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ADOPTED – BOARD OF TRUSTEES COMMUNITY
COLLEGE DISTRICT NO. 508
July 14, 2010

**BOARD COMMITTEE ON FINANCE AND ADMINISTRATIVE
SERVICES**

Minutes of Thursday, June 3, 2010

Finance Office Report to Board Meeting – Ken Gotsch

Treasurer's monthly report is contained in your board folder. The Treasurer prepares monthly revisions to the annual cash flow projections to help plan the financial activities of the District. Highlights of changes in the months report:

TREASURY – The Treasury status report for this month's meeting includes the following:

Cash-In

The total FY 2010 estimated cash-in is \$448.0 million which does not include the \$10,000,000 grants applied for; however, these grant funds will be added to actual upon receipt.

- **Property Taxes** (net) - \$130.3 million. Projections are basically the same as last month's report.
- **Tuition and Fees** - \$66.4 million. Increase of \$900,000 due to higher actual received in the month of April than anticipated.
- **Personal Property Replacement Tax** (PPRT) - \$12.5 million. Basically the same as last month.
- **State Grants** - \$104.8 million - Slight increase from last month's report.

A total of \$6.4 million of state payments is over 30 days past due, which includes \$3.75 million or the 3rd qtr payment of the \$15 million special grant, approximately \$820,000 of payments from third parties whose source of funding is a pass thru from the State of Illinois and \$1.8 million of payments from ISBE and IDHS. As of the writing of this report, the state has paid in full all of the \$38.6 million of the credit hour reimbursement grant.

Other state pass thru receivables totaling \$4 million were received primarily from State Pre-K grant-\$400,000, Youth Connection Charter Schools-\$1.2 million, Alternative School Network-\$400,000, CAELIWIA-\$623,000, Illinois Arts Council-\$159,000 and from various other grants to the Colleges.

- **Interest Income** - \$2.8 million. Increase of \$181,000 due to an additional investable balance. The actual amount was earned and received but not anticipated in the previous month's report.
- **Federal Draws** - \$99.6 million. Increase of \$8.3 million due to the increase in students eligible for aid not anticipated in the last month's report.
- **Grants/Miscellaneous Funds** - \$31.6 million. Increase of \$500, 000 due to the higher actual amount received than anticipated from last month's report.
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Cash Out

The District's outgoing cash forecasts for FY 2010 operating expenses is \$403.0 million. Capital expenditures were budgeted at \$76.5 million and are not considered in the projection but will be reflected as the actual cash in/out occurs.

- **Faculty and Staff Payroll** - \$140.0 million. Lower than last month by \$931,000 due to a decrease in the actual payroll in the month of April versus the amount projected for that month.
- **Tuition Refunds** - \$50.9 million. Increase of \$915,000 million from last month due to a projected refund of the additional financial aid award. Additional refunds maybe issued after June 30.
- **Accounts Payable/Misc** - \$212.1 million. Comparable to last month's activity.

CASH BALANCE

The current investment policy requires a minimum cash balance of no less than three months of expenditures

or approximately \$85 million. The total cash balance of \$189.4 million, as of the end of April 2010, is made up of \$87.3 million in the depository and savings accounts, \$499,000 in the Illinois Funds, \$7.7 million in the PFM prime funds, \$70.3 million in other short-term investments managed products by PFM and \$23.6 million

Finance Office Report to Board Meeting – Vice Chancellor Kenneth Gotsch-continued

in the IIIT term, which includes FDIC insured Certificates of Deposit.

Investing Activities - Investment of excess funds is based on the daily cash position of the operating funds and therefore funds are moved accordingly. Please note that for each of the portfolios listed, the total amount of purchases/additions is shown on the line item called Transfer-In and the total of maturities/subtractions is shown as the line item titled Transfer-Out.

