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COMMUNITY COLLEGE DISTRICT NO. 508
FEBRUARY 5, 2015



CITY COLLEGES
of CHICAGO
Education that Works

CCC Finance and Administrative Services Committee

Second Quarter FY 2015 Investment Review

January 22, 2015

1:00pm

PFM Asset Management LLC

222 North LaSalle

Suite 910

Chicago, IL 60601

www.pfm.com

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Market Overview

Economic Summary

Economic Conditions

- The U.S. economy ended the year on a positive note as third-quarter U.S. GDP was revised upward to 5.0%, marking the strongest result since 2003
- U.S. job creation added 252,000 net new jobs in December, and the unemployment rate dropped to 5.6%, the lowest level since mid-2008
- Oil prices continued to plummeted and the US dollar strengthened further, injecting new dynamics into a multifaceted global economic recovery
- The European Central Bank (ECB) as well as the Bank of Japan announced new stimulus measures, including increased asset purchases
- The FOMC phased out the “considerable time” language, instead saying that it would be “patient” when normalize its current accommodative monetary policy; the Committee stressed that policy decisions will be dependent on incoming economic data

Market Reaction

- Short and intermediate-term interest rates generally rose while longer maturity yields fell modestly causing the yield curve to flatten
- Agency spreads for maturities of seven years and less tightened over the month allowing the sector to outperform Treasuries; investment grade corporate securities performed on par with comparable duration Treasury securities
- Money market related securities (especially those with maturities greater than six months) rose notably, reflecting an expected Fed Funds rate hike in mid to late spring of 2015
- U.S. equity markets withstood volatility to finish the month largely unchanged; the Dow Jones breached the 18,000 milestone for the first time in the index’s history

Portfolio Review

Overall Portfolio Composition

- The portfolios are very diversified and are in compliance with the City Colleges of Chicago's investment policy

WORKING CASH PORTFOLIO

Security Type	Market Value as 12/31/14	% of Portfolio
U.S. Treasuries	\$45,125,077.19	44.3%
Federal Agencies	\$51,698,340.94	50.8%
Commercial Paper	\$3,993,168.00	3.9%
FDIC-Insured Certificates of Deposit	\$739,000.00	0.7%
Cash / Money Market	\$203,249.68	0.2%
Total	\$101,758,835.81	100.0%

SHORT-TERM OPERATING PORTFOLIO

Security Type	Market Value as 12/31/14	% of Portfolio
Commercial Paper	\$18,945,923.05	44.8%
FDIC-Insured Certificates of Deposit	\$23,349,000.00	55.2%
Cash / Money Market	\$36,900.34	<0.1%
Total	\$42,331,823.39	100.0%

OPEB PORTFOLIO

Security Type	Market Value as 12/31/14	% of Portfolio
U.S. Treasuries	\$22,687,969.57	56.9%
Federal Agencies	\$17,122,368.88	42.9%
Cash / Money Market	\$57,020.38	0.1%
Total	\$39,867,358.83	100.0%

CAPITAL IMPROVEMENT PROJECTS PORTFOLIO

Security Type	Market Value as 12/31/14	% of Portfolio
U.S. Treasuries	\$23,303,483.52	73.6%
Federal Agencies	\$8,360,559.96	26.4%
Cash / Money Market	\$10,372.10	<0.1%
Total	\$31,674,415.58	100.0%

OLIVE HARVEY COLLEGE TDL BUILDING PROJECT PORTFOLIO

Security Type	Market Value as 12/31/14	% of Portfolio
Commercial Paper	\$13,200,803.09	100.0%
Cash / Money Market	\$4,285.13	<0.1%
Total	\$13,205,088.22	100.0%

OVERALL TOTAL MARKET VALUE

\$228,837,521.83

100.0%

Summary Portfolio Performance Update

(as of 12/31/2014)

	Investment Horizon / Strategy	Market Value as of 12/31/2014	Effective Duration	% of Overall Portfolio	Target Yield*	Yield as of 12/31/2014**
Working Cash Reserve Portfolio	Long-term total return, 0 - 3 years	\$101,758,835.81	1.31	44.5%	0.43%	0.52%
<i>BoA/ML 0-3 Year U.S. Treasury Index</i>			1.37			
Short-Term Operating Portfolio	Under 1 year / liquid	\$42,331,823.39	0.31	18.5%	0.30%	0.36%
<i>BoA/ML 3-Month U.S. Treasury Bill Index</i>			0.15			
OPEB Portfolio	Longer-term total return, 1 - 3 Years	\$39,867,358.83	1.72	17.4%	0.51%	0.63%
<i>BoA/ML 1-3 Year U.S. Treasury Index</i>			1.82			
Capital Improvement Projects Portfolio	Shorter horizon to match cash flows	\$31,674,415.58	0.39	13.8%	0.25%	0.25%
<i>BoA/ML 1-Year U.S. Treasury Note Index</i>			0.91			
Olive Harvey College TDL Building Project Portfolio	Short-term bond proceeds-like	\$13,205,088.22	0.43	5.8%	0.21%	0.24%
<i>BoA/ML 3-Month U.S. Treasury Bill Index</i>			0.15			

\$228,837,521.83

100.0%

	Total Returns								
	1Q 2015***	Past 6 Months***	Past 1 Year	Past 2 Years	Past 3 Years	Past 4 Years	Past 5 Years	Past 7 Years	Since Inception
Working Cash Reserve Portfolio	0.117%	0.166%	0.479%	0.352%	0.389%	0.461%	0.588%	1.332%	1.487%
<i>BoA/ML 0-3 Year U.S. Treasury Index****</i>	0.115%	0.149%	0.457%	0.340%	0.306%	0.371%	0.462%	1.111%	1.284%
Short-Term Operating Portfolio	0.050%	0.110%	0.231%	0.246%	0.296%	0.306%	0.325%	0.763%	0.763%
<i>BoA/ML 3-Month U.S. Treasury Bill Index</i>	0.003%	0.013%	0.035%	0.054%	0.073%	0.080%	0.089%	0.385%	0.385%
OPEB Portfolio	0.186%	0.236%	0.617%	0.474%	0.572%	0.764%	1.031%	N/A	1.409%
<i>BoA/ML 1-3 Year U.S. Treasury Index</i>	0.175%	0.207%	0.618%	0.488%	0.469%	0.739%	1.059%	N/A	1.418%
Capital Improvement Projects Portfolio	0.010%	0.064%	0.280%	0.270%	0.394%	0.513%	0.524%	N/A	0.585%
<i>BoA/ML 1-Year U.S. Treasury Note Index</i>	-0.066%	0.033%	0.183%	0.219%	0.226%	0.311%	0.414%	N/A	0.463%
Olive Harvey College TDL Building Project Portfolio	0.090%	0.104%	N/A	N/A	N/A	N/A	N/A	N/A	0.104%
<i>BoA/ML 3-Month U.S. Treasury Bill Index</i>	0.003%	0.013%	N/A	N/A	N/A	N/A	N/A	N/A	0.013%

Notes:

* The target yield represents the yield to maturity at cost as of 6/30/2014 and assumed no change in market interest rates.

** The yield as of 12/31/2014 represents the yield at cost as of December 31, 2014.

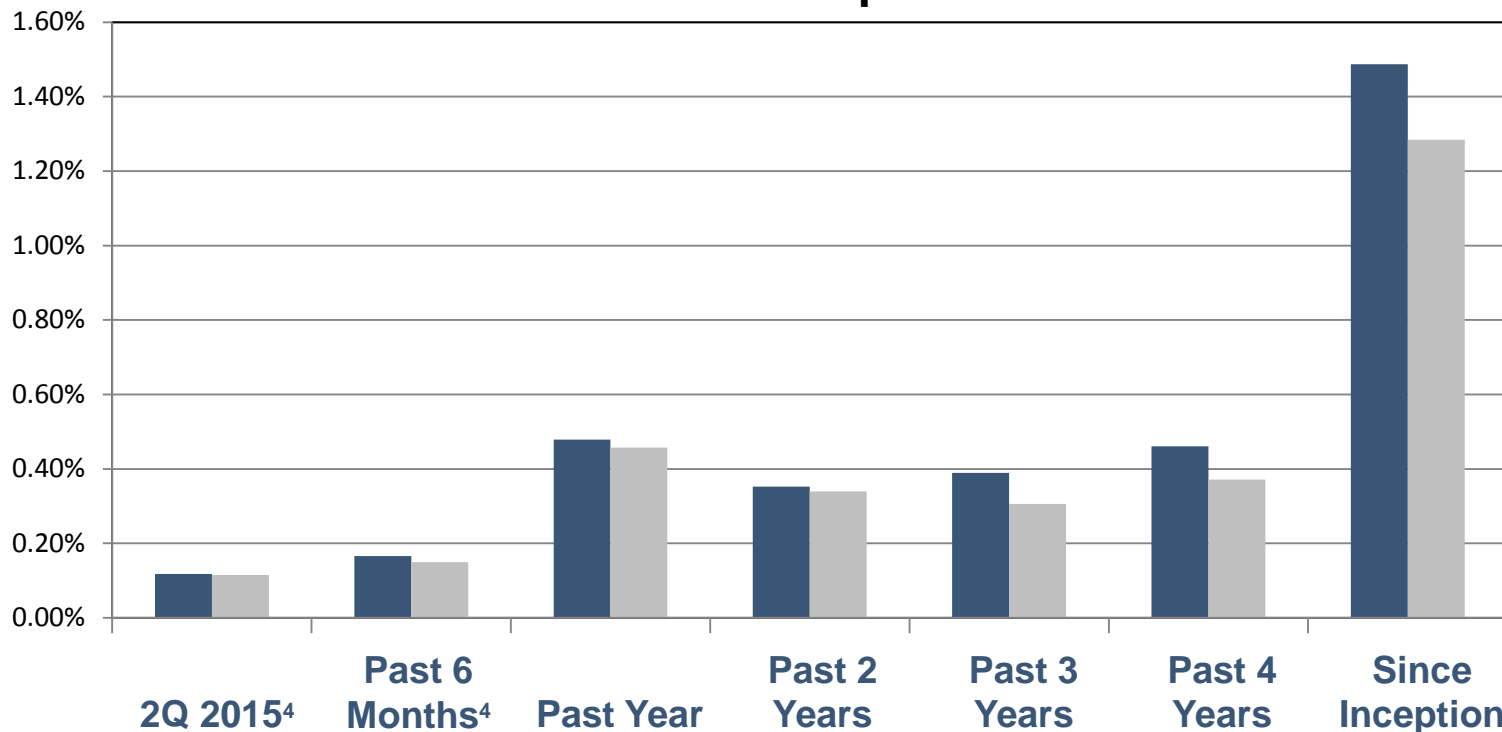
*** The 2nd quarter 2015 and past six month returns are presented on an unannualized basis. Performance numbers for periods greater than one year are presented on an annualized basis.

**** The benchmark for the Working Cash Reserve portfolio transitioned from a 1-year benchmark to the current 0 – 3 year benchmark index during the second quarter of FY 2014.

