

**SUMMARIZATION OF THE NOVEMBER 9, 2006  
FINANCE OFFICE, ADMINISTRATIVE SERVICES, AND OFFICE OF  
INFORMATION TECHNOLOGY COMMITTEE MINUTES**

**2.1.1 TREASURY UPDATE**

**Monthly cash flow and investment status report:** There are five reports in your packages for today's meeting. First, the District's Treasurer prepared the FY 2007 *Monthly Cash Flow Report* with actual results through October 2006 for today's meeting. This report covers the District's Operating cash and investment fund receipts, disbursements, and balances. (See summary of report in Table 1 below.) Total operating fund balances at the end of September 2006 was \$212.7 million. The major revision to the year end forecast since the last month's report is a \$1.7 million increase in the estimated property tax collections due to higher than expected payments. The Treasurer also reports a slight increase in tuition and fees, state grant collections and interest earnings

Table 1. Operating Funds as of September 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	\$ 13.4	\$ 60.2	\$26.0	(\$36.0)	\$11.6
Investments:					
State Treasurer	\$110.2	\$ 78.9	\$43.0		\$146.1
Restricted	0.9	-0-	-0-		0.9
Medium-Long	53.9	0.2	-0-		54.1
Subtotal	<u>\$165.0</u>	<u>\$ 79.1</u>	<u>\$43.0</u>		<u>\$201.1</u>
Total Operating	\$178.4	\$139.3	\$69.0	(\$36.0)	\$212.7

The second report is the quarterly Weiss, Peck and Greer (WPG) *Medium to Long Term Investments Report* as the end of September 2006 details the results of \$54 million in District's medium to long term investments covering the portfolio performance, asset and market value reconciliation, schedule of transactions, and portfolio holdings. The third quarter investment returns, net of fees, of 1.61% as compared to the one year benchmark of 1.63 and the traditional six month treasury return of 1.40%.

The third report is the September 2006 Quarterly Investment Report by term and investment instruments. This report does not include the liquid cash account balances at various Chicago banks (They are detailed in a separate report with balances totaling \$11.6 million.) This report does include all of the District's operating and non-operating

(CCC Foundation and debt service funds) investments totaling \$255.1 million, short Term amount is \$ 190.0 million and the medium to long term balance is \$65.1 million.

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

The final report is the Quarterly list of Operating and Non-operating Fund depository and disbursement accounts listed alphabetically by bank. There are no changes to this list from the prior quarters report. The District's sixty-two (62) accounts consist of the District's main depository and investment accounts and colleges' investments, federal Perkins, imprest, and agency (student) accounts.

## **2.1.2 BUDGET/FINANCE UPDATE**

### **Budget Update:**

Required ICCB Reports: The Finance Office submitted the FY 2007 budget document to the Illinois Community College Board before the October 15, 2006 deadline.

The Chancellor, Academic Affairs, and Finance Office staff met with the college presidents to review FY 2007 budget issues including the college's strategies for student tutoring, student retention initiatives, and use of the new State Student Success Grant. The Finance Office has offered additional APSA training support at colleges.

### **Procurement Update:**

Illinois Community College System Procurement Consortium

The Finance Office received a status report from the Illinois Community College System Procurement Consortium's (ICCSPC) Angela Kirkland on the District's participation through 2006. It appears that all CCC utilized the Josten's agreement via ICCSPC. In addition, the colleges have done some purchasing volume in the areas of rental cars, furniture, MRO and carpeting.