- **PFM Asset Management Portfolio** - April 2010. City Colleges of Chicago portfolios managed under the PFM management at market value is \$214.2 million.
- The **Short-term Operating portfolio** valued at \$93.9 million with duration of approximately .47 years has a monthly periodic return of 0.044 % which is higher than the return for Merrill Lynch's three month US Treasury Bill periodic return of 0.009%. Returns are net of fees. This portfolio is consists of: (1) Managed Account valued at \$70.3 million, (2) The Illinois Institutional Investors Trust (IIIT)- FDIC Certificate of Deposits valued at \$20 million and (3) FNMA Discount Note valued at \$3.5 million.
- The **Working Cash Portfolio** valued at \$62.1 million with duration of approximately 1.04 years has a monthly periodic return of 1.08% which is higher than the return for Merrill Lynch's 1 year US Treasury Note periodic return of .056%. Returns are net of fees.
- The **Truman Parking Project** valued at \$ 19.7 million with duration of approximately 0.48 years has a monthly periodic return of .036%. Returns are net of fees.
- The **OPEB portfolio** valued at \$17.9 million with duration of approximately 1.65 years has a monthly periodic return of .246 % which is slightly lower than the return for Merrill Lynch's 1-3 year US Treasury Note periodic return of .269%. Returns are net of fees.
- The **Capital Improvement Projects** portfolio valued at \$20.6 million with duration of approximately .56 years has a monthly periodic return of .049 % which is slightly lower than the return for Merrill Lynch's 1 year US Treasury Index periodic return of .056%. Returns are net of fees.

Money Market Funds - April 2010

- PFM Prime Fund Account balance of \$7.7 million with a yield of .15%
- The Illinois Money Market Fund (MMF) has a balance of \$499.0 million with a yield of .123%.

CONTROLLER'S REPORT

General Accounting:

- **Status of FY 2010 posting of transactions:** student financial transactions posted through April 2010; manual wire transfer journals are 90% complete through March 2010; 85% for investments for the entire fiscal year; and zero balance accounts journals posted through March 2010.
- **Status of FY 2010 General Ledger Account Reconciliations:** staff is currently working on reconciliations for the months of January - March 2010; with the exception of all disbursing bank accounts, investments, accounts payable, capital assets and student receivable.
- **Items in progress:** automatic bank reconciliations; walk thru of accounting methodologies and processes in order to develop standardized policies and procedures; chart of accounts clean up; agency fund clean-up; streamlining of commodity codes table to more closely mirror the spending habits of CCC; fixed assets module update to G/L; and accounts receivable module update to

Finance Office Report to Board Meeting – Vice Chancellor Kenneth Gotsch-continued

G/L to ensure that the subsequent payments are properly recorded in the correct fiscal year.

Financial Reporting:

- **Completed** the Illinois Cultural Data Project financial report for WYCC-TV20; submitted March 2010 financial reports to campuses - forecasts are due back by May 6th; distributed various trial balances & financial statements thru period 6 (December), as well as through the current dates; continued data collection for FY 2010 CAFR; continued analysis of various general ledger accounts; attended CACUBO accounting workshop on May 17 -18; and received updates on Financial Reporting and Ratio Analysis.
- **Items in progress:**
 - Received preliminary auditor request (PBC) list; sent requests to proper persons for

completion, and, received some completed items; developing project plan for FY2010 audit using Microsoft Project to increase efficiency of audit process;

- Compiled and distributed weekly FY 2010 financial statements thru May 31, 2010.
- Continued account analysis for fiscal year-end close and data collection for CAFR draft.

Finance Office Report to Board Meeting – Vice Chancellor Kenneth Gotsch-continued

- Prepared mid-year financial reports for WYCC and the CCC Foundation as well as interims thru March 31st for all campuses and District Office (District Office was broken out by major departments); received auditor-requested items from various departments; built ratios relevant to HLC obtained from CACUBO conference on May 17 & 18.

Grant Accounting:

- **Prepared and submitted** \$494,000 of billing and requested \$333,000 in funding from Federal Government for federally funded grant programs for activity in April 2010.
- **FY 2010 grant budgets not generated into awards** as of May 28, 2010 are as follows:
 - District Office – The second year of funding \$157,268 for the Entrepreneurship Chicago grant funded by the Coleman Foundation.
 - Truman – The TQE / STEM sub contractual award \$20,000 from Northeastern Illinois University.
 - **Items in progress:**
 - Submitted FY 2010 Grant Spending Report as of April 2010 to each Executive Director and District Senior Management personnel
 - Sent communications to college business departments and presidents regarding grants that may be in jeopardy of not being fully utilized by end of performance period
 - Received letter from Alternative School Network stating Olive Harvey College was in full compliance with the Children Youth Services and Youth Skills Development Training Program.
 - Reviewed and approved 90 grant reconciliations for the period of Jan thru March. CCC has over 125 active grants district-wide.
 - Copied agreements and budgets as well as ran financial reports for seven ICCB and eight program specific grants that will be audited for FY2010. Documentation was forwarded to Deloitte on May 26, 2010. Audit testing to begin on June 9, 2010.
 - Notified senior management that ISBE Truants Alternative Optional Education Program and all programs funded by the Alternative School Network (ASN) have not remitted any payments for FY 2010. ASN owes CCC \$352,000 through March and ISBE owes \$1.7million through April 2010.