Working Cash Portfolio Returns

- The portfolio has returned 1.49% since its inception, exceeding the benchmark by 0.21%
- Portfolio performance has exceeded the return of the benchmark for the past 1, 2, 3, & 4-year time periods and since inception

Total Return Comparison*



	2Q 2015 ⁴	Past 6 Months ⁴	Past Year	Past 2 Years	Past 3 Years	Past 4 Years	Since Inception
CCC Working Cash Portfolio	0.117%	0.166%	0.479%	0.352%	0.389%	0.461%	1.487%
BoA / ML 0 – 3 Year U.S. Treasury Index	0.115%	0.149%	0.457%	0.340%	0.306%	0.371%	1.284%

***Notes:**

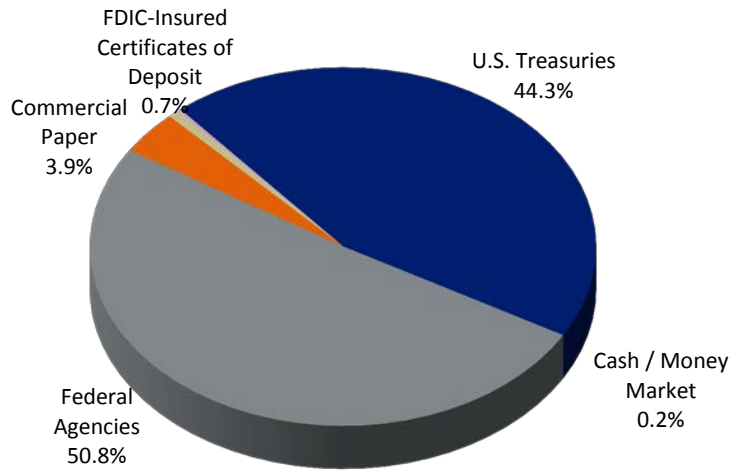
1. Performance on trade date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
2. Bank of America / Merrill Lynch Indices provided by Bloomberg Financial Markets.
3. Includes money market fund/cash balances in performance and duration calculations.
4. Quarterly returns are presented on an unannualized basis. Performance numbers for periods greater than 1 year are presented on an annualized basis.
5. Starting in November of 2013, the Working Cash Reserve portfolio rebalanced to a 0-3 year strategy from a 1-year strategy. Performance shown above is the blended benchmark of the 1-year Treasury until the strategy changed, and then the 0-3 year Treasury thereafter.

As of December 31, 2014

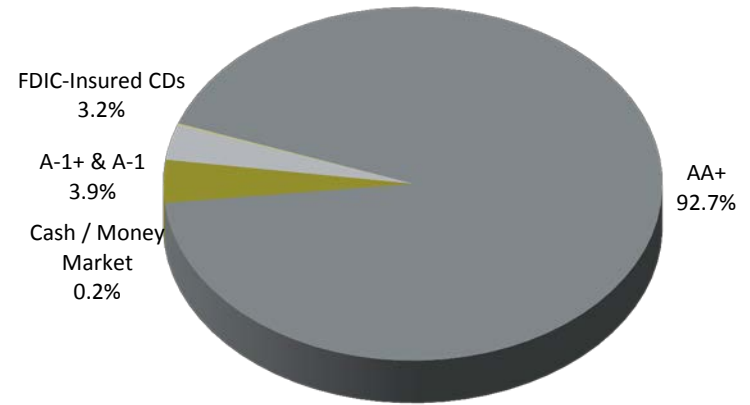
Working Cash Portfolio

(as of 12/31/2014)

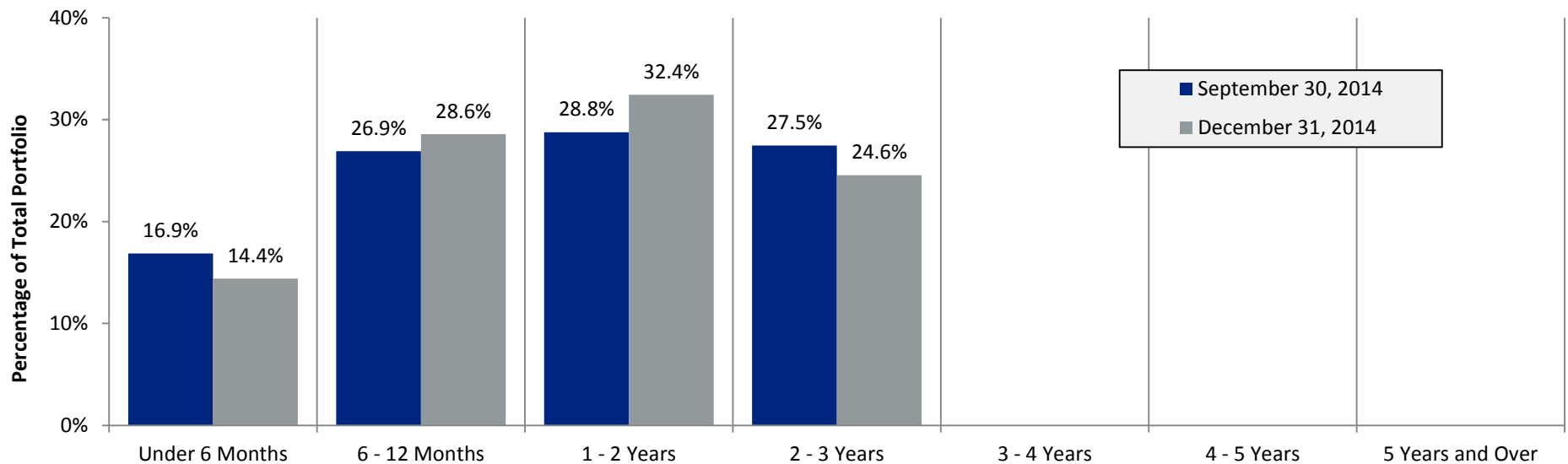
Composition



Credit Quality



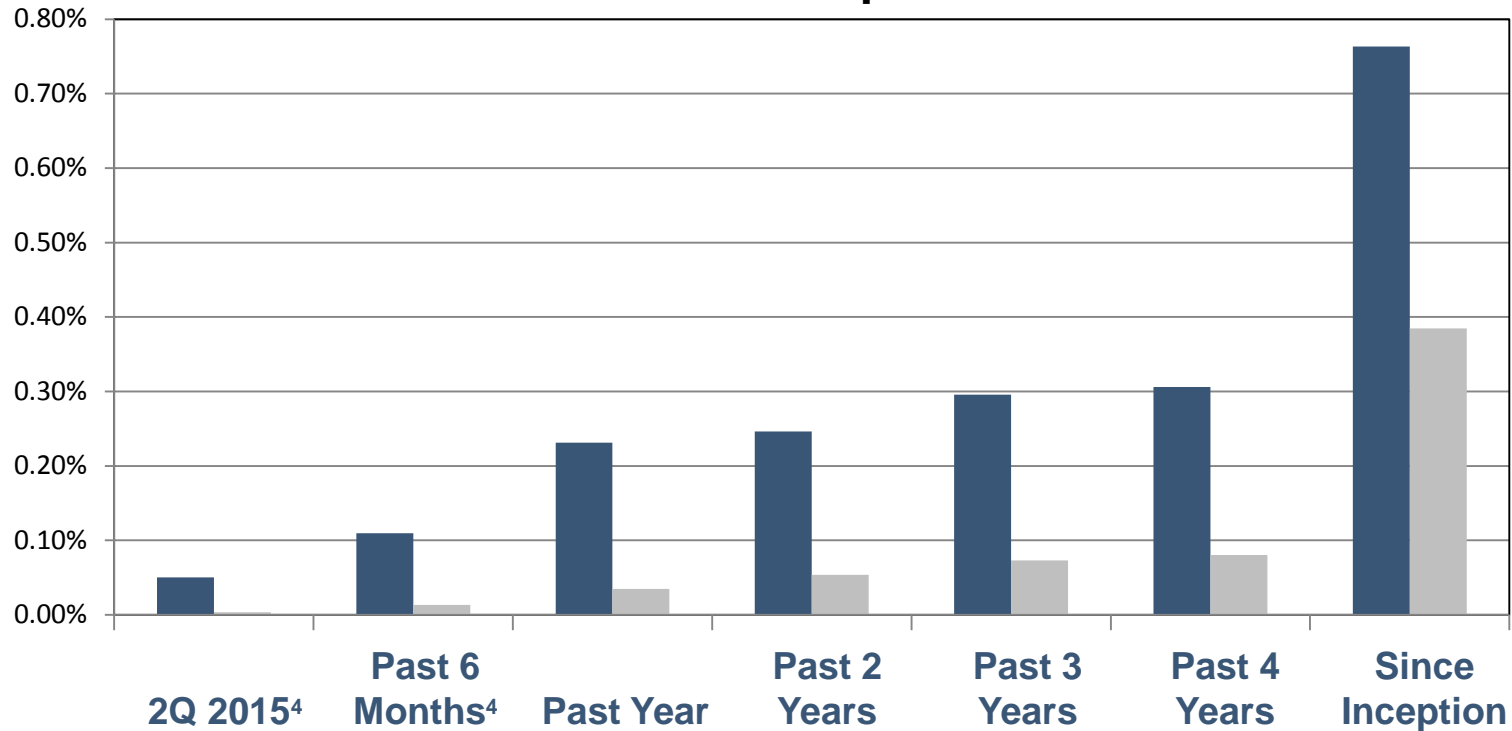
Maturity Distribution



Short-Term Operating Portfolio Returns

- The portfolio has returned 0.76% since its inception, exceeding the benchmark by 0.37%
- Portfolio performance has exceeded the return of the benchmark for the past 1, 2, 3, & 4-year time periods and since inception

Total Return Comparison*



	2Q 2015 ⁴	Past 6 Months ⁴	Past Year	Past 2 Years	Past 3 Years	Past 4 Years	Since Inception
CCC Short-Term Operating Portfolio	0.050%	0.110%	0.231%	0.246%	0.296%	0.306%	0.763%
BoA / ML 3-Month Treasury Bill Index	0.003%	0.013%	0.035%	0.054%	0.073%	0.080%	0.385%

***Notes:**

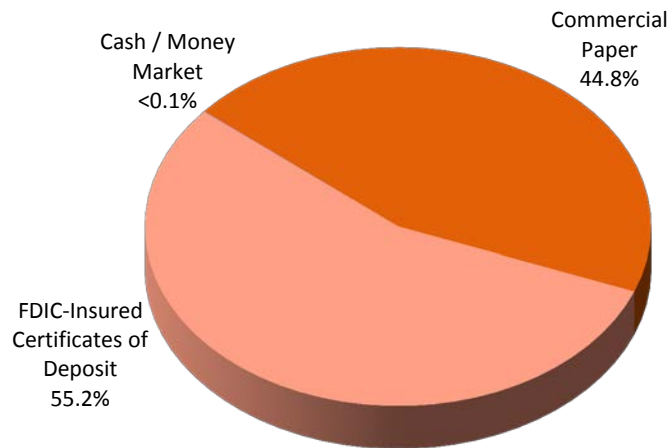
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As of December 31, 2014

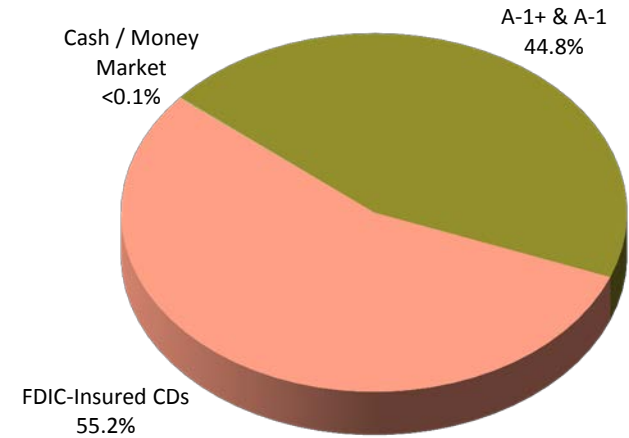
Short-Term Operating Portfolio

(as of 12/31/2014)

