation and construction of classrooms and student areas. Flood Brothers, Allied Waste Services and Lakeshore Waste have met MBE/WBE participation goals for the contract award period through November 2012, with an option to extend for two years, at an amount not to exceed in total \$250,000.

#### 4.02 Rental of 15-Passenger Vans, District-Wide

To address the need of the colleges to transport small groups of students at one time at a cost lower than renting a full school bus, Procurement Services publicly advertised for 15-passenger vans. Enterprise Leasing of Chicago was the low bidder for both daily and week-end rates. The District is also exercising the option to participate in the additional liability, collision and accident insurance plans offered by Enterprise. Contract is not to exceed \$300,000 annually through December, 2012.

#### 4.13 Job Order Contract Projects, District-Wide

In August, 2009, the Board approved the award of Job Order Contracts (Board Report #29668) to ten construction companies to perform repair, renovation, and deferred maintenance services as requested by the Colleges and District Office in a timely and cost-effective manner. These companies were selected through a competitive solicitation that ranked the companies by pricing of their overhead, profit mark-ups and discounting of unlisted pre-priced items. The Board Report presented today is the first request for authorization for projects to be performed under the approved JOC Program put together with the coordination of the Gordian Group. Projects have been identified as priority by the College or the administration as the Chancellor has walk through and reviewed each college in the last six weeks. As the scope of work was identified, JOC contractors in the order of low to high bidder based on their technical ability and performance capacity to respond with cost proposals if interested in the assignment and could complete in the specified time frame. The projects submitted to the Board today are the first to have the cost proposals submitted in the requested software format. In subsequent months, additional projects will be submitted that will use the services of other JOC companies.

All projects are vetted before recommendation to the Board. A price proposal utilizing the Gordian Groups Pricing Catalogue specific to the City Colleges is prepared by the project manager before submitting the scope to the contractor as an independent means of comparison. The proposed scope of work and price proposals is reviewed by the project manager upon submission for acceptance. If competitive and reasonable, a work order is issued for the work to proceed.

As requested by the Board, all JOC projects will be submitted for approval. We will also submit to the Board projects recommended for the State of Illinois Community College Procurement Consortium JOC contractor, Centennial Contractors, which has been identified through the joint purchasing initiative with the state.

Throughout the project, all contractors will be monitored for their work as well as M/WBE performance.

#### 7.0 Natural Gas Purchase Contract, Lock-in Agreement, November 2009 – March 2010, All District Facilities

In September, 2009 Administrative Services purchased the remaining 365,000 therms of natural gas from the Board approved natural gas provider, Integrys Energy Services to complete the supply required for this winter season when prices dipped to \$.565 p/therm, which is \$.27 per therm less than last year’s purchase.

#### 7.01 Emergency Hot Water Heater Installation, Truman College

An irreparable leak occurred in one of the hot water heaters at Truman College. Delta Heating and Air Conditioning, the District’s Board approved cost plus contractor was called out to inspect the conditions and found

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

the heater needed replacement. Once the estimate of \$24,933 was approved as an emergency by the Chancellor and Chairman, the replacement was made, to ensure the health and safety of the occupants of the facility.

### 7.02 Purchase of Public Safety (Security) Supplies, District-Wide

To address the need for security wands, apparel and vehicle accessories for the District's security personnel, Procurement Services has identified joint procurement contract issued through the State of Illinois' Central Management Services with Galls, an Aramark company in Lexington, KY for amount not to exceed \$150,000 through October, 2010.

### 7.03 Purchase of Radio Equipment and Accessories, District-Wide

In order to upgrade or repair the existing radio systems throughout the District, Procurement Services has identified three vendors thru a State of Illinois Central Management Services joint purchasing contract with Motorola, Advanced/PLM Sales and M-A-Com Inc for an amount not to exceed \$150,000 thru August 31, 2010.

## Project Summaries

### Old Kennedy-King Demolition

Demolition plans for the Old Kennedy-King campus have been moving forward. The bid is currently publicly advertised and responses are due back November 6, 2009. The District also held the first public hearing on the proposed demolition project with Alderman Lyles of the Sixth Ward. Close to 75 residents and business owners surrounding the facility were in attendance at the meeting, raising concerns about environmental issues, traffic congestion, noise, crime, vagrancy, rodent control, jobs and what the City Colleges plans for the future of the land. Reception to the plan was good. We will continue to keep the community informed.

There is a planned schedule for demolition that will take approximately 260 days from Contract award, with three phases of abatement, demolition and lastly Remediation and site prep. The Plan will not only demolish the building but will leave a fenced in site with no mow grass where there is not currently concrete, prairie flowers and nine new street lights for additional security.