Other Controller Office

Items in Progress:

- **Processing all purchases into the Fixed Asset system** so that detail property and capital inventories can be sent out to business units/colleges.
- **Business Continuity Plan** –setting up detail project plan to move forward with risk assessments.
- **Completed** organization structure analysis of other major community colleges in comparison to CCC.

BUSINESS AND PROCUREMENT SERVICES

Accounts Payable:

- **Processed** a total of 2,975 vouchers for vendor payment during May 2010 and is currently working to finalize the campus voucher entry pilot with Olive-Harvey College by end of June.

Procurement Services:

- **Requested** approval for **21** board items for the June 2010 board meeting.
- We have successfully **processed 100** purchase orders over **\$5,000** with total expenditures in the amount of **\$2.7 million**.
- The **colleges created 1,345** purchase orders under **\$ 5,000** with total expenditures of **\$1.0 million**.
- Procurement Services has **entered 153** new vendors and **70** vendor updates into the vendor database.
- The following are the **current Bid Projects:**

Finance Office Report to Board Meeting – Vice Chancellor Kenneth Gotsch-continued

<u>Dept/Campus</u>	<u>Solicitation</u>	<u>Status</u>
	Advertised	
Administrative Services	Acoustical Ceiling Tiles for Truman College	Bid Due: June 8, 2010
	Bids being Prepared	
Administrative Services	Elevator Repair- District Office	Expected Ad Date June 2010 (With Administrative Service for final completion)
District Wide	Re-Bid Biology Supplies	Expected Ad Date June 2010
Olive-Harvey College and Daley College	Nursing Equipment	Expected Ad Date June 2010
	Future Bid Projects	
Administrative Services	Lawn Care and Tree Maintenance –District Wide	Expected Ad Date July 2010
Administrative Services	Copier and Reproduction Equipment and Services – District Wide	Expected Ad Date July 2010
Administrative Services	Repeaters and Security Radio Upgrades- District Wide	Expected Ad date July 2010
Administrative Services	Theatre Curtain Fireproofing and Replacement	Expected Ad Date July 2010
Administrative Services	Pre-Qualification – Architectural & Engineering Services	Expected Ad Date June 2010

Administrative Services – Diane Minor, Associate Vice Chancellor

Board Reports

1.01 Resource Allocation Management Plan (RAMP) Fiscal Year 2012

The Illinois Community College Board (ICCB) requires the state's community colleges to submit an annual request of priority capital projects for their budgetary review and funding consideration. Upon approval of the Board of Trustees, ICCB will accept the annual report. The projects are a part of the District's Five Year Capital Plan submitted to the Board by Administrative Services and have been reviewed and approved by the Chancellor for inclusion in this report.

4.00 Lease Agreement for Bickerdike Redevelopment Corporation

Due to limited parking for faculty at the Humboldt Park Vocational Center, it is necessary to renew the lease with Bickerdike for 32 additional parking spaces at an amount not to exceed \$23,736 annually.

4.01 Architectural Engineering Services for the Preliminary Planning for a Two Story Elevator at Harold Washington

A Letter of Interest was issued to three pre-qualified engineering firms by Administrative Services to determine the structural feasibility of installing an elevator to the roof and storage area in Harold Washington. Primera was found the most qualified to perform the work at an amount not to exceed \$26,440. M/WBE compliance was met.

4.02 Lease of Passenger/Utility Vehicle, District Office

Due to the age and condition of the two vehicles used on a daily basis by the District Office, it is necessary to replace both with a working vehicle. Through joint procurement thru the City of Chicago's term agreement, Enterprise will provide a leased hybrid Tahoe for an amount not to exceed \$736.84, which includes full maintenance for 60 months for all occurrences, not to exceed \$8,843 annually.

4.03 Architectural services for Lobby Renovation at Olive Harvey

Letter of Interest were issued to pre-qualified Architectural firms to renovate the Olive Harvey Lobby to design and prepare the design and construction specifications for the JOC contractor assigned to the project. Of the 17 firms responding, RADA Architects, Chicago, IL was found the most responsive, submitting a proposal of \$98,980. M/WBE compliance was met.

7.06 Job Order Contract (JOC) Projects, District Wide

Monthly submission of projects to be performed by the District's JOC contractors through-out the District.

7.07 Parking Spaces District Office and Harold Washington

After soliciting the competitive pricing of parking lots in the Downtown area, InterPark has provided the lowest rates to the District for the 34 parking spaces utilized by the District Office and Harold Washington. The amount is not to exceed \$109,936 annually.