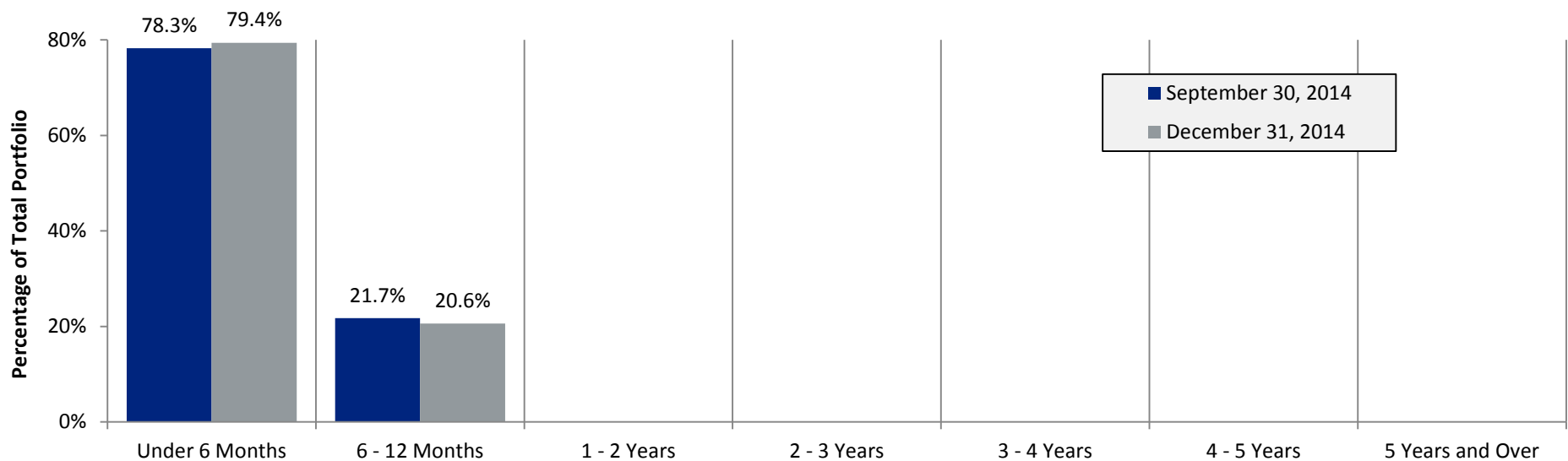
Composition



Credit Quality



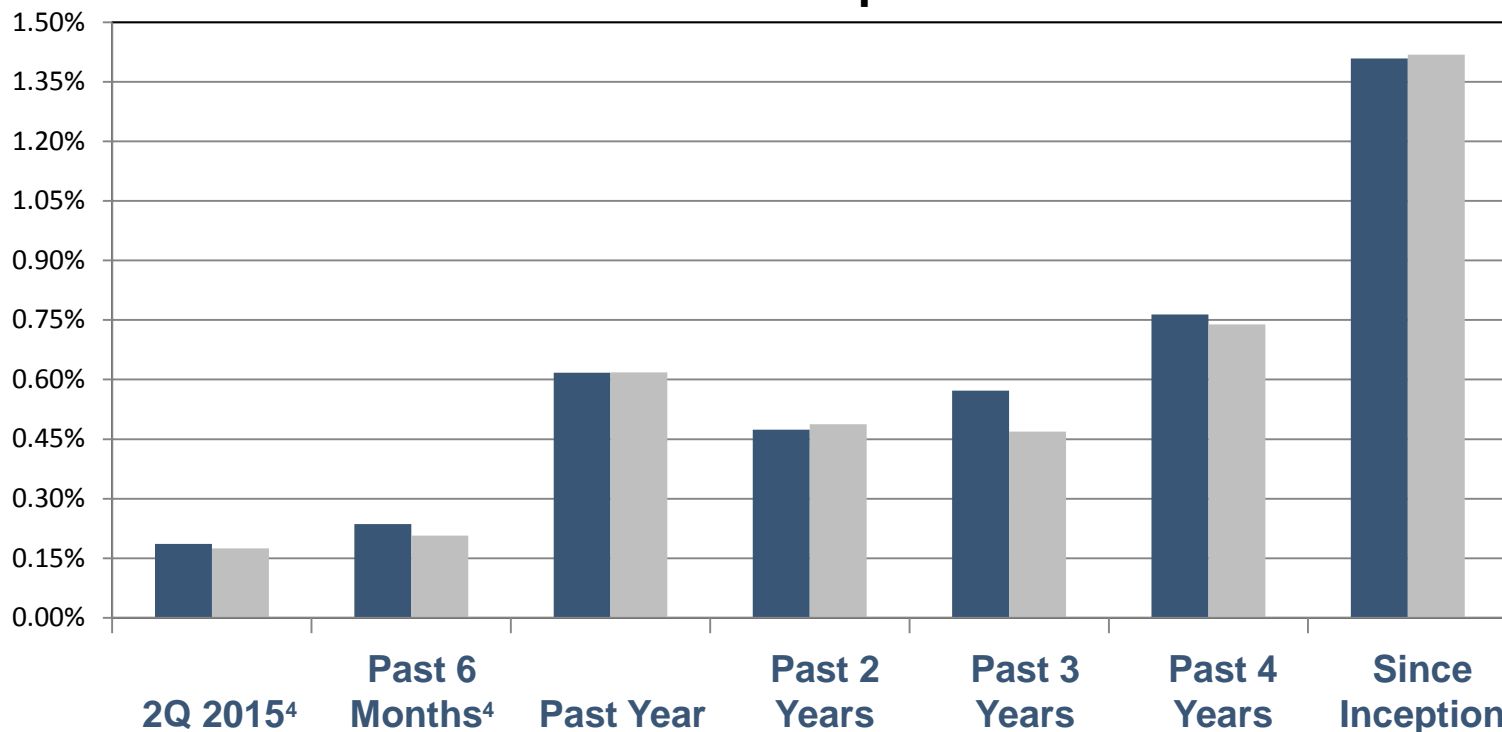
Maturity Distribution



OPEB Portfolio Returns

- The portfolio continues to provide good long-term performance and has returned 1.41% since its inception, which is in line with the return of the benchmark
- Portfolio performance has exceeded the return of the benchmark for the past 3-year and 4-year periods

Total Return Comparison*



	2Q 2015 ⁴	Past 6 Months ⁴	Past Year	Past 2 Years	Past 3 Years	Past 4 Years	Since Inception
CCC OPEB Portfolio	0.186%	0.236%	0.617%	0.474%	0.572%	0.764%	1.409%
BoA / ML 1-3 Year U.S. Treasury Index	0.175%	0.207%	0.618%	0.488%	0.469%	0.739%	1.418%

***Notes:**

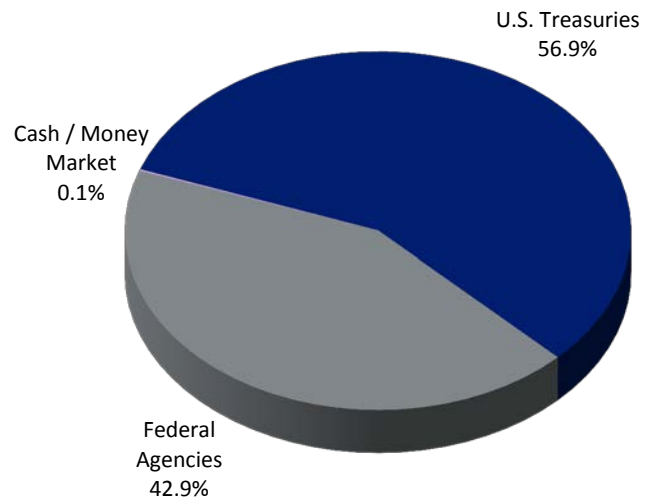
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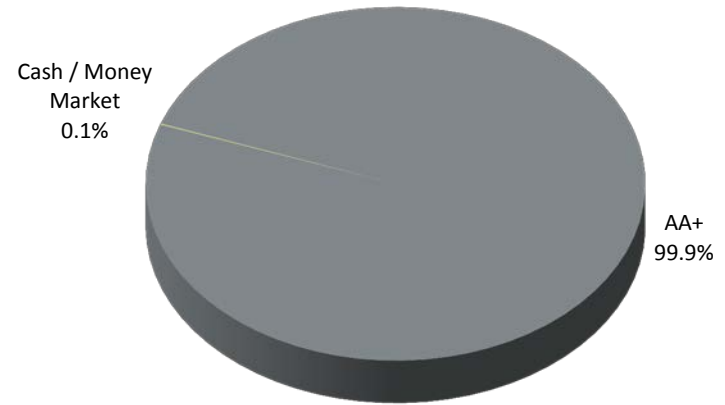
OPEB Portfolio

(as of 12/31/2014)

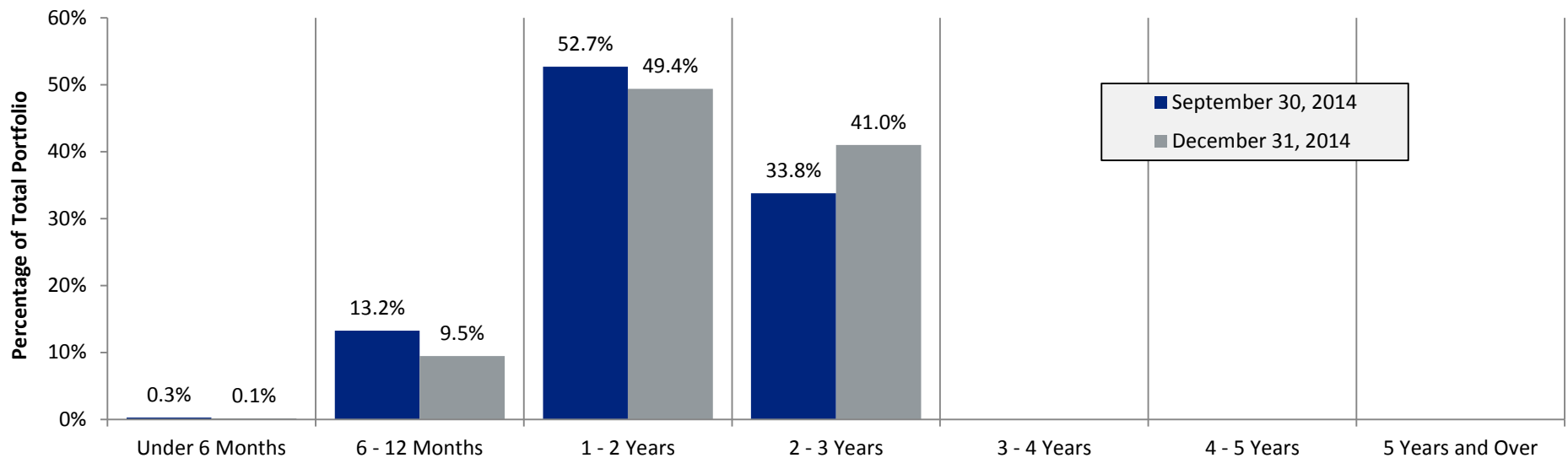
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Credit Quality