Daley College.....	\$7,466.39
Harold Washington College.....	6,311.56
Kennedy-King College.....	8,650.65
Malcolm X College.....	29,894.31
Olive-Harvey College.....	7,663.65
Truman College.....	6,960.44
Wright College.....	46,066.21
District Office.....	125.60
<b>TOTAL.....</b>	<b><u>\$113,138.81</u></b>

**Audit Status:**

## External Audit—

- ICCB approved the District's request to extend the basic financial statements deadline from October 15, 2006 to December 1, 2006 due to: (1) implementation issues with the new PeopleSoft Student Information System; and (2) problems with data from Blue Cross Blue Shield causing AON calculations to be recalculated.
- The auditors noted errors in calculating student financial aid payments due to first year system issues and business process issues. The colleges worked hard over the past two months to review and recalculate amounts. About \$77,000 per college in adjustments were made to allow the books to close. Also, AON received corrected data from Blue Cross. Blue Cross will cover the cost of the error.
- 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	November 30, 2006
ICCB Required, and Grants	October 15, 2006	November 30, 2006
Foundation Audit	November 15, 2006	On time
WYCC and Grants	November 30, 2006	On time
Federal Single Audit (A-133), Grants	March 31, 2007	Early Jan. 2007

## Internal Audit Status –

- Washington, Pittman & McKeever is on-schedule to complete several audits for the December's Executive Audit Committee meeting.

## Other Audit Activity:

- Continuing support of Internal Revenue Service (IRS) audit of CY 2003.
- Candidate for Director of Internal Audit Derrick Harden with over four years as an audit manager at KPMG.

**Joint Review Board Meeting:** The Finance Office represented the District at the November 3, 2006 Joint Review Board meeting held at City Hall. Two proposed Tax Increment Financing (TIF) Districts were presented and approved: the Armitage/Pulaski Tax Increment Financing Redevelopment Plan and the Harlem Industrial Park Conservation Area TIF Redevelopment Plan.

**Monthly Micro City Purchases:** The District's monthly Micro-City purchases report for the month of September 2006 totaled \$177,623.

### 2.1.3 PROCUREMENTS REPORT

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

#### Section 1 – Resolutions:

The Finance Office has two resolutions before the Board this month:

1G – amends the current list of authorized bank account signatures to add the new Truman College Vice President and remove a former Daley College Vice President from these colleges' agency, Federal Nursing Aid, Federal Perkins, and imprest accounts.

1H – requests the Board to authorize transfer of funds for the months of September and October 2006.

#### Section 4 – Agreements

There are eighteen (18) agreements on the agenda for this mornings meeting.

4A – is an articulation agreement between the District and the **National Labor College**. The agreements shall commence November 9, 2006 and continue throughout the June 30, 2007 and renewable each successive academic year. (Academic Affairs)

4B – is a software license agreement with **Assessment Technologies Institute** of Overland Parks, KS, for the Comprehensive Assessment and Review Program Software Packages for school year 2006-2007 at a cost not to exceed \$99,449 (ACADEMIC AFFAIRS)

4C – is an agreement with **Kaplan Medical** for nursing remediation services in an amount not to exceed \$50,000 from November 10, 2006 through November 9, 2007. (Academic Affairs)

4D - ratifies the Chairman's pre-approval to amend the agreement with **Tecorp** (Board Report #26838, dated July 14, 2005) to increase the contract amount by \$29,650, increasing the total contract amount to \$59,161 for the pool filter tank repair at Wright College and approve the payment for services rendered. (Administrative Services)

4E – seeks the Board's authority is to enter into a five year master rental agreement with **Oce' Imagistics, Inc.** of Chicago, IL to supply various copier and reproduction equipment district wide in an annual amount not to exceed \$900,000, starting December 1, 2006 through November 30, 2011 with the option to renew for two additional one year periods in accordance with RFP# IW0604 dated June 19, 2006. (Administrative Services)

4F - is for the renewal of the District's various insurance policies brokered through **Arthur J. Gallagher** in amount not to exceed \$1,045,174 from November 15, 2006 through November 15, 2007. (Risk Management)

4G - is an agreement with **Blue Cross Blue Shield** to provide HMO services to employees and retirees effective February 1, 2007 through December 31, 2007 in amount not to exceed \$8,850,122. (Human Resources)