7.08 Postage Mail Machine Equipment, Software and Maintenance, District Wide

In order to standardize the mail centers throughout the District that allows for automatic tracking of deliveries, electronic maintenance of college supply inventories, improving the efficiency of mail receipts and moving the District toward full automation of a mail system, Administrative Services recommends the installation of Pitney Bowes systems district-wide. Utilizing joint procurement thru the State of Illinois' CMS contract, Pitney Bowes is the recommended vendor for implementation of the mail management system at an amount of \$261,258. After the initial purchase of the equipment, annual maintenance fees district-wide will be submitted to the Board for approval.

7.09 Expedited Autoclave Repair, Truman College, ratification

The repair of the two biology lab autoclaves was necessary to maintain EPA/OHSA compliance by the manufacturer authorized service provider at an amount of \$3,277.96. As this was an emergency repair, the procedures from the Board approved Policies were followed and subsequent ratification by the Board is being requested.

Project Summary

Old Kennedy King Demolition

Olive Harvey

Commonwealth Edison Curtailment Program

Clean and Green

City colleges will be joining with the City to reduce, reuse and recycle in our campuses, so we will be working with the colleges in the next 30 DAYS to roll this out to our students and faculty. We have a tradition to uphold where the

Administrative Services – Diane Minor, Associate Vice Chancellor

District has won the distinction of an educational system disposing the largest quantity of paper in the City. We will keep you informed.

District Wide Textbook Rental Program

OIT BOARD REPORT - Kathy P. Linenberger, Interim CIO

- The Office of Information Technology continued to focus on increasing Service Excellence while keeping cost containment and cost savings in mind. OIT is focusing on thoroughly examining current utilization of existing systems while planning the initiation of projects that will take place over the coming months.
- OIT is working with the Human Resources department on replacing the paper Certificates of Attendance with an automated Time and Attendance solution. While we work with the Business Process team to analyze the current and future time and attendance business processes, OIT and HR have begun exploring automated time and attendance solutions that would not only replace our manual time reporting process but a solution that would integrate with our current HR PeopleSoft system.
- OIT and the Office of Finance continued to work with Oracle PeopleSoft experts on the Financials System Health check. OIT, Finance District Office and Finance staff from all colleges reviewed how we are currently utilizing the
- Finance system modules and identifying ways to improve our financial practices as well as our system usage. This assessment will help us identify areas for continuous improvement and assist us with developing our strategy and plan for upgrading the Finance system and implementing eProcurement and Expense modules.
- Grants – enhanced ways to manage our Grants across the district
- eProcurement – implement more strategic sourcing and include pricing in our system and utilization of electronic vendor catalogs.
- OIT is working with the IT Deans - Adding additional wireless access points throughout all of the colleges thus increasing wireless capabilities and locations for our student.
- In the Student Administration arena, OIT is working with Academic Affairs and the colleges to identify areas of enhancement that would increase the self service utilization of the system to both students and faculty. Some of the areas for improvement are;
 - Faculty Grade input via my faculty self service page will be piloted during the summer and fall terms and deployed to all faculty for spring 2011.
 - Enhancements have been made to the Prospective Student page to capture additional student data so we can replace the paper information card.
 - OIT is currently working with ACT and Academic Affairs to automated upload of Compass test scores. This automated process will be implemented for current students and prospective students thus increasing the accuracy and timeliness of getting test scores into the system.
- Blackboard Learning Management system – our eLearning classroom software – We currently have approximately 25,000 faculty and students using our Blackboard system. We anticipate this number to grow to 35,000 over the next year. We are hosting approximately 2700 courses on Blackboard.
- OIT, Academic Affairs, CDL, Blackboard Administrators and faculty representatives from the colleges are working on upgrading our Blackboard Learning Management System to the latest release. This will provide CCC with enhanced course management for faculty members and improved student collaboration tools.
- City Colleges is an active member in the Blackboard Administrator User Group known as SLATE. Earlier this year OIT hosted the SLATE Blackboard Administrator Meeting. In attendance were 40 Blackboard administrators from local colleges and universities. We also had over 40 more Blackboard administrators attend this meeting via web conference.

- Implementation of New Student e-mail using Google's gmail – this will allow students to use enhanced e-mail along with Google apps such as, student portfolio, document sharing, video chat across student populations and other collaborative tools as well.
- OIT is continuing with the execution of our 2 year staffing transition plan by bringing staff in-house we are anticipating a net savings in staff costs of approximately \$2.7 million in FY2011.
We will also realize significant Cost saving moving forward