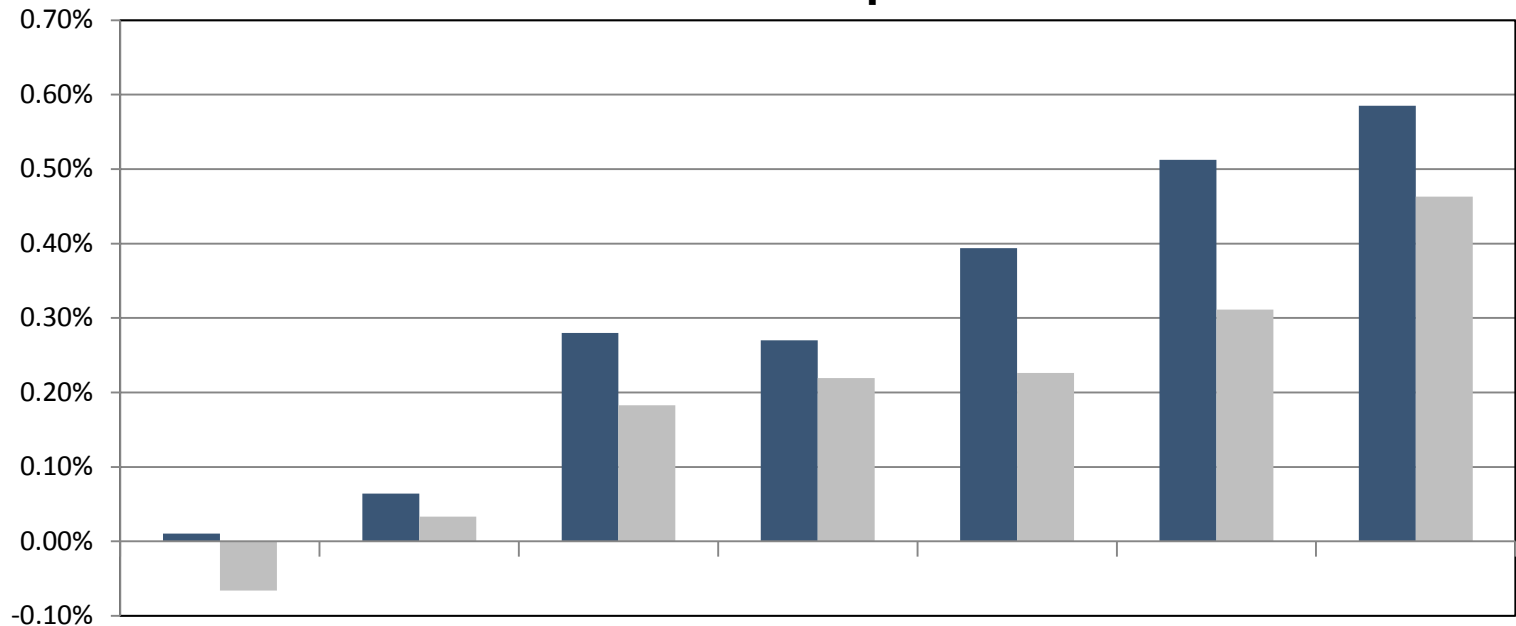
Maturity Distribution



Capital Improvement Projects Portfolio Returns

- The portfolio has returned 0.59% since its inception, exceeding the benchmark by 0.13%
- Portfolio performance has exceeded the return of the benchmark for the past 1, 2, 3, & 4-year time periods and since inception

Total Return Comparison*



	2Q 2015 ⁴	Past 6 Months ⁴	Past Year	Past 2 Years	Past 3 Years	Past 4 Years	Since Inception
CCC Capital Improvement Proj.	0.010%	0.064%	0.280%	0.270%	0.394%	0.513%	0.585%
BoA / ML 1-Year U.S. Treasury Index	-0.066%	0.033%	0.183%	0.219%	0.226%	0.311%	0.463%

***Notes:**

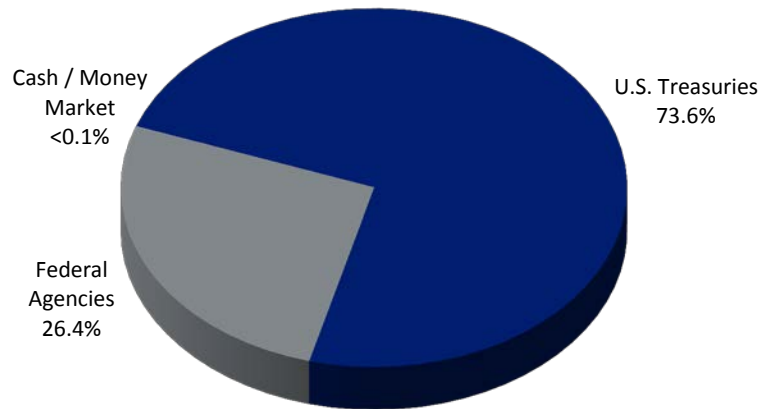
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As of December 31, 2014

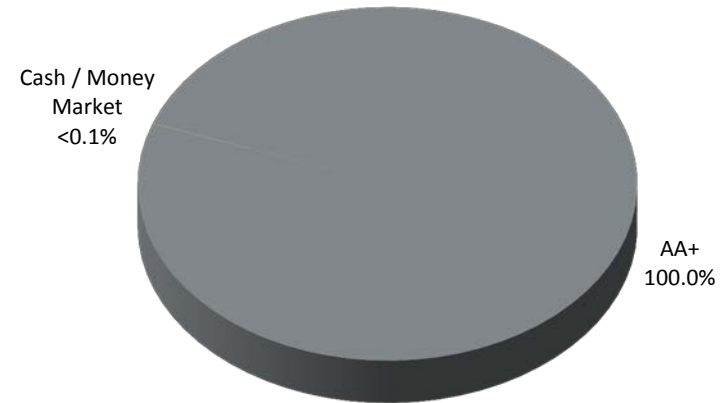
Capital Improvement Projects Portfolio

(as of 12/31/2014)

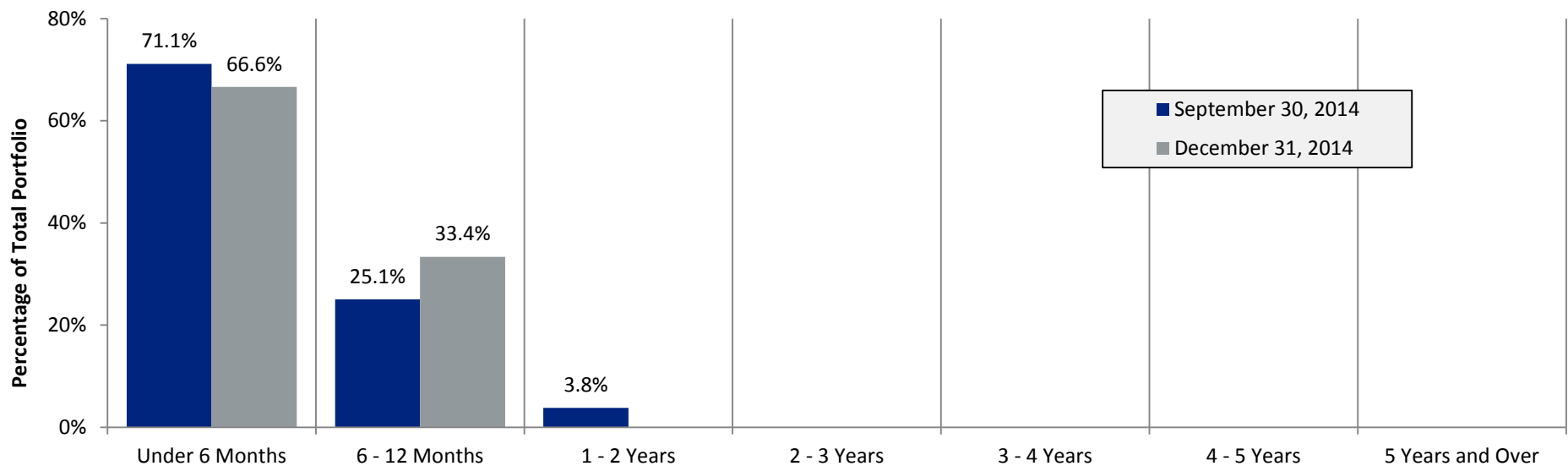
Composition



Credit Quality



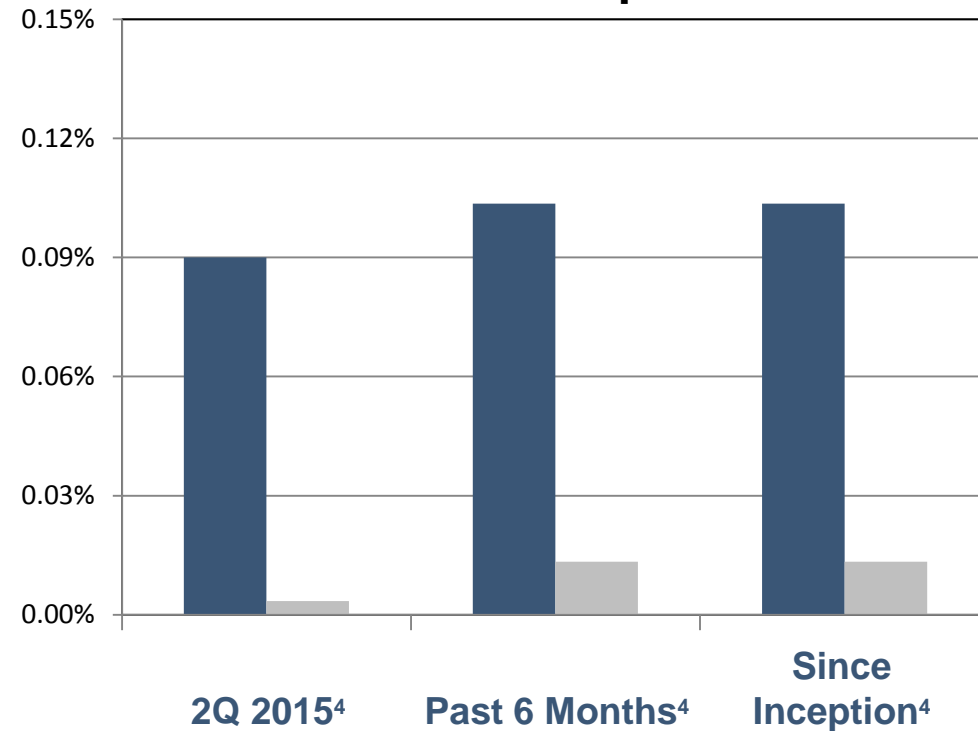
Maturity Distribution



Olive Harvey College TDL Bldg. Proj. Portfolio Returns

- The portfolio return has exceeded that of the benchmark since inception
- Portfolio performance has exceeded the return of the benchmark for the past quarter and the past six months

Total Return Comparison*



	2Q 2015 ⁴	Past 6 Months ⁴	Since Inception ⁴
Olive Harvey College TDL Bldg. Proj. Portfolio	0.090%	0.104%	0.104%
BoA / ML 3-Month U.S. Treasury Bill Index	0.003%	0.013%	0.013%