4H - is a ratification to reduce the administrative fees of \$143,860 for the period July 1, 2006 through December 31, 2006, and to enter into the contract renewal with **Blue Cross Blue Shield of Illinois** for the PPO Plan administrative services for the period January 1, 2007 through December 31, 2007 at administrative fees not to exceed \$280,519. (HUMAN RESOURCES)

4I- is a contract renewal with **CoreSource, Inc.** for dental plan administrative services for the period January 1, 2007, through December 31, 2007 in the amount not to exceed \$81,784. (HUMAN RESOURCES)

4J- is a contract renewal with **Ceridian Corporation** for the Flexible Spending Account (FSA) Plan administrative services for the period January 1, 2007, through December 31, 2007 in an amount not to exceed \$9,269. (HUMAN RESOURCES)

4K - is an amendment to the professional services agreement with **Deloitte & Touché LLP** for the FY2006 annual audit in an amount not to exceed \$654,000. (OFFICE OF FINANCE)

4L - is a payment to **AON Consulting, Inc.** in the amount of \$11,250 for additional work required to complete the actuarial valuation of the liability under the Early Retirement Sick Pay Plan and to receive reimbursement from Blue Cross Blue Shield for the additional work. (OFFICE OF FINANCE)

4M - An agreement with **Sentinel Technologies, Inc.** to provide on-site maintenance of computer equipment in the amount of \$490,000, from November 1, 2006 through October 31, 2007. (Office of Information Technology)

4N - An agreement with the **Chicago Symphony Orchestra** for the rental of space for Harold Washington's graduation on May 21, 2007 from 11:00 a.m. to 1:00 p.m. in the amount of \$13,780. (HAROLD WASHINGTON COLLEGE)

4O - Amendment to Board Report # 27626 dated 10-5-06 to correct the dollar amount to be paid to **Illinois Driver Education** to \$40.00 per hour for year one.; \$45.00 per hour for year two; \$50.00 per hour all other terms remain the same.

4P- An agreement with **University of Illinois at Chicago**, College of Dentistry beginning July 1, 2006 through June 30, 2011, renewable by mutual written agreement for an additional five (5) year period (July 1, 2011 through June 30, 2016) where UIC

will make its facilities available for students enrolled in the Dental Hygiene Program at Kennedy-King College in an amount not to exceed \$250,000 per year for the continuation of the Dental Hygiene Program. (KENNEDY-KING COLLEGE)

4Q – is an agreement with **Xerox Corporation** for preventive maintenance service for the Docutech NP-135 at Malcolm X College beginning, November 9, 2006 through November 8, 2007 in an annual amount not to exceed \$20,000. (MALCOLM X)

4R - is software license agreement with **MEDS Inc** to provide tutorial software for the nursing students in an amount not to exceed \$16,000. (Wright College)

### **Section 6 – Purchases**

Here are seven (7) purchasing reports before the board this morning:

6A- is a purchase order in the amount of \$88,400.00 to **Anasazi Instruments, Inc.**, Indianapolis IN for the purchase of a 60 MHz Nuclear Magnetic Resonance Spectrometer for Harold Washington College Physical Science Department. (HAROLD WASHINGTON COLLEGE)

6B – is a purchase order in the amount of \$38,060 to **Malvern Instruments, Inc.** Southborough, MA. for the purchase of a Zetasizer Nanos Light Scattering Instrument for Harold Washington College Physical Science Department. (HAROLD WASHINGTON COLLEGE)

6C – Is a purchase order in the amount of \$16,512 to **Culinary Software Services, Inc** for the purchase of inventory software for the recent Coretec software acquisition for the Washburne Culinary Institute. (Kennedy King College)

6D- is for the purchase of a 2007 Hybrid Ford Escape for the Security Department at Truman College in the amount of \$25,365 through the City of Chicago contract with certified MBE vendor **Sutton Ford**, Matteson, IL. (Truman College)