### H1N1 Clinics

We have worked in collaboration with the City's Office of Emergency Management Communications and Department of Public Health to facilitate six (6) H1N1 clinics at OH, KK, DA, AVI, TR and WR campuses. All indications are that they are successful. To date, our heaviest turnouts have been at WR, DA and TR, with large but very manageable groups at OH, ATVI and KK. Beginning this past Saturday, Salvation Army has started providing staff with light fare during the day and will do so each Saturday we have the clinics.

Based on the number of residents estimated to be in the near west and Westside areas of the city needing the vaccine, we will be opening a clinic at MX starting Tuesday, November 3, 2009. This clinic will operate during the same hours, Tu-Th 3pm-8pm and Saturdays, 9am-2pm. To date we have served approximately 25,600 residents. The Presidents also have been commended by the City for their generous offer of space for this effort and the manner in which the personnel and citizens have been treated while on City College campuses.

Administrative Services has also worked with schools to distribute hand sanitizers throughout the District to help manage the spread of viruses this flu season.

## **Office of Information Technology:**

- Update on the **PeopleSoft Data Security Assessment Project** – The team is currently in the data evaluation and identification phase of the project. This process will lead to the creation of an inventory documenting personally identifiable information (PII) for our HR, SA, CR and Finance systems. The inventory will be used to document the data elements, who has access to this data, where this data resides, how this data is used in each system and if this information is sent to third party systems. The next phase of this project will be to ensure all identified data is secured to the maximum extent possible. This project will also assist us with our Red Flag Rules compliance efforts.

## **Office of Information Technology: continued**

- The Office of Information Technology is working with the Office of Finance to enhance the student payment process. We are jointly implementing the use of eCheck functionality utilizing our payment gateway software, Touchnet. The eCheck process will allow the student to pay using their bank account routing and account information. These payments will be withdrawn directly from the student's bank account. When a payment has been made via eCheck and a refund is necessary, the funds will be directly deposited back to this same bank account. This is available via self-service as well as in person payments. We are also jointly implementing automated refunds for credit card payments. If a payment was made by credit card and a refund is necessary the same credit card that was used for the payment will be automatically refunded. Both of these processes will enhance the student enrollment / payment process.
- These enhancements not only improve the payment process but ensure The City Colleges is in compliance with Red Flag security rules. The credit card and bank account information is kept in the PeopleSoft system in an encrypted format. When displayed in the PeopleSoft system, credit card and bank information is masked and not fully viewable by the system users. Refunds are processed automatically using the stored credit card and account information. User intervention becomes the exception rather than the rule.

### **NOTES:**

- The goal of **PCI's (Payment Card Industry)** Data Security Standard (PCI DSS) is to protect credit card account information
- **Personally Identifiable Information (PII)** is any piece of information, which may be used to uniquely identify, contact, or locate an individual. This PII includes, but is not limited to, taxpayer identification numbers, driver's license numbers, passport identification numbers, passwords, PINs, personal account numbers, computer accounts and passwords, protected health information, financial information, unpublished home addresses or phone numbers, and/or any combination of information that will uniquely identify an individual.
- The Office of Information Technology is working on several initiatives focused on streamlining processes and enhancing procedures with the goal in mind of not only process improvement but cost savings as well.
- OIT is working with the Office of Finance and Deloitte on the IT Financials audit. The audit team is currently analyzing data from system change control processes as well as assessing security and separation of duties. OIT welcomes this audit and looks forward to any and all suggestions for improvement.
- The Business Process team is working closely with the Human Resources Department on the business process analysis and enhancements for the discovery and planning phase of the time and attendance project. First steps are to analyze the many components of pay, locations where work is completed along with all rules that apply to both. The time and attendance project is a multi phased project that could ultimately lead to replacing the Certificate of Attendance with a more automated solution for collecting and processing time and attendance data.
- OIT is evaluating utilizing our Novell GroupWise tools to enable GroupWise users to send, receive, and manage faxes right from their existing email client. This solution would function in an electronic Fax capability and could replace standard FAX lines where possible throughout The City Colleges.
- OIT is working with Academic Affairs to plan the roll out and increased usage of the Elluminate our Web Conferencing software. With the new Open Access 2000 license agreement, we plan to expand the use of Elluminate. Elluminate will allow Advisors and instructors to remotely assist in conducting meeting with large groups of students for orientations, office hours and other one-on-one meetings. Instructors will have the ability to use Elluminate to complement their face-to-face courses (via Blackboard).
- OIT is also in the planning phase of a facilities scheduling and management solution that will assist all colleges in managing classrooms as well as scheduling events and room utilization optimization.
- This concludes my report.