***Notes:**

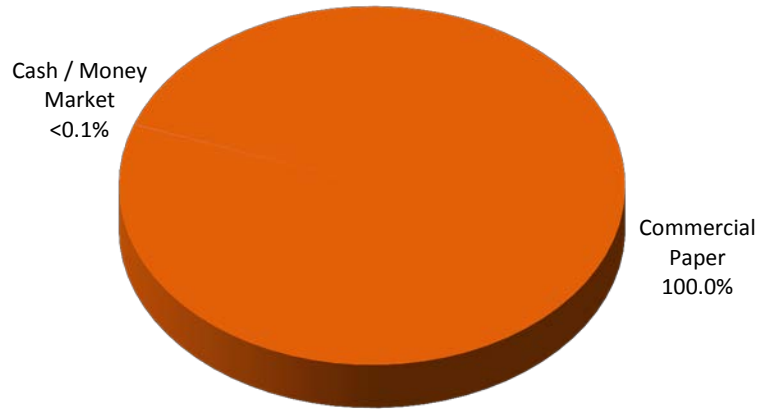
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As of December 31, 2014

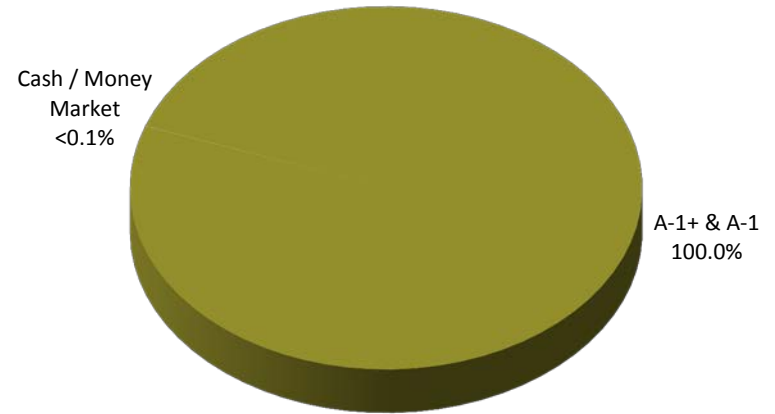
Olive Harvey College TDL Bldg. Proj. Portfolio

(as of 12/31/2014)

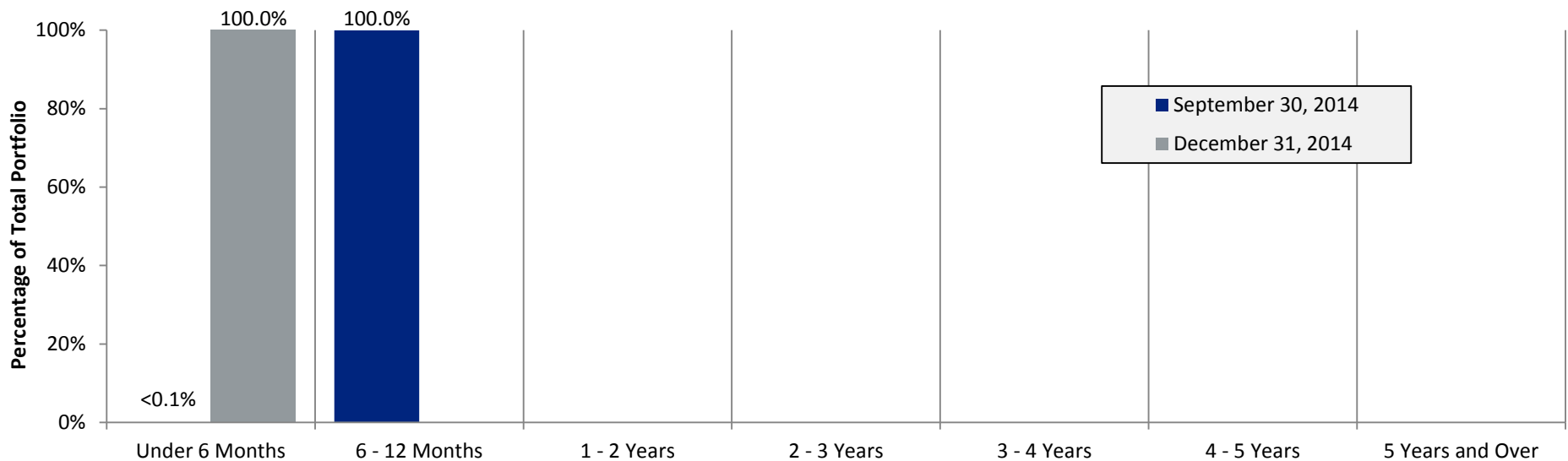
Composition



Credit Quality



Maturity Distribution



Compliance Checklist

(as of 12/31/2014)

- The portfolios are very diversified and are in compliance with the City Colleges of Chicago's investment policy

COMPLIANCE CHECKLIST as of December 31, 2014

	Max Sectors % Portfolio*			
	Market Value	Portfolio %	Limit	Compliance
U.S. Treasuries	\$91,116,530	36.1%	100.0%	YES
Federal Agencies	\$77,181,270	30.6%	100.0%	YES
Certificates of Deposit	\$24,088,000	9.5%	50.0%	YES
Commercial Paper	\$36,139,894	14.3%	33.0%	YES
Repurchase Agreements	\$0	0.0%	25.0%	YES
Cash	\$311,828	0.1%	100.0%	YES
Total Portfolios	\$228,837,522			
Money Market Mutual Funds	\$23,798,870	9.4%	100.0%	YES
Overall Total	\$252,636,392	100.0%		

	Max Maturities		
	Portfolio	Limit	Compliance
	2.92 Years	3 Years	YES
	2.58 Years	3 Years	YES
	1.15 Years	3 Years	YES
	205 days	270 days	YES
	N/A	330 days	YES
	1 day	1 day	YES
	1 day	90 days	YES

	Min Credit Ratings			
	Portfolio	Limit	Compliance	Exceptions
Short-Term S&P	A-1	A-1	YES	None
Short-Term Moody's	P-1	P-1	YES	None
Short-Term Fitch				
Rating Policy	S&P and Moody's	S&P and Moody's	YES	None

	Commercial Paper Max Issuer %			
	Portfolio	Limit	Compliance	Exceptions
BNP Paribas Finance Inc.	7.5%	25.0%	YES	None
Canadian Imperial Holding	24.6%	25.0%	YES	None
General Elec Cap Corp	18.3%	25.0%	YES	None
HSBC USA Inc.	19.6%	25.0%	YES	None
PNC Bank NA	7.5%	25.0%	YES	None
Rabobank USA Fin Corp	22.4%	25.0%	YES	None

	Commercial Paper Max % Portfolio		
	Portfolio	Limit	Compliance
	14.3%	33.0%	YES

	Cash Balance - No Less Than 3 Months of Budgeted Expenses			
	Balance	Minimum	Compliance	
Depositories and Savings	\$126 million	\$90 million	YES	

	Working Cash Portfolio			
	Portfolio	Minimum	Compliance	Exceptions
Maturities up to 12 months	\$35,579,909	\$20,311,117	YES	None

Notes:

Portfolio based on trade date market value excluding accrued interest as of:

December 31, 2014

Disclaimer & Disclosures

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RECEIVED AND PLACED ON FILE - BOARD OF TRUSTEES
COMMUNITY COLLEGE DISTRICT NO. 508
FEBRUARY 5, 2015

FINANCE & ADMINISTRATIVE SERVICES COMMITTEE

January 22, 2015



Agenda

Annual Investment Performance Report – PFM Asset Management

Office of Finance Update

FY15 Financial Update

Travel and Expense Reimbursement Automation

Office of Administrative Services

Sustainability Accomplishments

Internal Audit Quarterly Report

Financial Update
Office of Finance

FY15 Financial Update

- After six months of operation we are on track to meet our year-end balanced budget, assuming no further cuts in state funding for the period ending June 30, 2015
 - Continued lower than projected enrollment is being offset by lower than budgeted salary expense
- Capital expenditures through December 31, 2014 of \$70M are tracking with the capital budget
 - Malcolm X College capital expenditures account for \$50M of our capital spend to date
 - The project remains on budget
 - Olive Harvey College's Transportation, Distribution and Logistics Center remains on budget; the Capital Development Board project delivery date is November 2015

Long Range Financial Plan (LRFP)

- The CCC Five Year Financial Plan was published in July 2014 along with our FY15 budget; highlights of the plan include
 - Balanced budgets
 - District-wide capital investment of \$545.6M
 - A plan to finance the capital program while maintaining balance sheet strength
- The forecasting procedures require continuous monitoring of the environment.
 - Quarterly reviews of the LRFP assumptions are held to synchronize assumptions with recent events
 - Lower than anticipated fall and spring semester enrollments have required adjustments to the year-end tuition revenue forecast as well as the outlook for FY16 tuition
 - Recent changes in Springfield and the state financial outlook may have a significant impact on our funding for FY16. We are conservatively lowering our revenue forecast at this time.

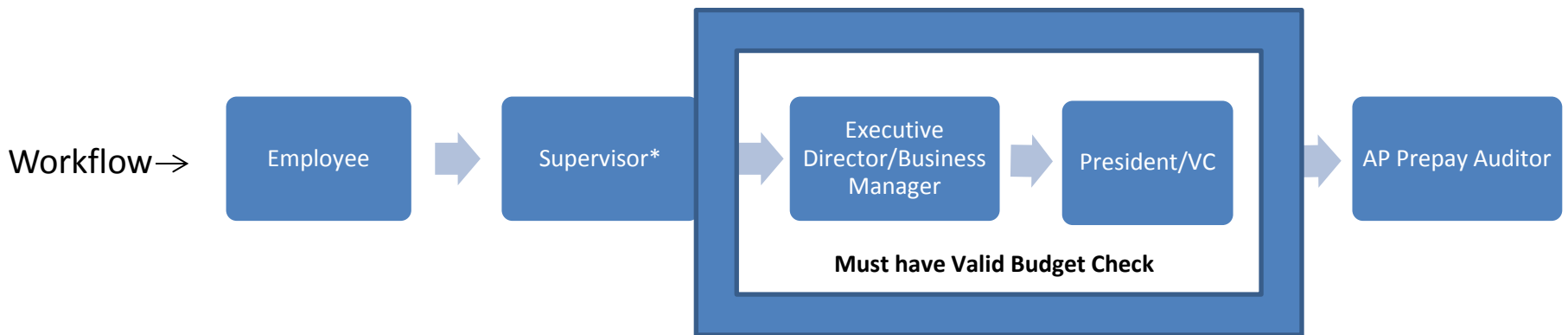
Accounts Payable Travel and Employee (T & E) Reimbursement Automation

Finance Accounts Payable Department Processes Overview

Accounts Payable Department

- Review and process all vendor invoices
 - Disburse all vendor payments
 - Provide A/P policy and procedures training
 - Review and approve all Travel and Employee (T & E) Reimbursements
-
- The T & E Application replaced the manual paper based system in August 2014 to :
 1. Reimburse staff for valid expenses faster
 2. Allow staff to track their reimbursement request
 3. Reduce the steps required to reimburse staff

The T & E Module provided enhanced controls and improved process flow by automating workflow and reducing the manual processes for CCC Employees, Management and Finance Staff.