6E – is for the issuance of purchase orders to **American Public Television** for the acquisition of broadcast programming for in the amount of \$80,000. (WYCC-TV)

6F- is for the issuance of purchase orders to **BBC Worldwide Americas** for the acquisition of broadcast programming for in the amount of \$80,000. (WYCC-TV)

6G- is for the issuance of purchase orders to **Executive Program Services** for the acquisition of broadcast programming for in the amount of \$70,000. (WYCC-TV)

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

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

- AT & T.....\$189,267.60
- No purchases through the Illinois Community College Purchasing Consortium

**Office of Administrative Services:**

1F Resolution to Provide Improvements to Facilities to Comply with the Illinois Accessibility Code, District-Wide Funds were awarded to the District through the Illinois Community College Board (ICCB) to address our programs, services and facilities that require modifications to address accessibility. Repairs and alterations listed have been identified by the colleges in the last 24 months as necessary to address the needs of the students and communities. Upon receipt of the funds, Administrative Services will work with Procurement Services to competitively solicit the projects and bring them back to the Board for approval.

**4D Pool Filter Tank Repair for Wright College**

Additional work was needed to restore the Wright swimming pool to full operation due to unknown conditions when the work was originally bid out by Procurement. Reviews by outside engineers identified the problems and TECORP was charged with completing satisfactory repairs. Verification has been received that the work was accepted by the engineers and the pool is fully operational and therefore final payment for TECORP is sought.

**4E Copier, Reproduction Equipment and Services, District-wide**

Administrative and Procurement Services worked together to analyze the District's needs and experiences with the current copiers, using that information to competitively solicit for copiers that would meet the expectations of the Colleges and District Office. Three major companies in the reprographic copier industry were short listed, interviewed, evaluated, and received firsthand demonstrations of their capabilities to the satisfaction of staff that will be using the equipment. Based on features, pricing, capabilities and service, Océ Imagistics, Inc, Chicago IL, is the recommended firm for the next five years with an amount not to exceed \$900,000 annually. Transition from Canon to Océ is expected to commence within thirty days. Full Minority and Women Owned Business participation has been supplied and Océ has addressed to the colleges a plan to provide a training program at Kennedy-King for reprographic technicians.

**New Kennedy-King College Campus**

The Project is 58% complete and still on schedule to be turned over to the District on June 27, 2007.

Since the last Board Meeting, there is no significant change in the M/WBE participation, which is 43 and 5% respectively.

Minority workers on site total 60% male and 6% female among the total workforce, and 16% of the overall total are Englewood residents.

Currently, there are nine (9) Dawson students employed.

In closing, Administrative Services and the Department of Finance have continued working with City of Chicago's Office of Budget & Management and Law Department to complete the Ordinance to be submitted to the City Council. Passage of this legislation will allow reimbursement from the City for outstanding City College capital projects from the 1999 General Obligation Bond Fund. The timeline has been revised, going to the Council in November with the final vote anticipated for December.

**Office of Information Technology reports:**

The month of Oct. was spent with the data clean up of records for financial aid students from fiscal year 2006. A complete audit of all financial aid student records was completed. This effort involved all Colleges and the District offices. We are also reviewing our student policy, financial aid regulations, business processes and training will be scheduled. We also have new edits in place for FY2007.

We continue to fight the increasing amount of spam emails. We enabled additional anti-spam features to keep the unsolicited advertising messages from our mail boxes; however the spammers are constantly devising new methods to pass their messages through the anti-spam filters. Our system is currently rejecting @ 14,000 spam messages per hour. This has caused some email delivery delays. Additionally we are looking at ways to improve our speed connection to the internet.

We continue to work with Administrative Services on the technology requirements for the new Kennedy-King College.

In your folder the status of the People soft student system as of November, 2006 that includes new functionalities, system edits/enhancement and work in progress of major projects