Recent improvements have streamlined the process and increased value for the District

Improvements

- Reimbursement expenses can be entered online
- The Finance and Human Resources PeopleSoft systems are now integrated for employee reimbursements

Results

- HR administrative and employee self-service module updates the T & E module within 24 hours
 - Eliminated the redundancy of updating employee address in two different systems
 - Updates the T & E module when an employee supervisor has been changed by HR

Continued recent improvements have streamlined the process and increased value for the District

Improvements

- Payment Disbursements can now flow through the Authorized Clearing House (ACH)

Results

- Allow employees to receive payment within 24 to 48 hours from the date of disbursement via direct deposit or payroll prepaid card
 - Employee's can registered for direct deposit, they can go through the CCC HR self service website
 - Reduce the time to receive reimbursement from 5-7 days to 2 days
 - Reduced the number of checks printed from 227 in FY14 to 17 in FY15 year to date

Continued recent improvements have streamlined the process and increased value for the District

Improvements

- Improved ease of use for employees
 - Reduced and standardized number of approvals
 - Expedited process for frequent travelers
 - Enhanced accessibility to the travel policy and forms

Results

- Simplified the T & E approval workflow
- Developed an T & E Employee Portal which links all Policies and Training materials
- Travel requests are encumbered via budget check process to ensure funding is available at time of payment
- Employees & approvers are able to include attachments, view supporting documents and add comments
- Employees receives email notifications for approval, denial and payment

RESULTS

- FY14: Average reimbursement payment cycle of 28 days
 - 1,904 transactions processed in fiscal year
- FY15: Average reimbursement payment cycle of 13 days (53% decrease)
 - 520 transactions processed YTD

NEXT STEPS

- Migrate from a paper based process for employee tuition reimbursement to an automated workflow to improve the timeliness and efficiency of employee reimbursement
- Modify the supervisory travel request workflow to include the grant manager when grants funds are used which would ensure compliance with grant award

Q & A

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COMMUNITY COLLEGE DISTRICT NO. 508
FEBRUARY 5, 2015

Sustainability Accomplishments

Office of Administrative and Procurement Services

January 22, 2015



City Colleges has dedicated significant attention to Sustainability in a variety of areas

- Energy
- Recycling
- Grounds and Landscaping
- Cleaning and Hygiene
- Water
- Transportation
- Policy
- Engagement

We have improved control over energy usage through numerous initiatives

Current Efforts:

- Tracking and reducing energy use through ongoing best practice
- Locking-in Natural Gas Pricing for upcoming winters to create budget certainty
- Participating in annual electricity curtailment
- Increasing procurement of renewable electricity
- Building Energy Technology classes at Wright College
- HVAC Technician Program/Utility Training at Kennedy-King College/Dawson Tech
- Electrician Program at Daley College/Arturo Velasquez Institute

New Initiatives:

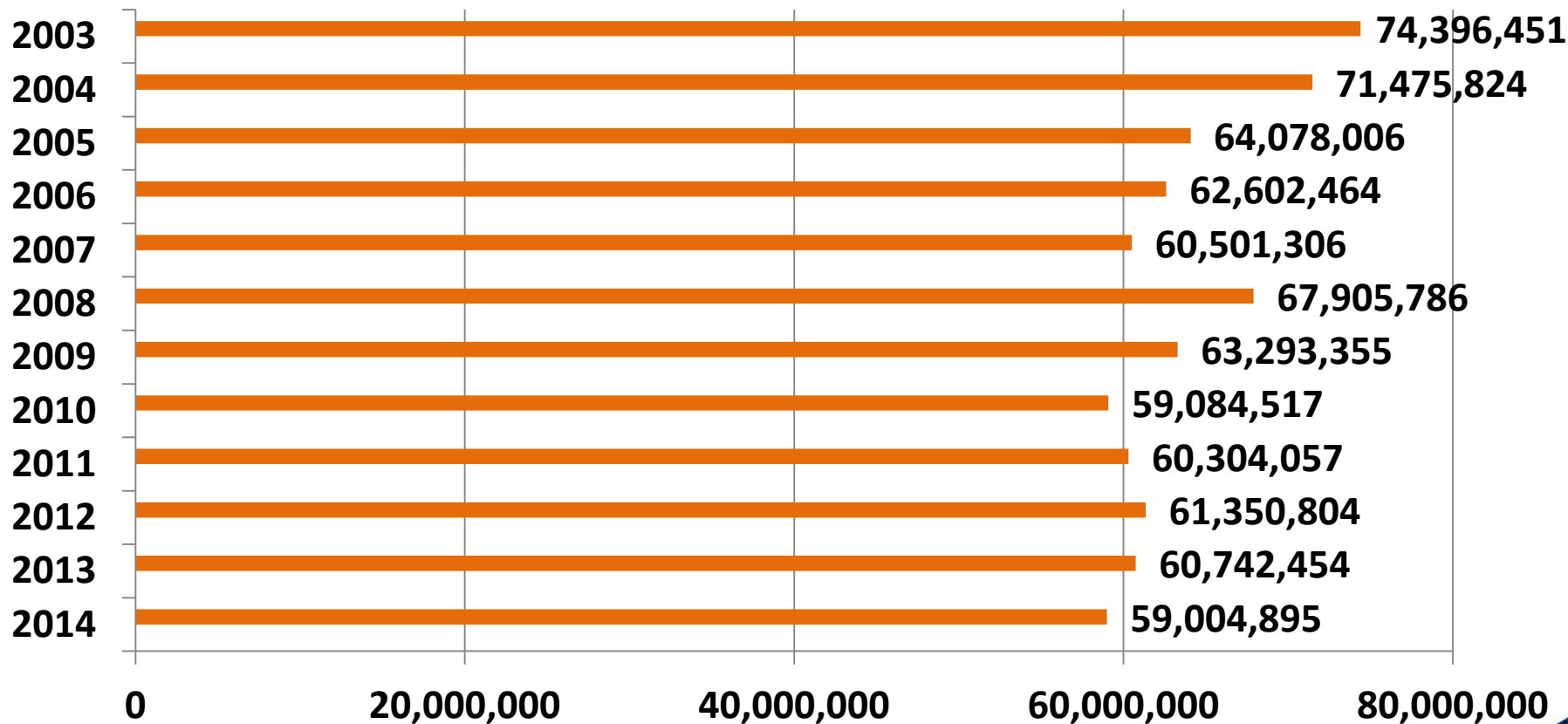
- LED Lighting upgrades District-Wide
- Increase participation in voluntary curtailment on high electricity usage days
- Building Automation System at Dawson Tech and Truman 2
- Solar PV at Daley College and Dawson Tech
- Solar PV training in Manufacturing Program at Daley College
- House of Pressure Weatherization Training Facility at Dawson Tech
- Geothermal demonstration unit at Dawson Tech
- Commission all new Buildings in District /Retro-commission all buildings in District
- Increase Building Engineer training on Building Automation System scheduling and maintenance

Potential Initiatives Under Consideration:

- Implement policy on plug load reduction
- Sub-meter all buildings in District

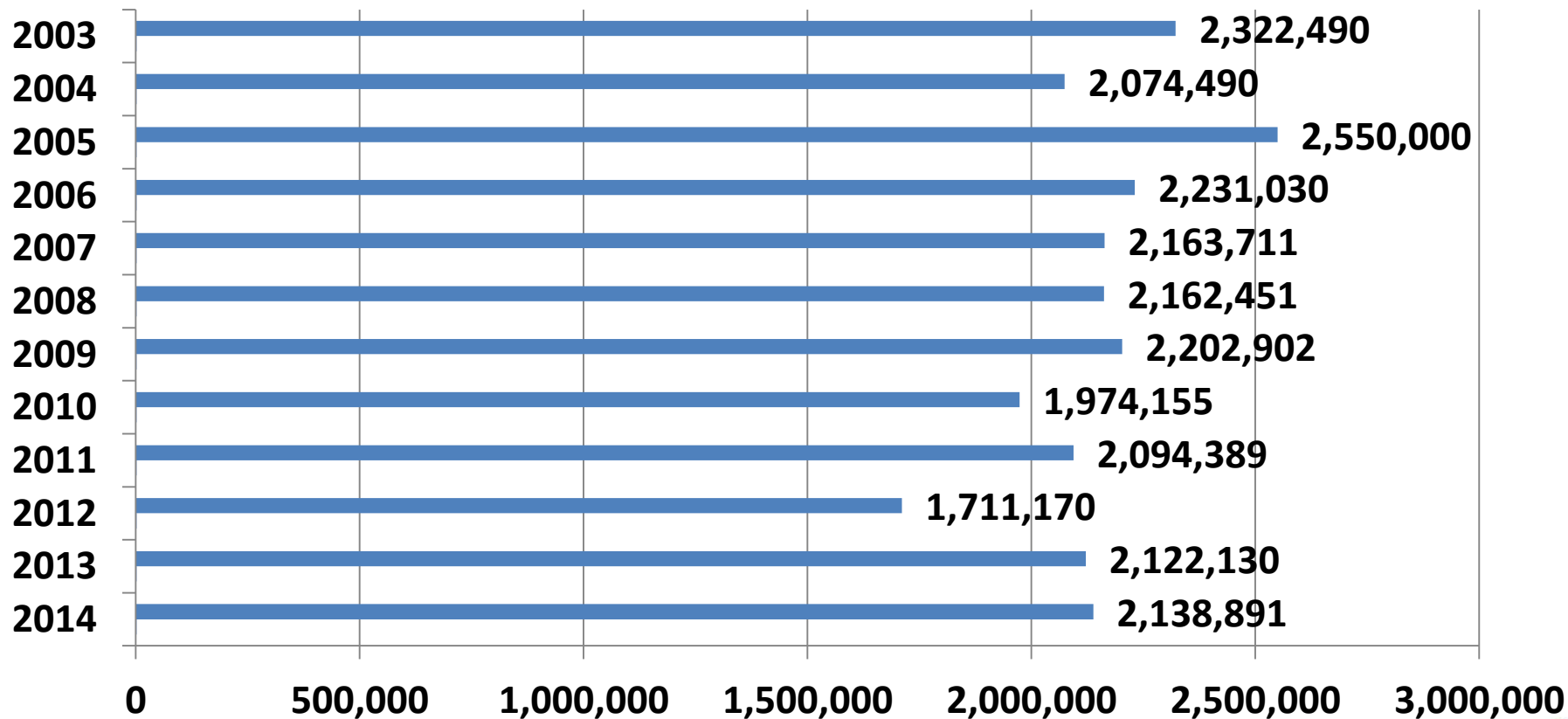
These initiatives have resulted in a significant decrease in energy usage – in FY2014 we used 15 million kWh less than in FY2003

Electricity kWh

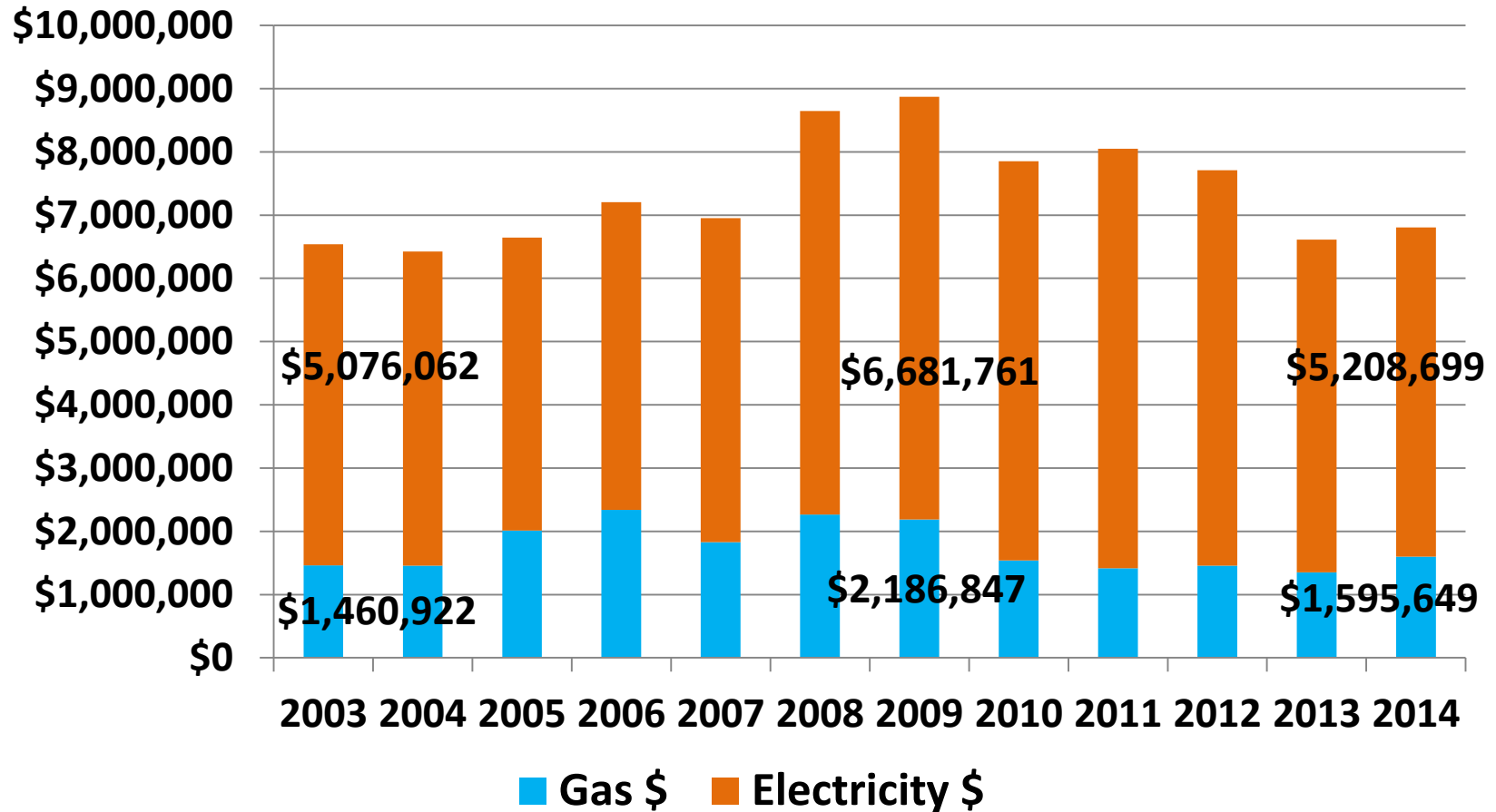


Additionally, we have held Therm usage steady while converting electric HVAC equipment to natural gas

Natural Gas Therms



Overall, District expenditures are also relatively stable even with increased square footage and rising prices



If CCC used as much energy in 2014 as it did in 2003, 2014 expenditures would have been \$1.3M greater

The District is also ahead of State of Illinois mandated renewable energy purchasing requirements



FY	IL RPS	CCC total renewable %
2007	0	10%
2008	0	10%
2009	0	10%
2010	4%	14%
2011	5%	15%
2012	6%	16%
2013	7%	17%
2014	8%	18%
2015	9%	19%
2016	10%	20%
2017	11.5%	21.5%

We have also dedicated efforts to improving recycling

Current Efforts:

- Divert recyclable material from waste streams

New Initiatives:

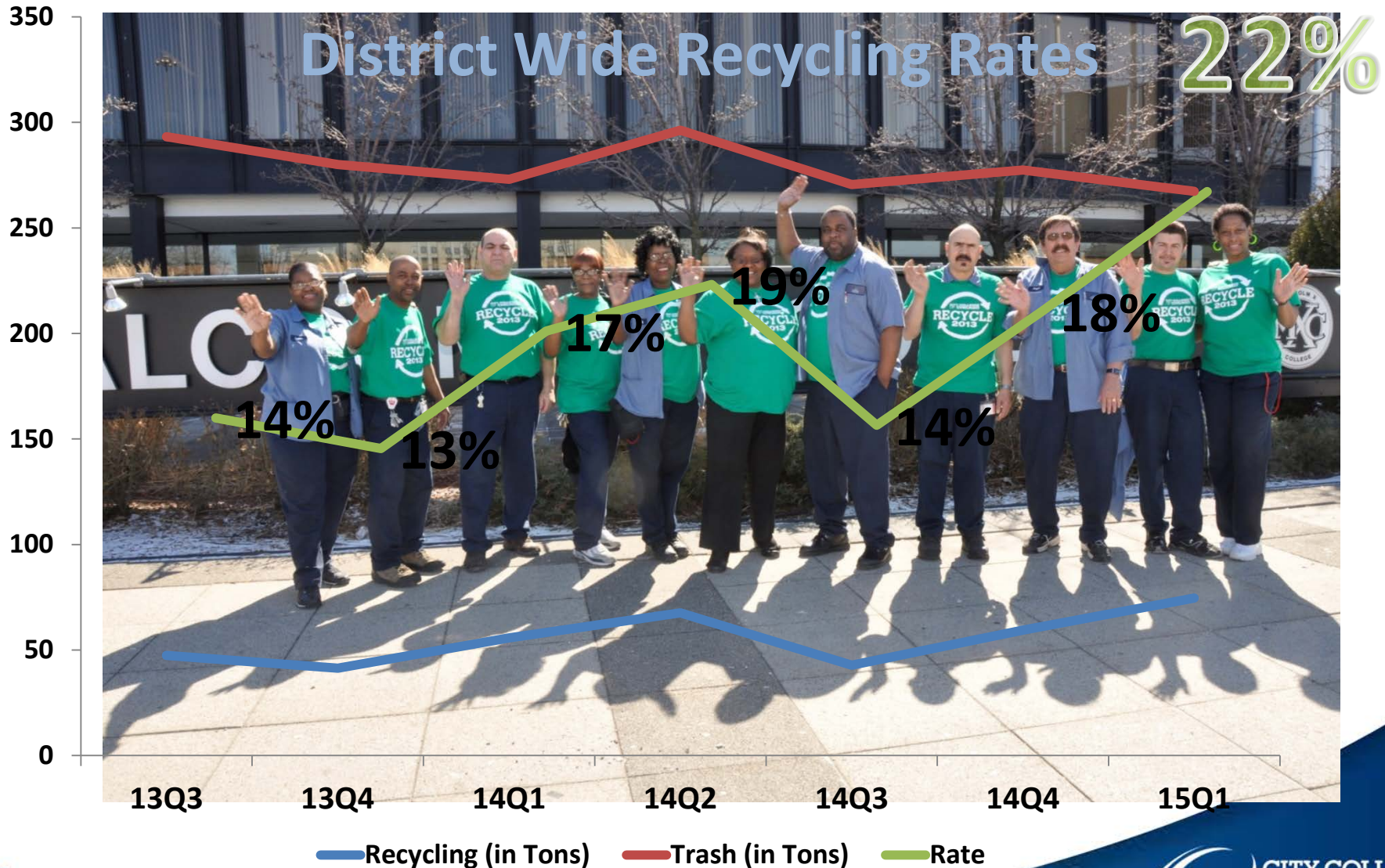
- Single stream recycling combines metal, glass, plastics, and paper
- Implementing signage, pairing cans, and custodial staff training at all locations
- Incorporate student leadership into recycling awareness campaign
- Track and increase diversion rate through ongoing best practice

Potential Initiatives Under Consideration:

- Introduce composting at Washburne Culinary at Kennedy-King College
- Introduce back of house composting for all cafeterias in District



This has resulted in an increase in our diversion rate from 14% to 22% over the last 18 months



Sustainability efforts have expanded to include care of our exterior facilities and grounds

Current Efforts:

- Tree Campus USA Certification at Wright College
- Environmental Technology Program at Wright College
- Wetland designation of Olive-Harvey Wetland
- Environmental Biology program at Olive-Harvey College
- Urban Farm at Arturo Velasquez Institute
- Certificate Urban Agriculture Program at Arturo Velasquez Institute

New Initiatives:

- Rehab Kennedy-King College Green Roof
- Walkable Green Roof at new Malcolm X College
- Rain Garden at new Olive-Harvey TDL
- Community Garden at Wright College
- Native landscaping and permeable pavers at Daley College
- Certified arborist tree care

Potential Initiatives Under Consideration:

- Set up Urban Agriculture Site at Kennedy-King College
- Wetland Boardwalk at Olive-Harvey College
- Move to less chemical permaculture/xeriscaping



Design of all our new facilities incorporates sustainability, such as the rainwater harvesting system at the new Malcolm X College



Malcolm X College Stormwater Retention Project

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Malcom X College Stormwater Retention Project

amanda smith

Responsible management of chemicals is yet another aspect of the District's sustainability program

Current Efforts:

- Procurement of Green Seal certified cleaning products
- Tracking Chemical Inventory
- Installing touchless sensors on urinals, toilets, and faucets
- Testing and balancing fume hoods

New Initiatives:

- Implement Chemical Hygiene Plan
- Meet regularly with Lab Staff and Science Departments
- Put lab safety resources online for student and employee access
- Reducing inventory of outdated chemicals
- Development of sealed bid for new Chemical Disposal Vendor
- Installation of electric hand dryers
- Review lab equipment for maintenance needs

Potential Initiatives Under Consideration:

- Green Chemical alternatives focus for Chemistry and Biology Labs



We are also working to reduce and manage water consumption

Current Efforts:

- Installing low volume flush toilets and urinals

New Initiatives:

- Drip irrigation systems at Daley College and new Malcolm X College campus
- Improved Track water usage
- Water Retention and reuse tank at new Malcolm X College campus
- Water Bottle Refill Stations
- Elimination of water-cooled units

Potential Initiatives for the Future:

- Install Real time data meters on water pipes
- Expanded installation of Water Bottle Refill Stations in District Buildings



Focusing on transportation options can help reduce our carbon footprint

Current Efforts:

- Participation in U-Pass program

New Initiatives:

- \$20 Divvy college student discount and \$10 college employee discount
- Electric Bicycles in Daley College Manufacturing Program
- Alternative Fuel Vehicle Training with Hybrid Vehicle at Kennedy-King College
- Procuring Electric Trucks for Olive-Harvey TDL Center by pursuing grant funds

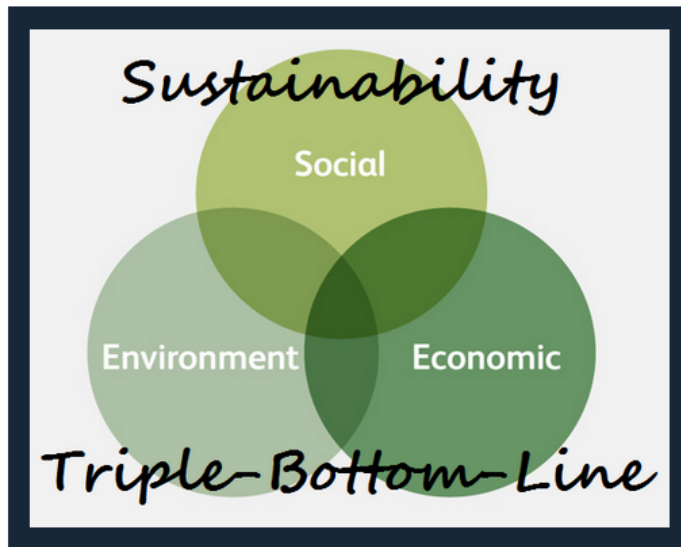
Potential Initiatives for the Future:

- Conduct transportation survey



What is Sustainability?

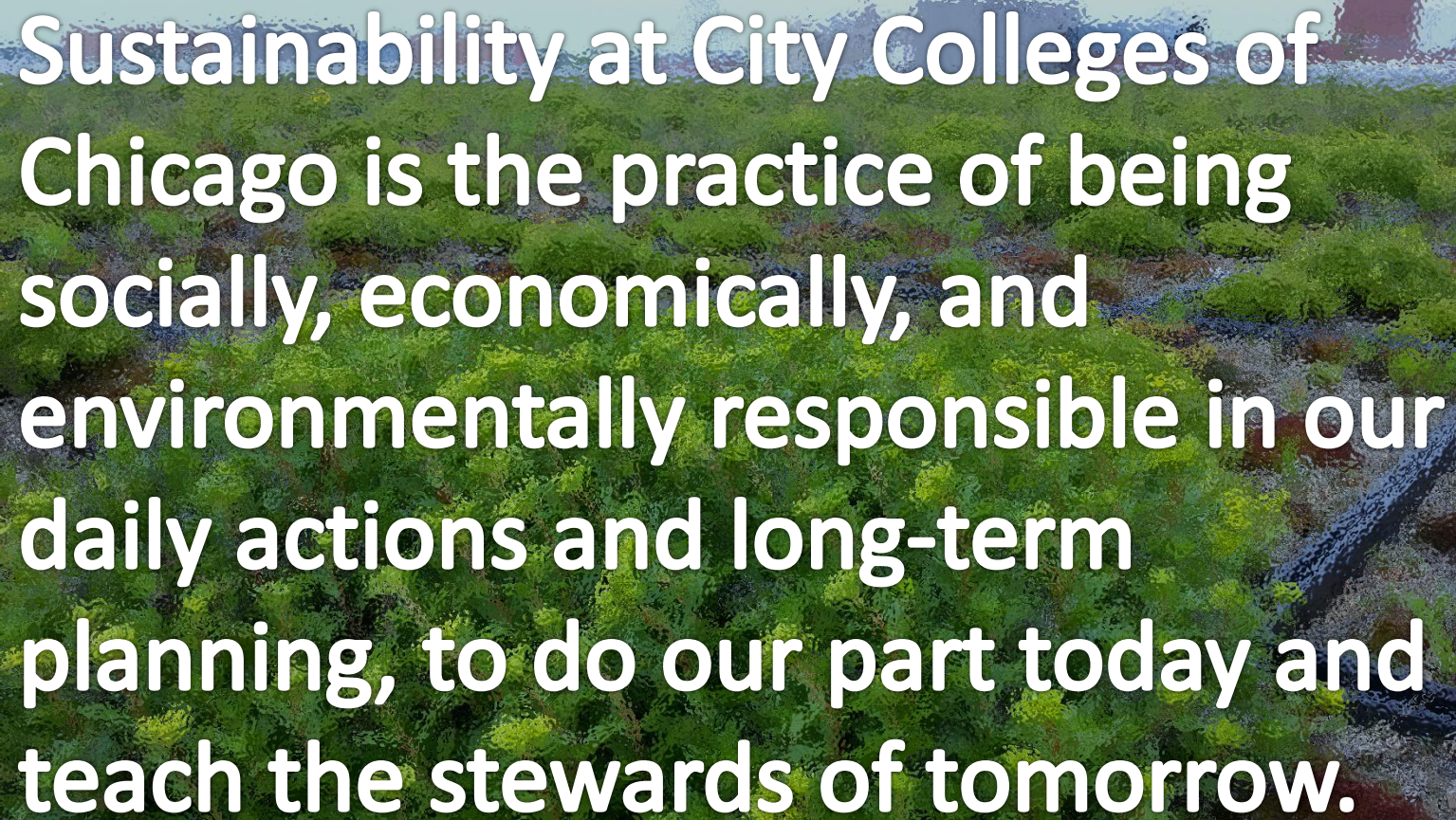
Sustainability means meeting the needs of the present, without compromising our ability to meet the needs of the future. It's about making responsible decisions that factor in both immediate and long-term outcomes.



"Sustainability" means having the ability to maintain or sustain one's existence. It's about taking various aspects of an issue into consideration to determine the best possible outcome for the most over the longest amount of time. As it pertains to CCC, *sustainability* is about considering **social**, **environmental** and **economic** concerns in our immediate and long-term planning to ensure best possible outcomes. These three components make up the sustainability "triple-bottom-line" and are essential to our overall success.

Sustainability in Education

Education is an investment of time, money, energy and other valuable resources. A sustainable education is one that yields high value in exchange for these resources. City Colleges of Chicago strives to offer students an affordable, accessible, high-yielding education that will continue to enrich and benefit the students, their families and the community for years to come.



Sustainability at City Colleges of Chicago is the practice of being socially, economically, and environmentally responsible in our daily actions and long-term planning, to do our part today and teach the stewards of tomorrow.













Next Steps

- Sustainability Policy
- Increased Student and Faculty Outreach (including www.ccc.edu/green)
- Continued efficient management of Resources and Energy in Facilities Planning and Operations



CITY COLLEGES
of CHICAGO
Internal Audit Department
Education that Works

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Committee on Finance & Administrative Services Meeting – Internal Audit Updates

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Internal Audit Status Updates

- Internal Audit has completed the following audit activities since the last meeting of the Finance and Administrative Services Committee on November 17, 2014:
 - Wright College Business Office Review
 - Return to Title IV (R2T4) Review
- The findings and process improvement opportunities identified in these audit activities, and the corresponding Internal Audit recommendations, have been communicated to the stakeholders concerned. Internal Audit has obtained from the process owners their responses, and will follow up with them on the action steps they have indicated.
- The two audit activities above bring to nine (9) the total number completed so far in FY 2015. In the last meeting, Internal Audit presented Report Summaries for the following audit activities:
 - Student Financial Aid Verification Files Review
 - Veterans Affairs Education Benefits Review
 - Employee Expense Reimbursements Review
 - COLA Retroactive Pay for NBF Employees Recalculation Analysis
 - Arbitration Back Pay for Local 1600 Union Employees Recalculation Analysis
 - Malcolm X College Business Office Review
 - Child Care Centers Review

Internal Audit Status Updates

- Internal Audit has also begun work on the following audit activities, the reports for which will be presented in the next Committee meeting:

Name of Audit/Review	Objective/s	Status	Targeted Completion Date
Malcolm X Construction Audit	Determine compliance with applicable CCC policies and procedures; and evaluate the adequacy of the operations and compliance processes and identify any opportunities for improvement	Reporting	January 26 th
Procurement Practices Review	Evaluate the effectiveness of pertinent controls that apply to procurement activities requiring “informal bidding” requirements (i.e., purchases valued at \$2,500 to \$25,000)	Reporting	January 30 th
Payroll Process Review	Understand and document the payroll process in CCC, and develop recommendations to assist in making the process more effective and efficient	Fieldwork	January 30 th
Student Accounts Receivable Process Review	Review the student A/R process District-wide, and recommend changes to improve process efficiency and effectiveness	Fieldwork	February 13 th
Truman College Business Office Review	Determine compliance with applicable CCC policies and procedures; and evaluate the adequacy of the Business Office’s processes and identify any opportunities for improvement.	Fieldwork	February 27 th

Internal Audit Report Summaries (continued)

Wright College Business Office Review

<p>Origin: ▪ Part of the IA Audit Plan</p> <p>Timeline: ▪ Initiated: November 2014 ▪ Duration: 5 weeks ▪ Completion: December 2014</p> <p>Findings / Process Improvement Opportunities:</p> <ul style="list-style-type: none"> ▪ Instances of non-compliance with CCC Policies and Procedures related to customer daily cash receipts processing requirements ▪ Instances of non-compliance with CCC Policies and Procedures related to vendor invoice payment processing requirements ▪ Instances of non-compliance with the CCC's informal competitive bidding process ▪ Concentration of online banking access prevents proper review of electronic deposits scanned ▪ Current DCR practices cause reconciliation differences related to credit card refunds, as well as facility rental cash collections ▪ Undocumented policies and procedures regarding cash timing differences for Humboldt Park Vocational Education Center (HPVEC) ▪ Lack of clarity on the expectations regarding the role of the Business Office in the processing of facilities rentals 	<p>Management Responses:</p> <ul style="list-style-type: none"> ▪ Another level of review to the DCR has been added; cash services provider Garda has been requested to move weekly cash pickup to Monday. ▪ The Business Office has communicated the requirement to date-stamp all invoices to all Business Office staff. Procurement training has been scheduled for all departmental secretaries in the college on January 30th. ▪ The Business Office ensures that bid recaps are completed for all purchases from a single vendor from a single department which exceed \$2,500. ▪ Set up of access to online banking for the Executive Director has been requested. ▪ The Business Office is currently processing all facilities rental contract payments through PSF. ▪ The Business Office will update the procedures regarding collection of cash receipts from HPVEC. ▪ The role of the Business Office in the processing of facilities rentals is being discussed at the District Office between the Office of Finance and the Office of Administrative Affairs.
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Internal Audit Report Summaries (continued)

Return to Title IV (R2T4) Review

Origin: Referred by the Associate Vice-Chancellor for Student Financial Services

Management Responses: Continue to discuss the possibility of centralizing R2T4 processing by Fall 2015. A centralized Satisfactory Academic Progress (SAP) process has been recommended, and the staff who would be performing the centralized SAP processing would perform R2T4 calculations as well.

Timeline:

- Initiated: November 2014
- Duration: 4 weeks
- Completion: December 2014

- Provide the Directors of Financial Aid with a copy of IA's report to ensure that they understand that R2T4 compliance is being monitored closely. The college with the highest number of exceptions will be asked to develop action plans to ensure compliance. The college action plans will be due by February 13, 2015.

Findings / Process Improvement Opportunities:

- Delayed R2T4 assessments increase the risk of inaccurate and untimely processing of R2T4s. Campuses that assessed R2T4 on a timely basis had more favorable results compared to the campuses that took longer to complete R2T4 assessments.
- Campuses utilize two inconsistent methods to acknowledge a review was completed in Regent for students who did not require a R2T4 calculation.

Status of Audit Follow-ups

Name of Audit/Review	Report Date	Total # of Findings / Observations	# of Open Findings / Observations as of 11/17/14 Finance & Admin Services Committee Meeting	# of Open Findings / Observations as of 01/22/15 Finance & Admin Services Committee Meeting *
Fiscal Year 2014				
Washburne Culinary Institute Operations Review	02/12/2014	4	3	0
MBE/WBE Compliance Review	05/01/2014	5	1	1
Health Benefits Payments Review	05/21/2014	2	1	1
Business Office Review – Olive Harvey	03/18/2014	1	0	0
Business Office Review – Daley	04/07/2014	5	1	0
Business Office Review – Harold Washington	04/30/2014	5	1	0
Washburne Café Cash Management Review	05/14/2014	2	0	0
Fiscal Year 2015				
Student Financial Aid Verification Files Review	09/15/2014	5	5	0
Veterans Affairs Education Benefits Review	10/14/2014	4	4	4
Employee Expense Reimbursements Review	10/21/2014	2	2	0
COLA Retroactive Pay for NBF Employees Recalculation Analysis	08/22/2014	2	2	0
Arbitration Back Pay for Local 1600 Union Employees Recalculation Analysis	09/23/2104	2	2	0
Malcolm X College Business Office Review	10/17/2014	6	6	5
Child Care Centers Review	10/23/2014	8	6	2

Note: * For the open findings, IA noted during the audit follow-ups that the process owners have taken the action steps that they committed under their management responses to the findings. The findings are marked open as the pertinent action steps are still underway or in progress. IA will continue to follow up with management on the completion of the action steps that they have committed.