

**MEETING OF THE BUSINESS AFFAIRS COMMITTEE
OF THE BOARD OF TRUSTEES
Community College of Philadelphia
Wednesday, March 19, 2014– 9:00 A.M.**

PRESENT: Mr. Jeremiah White, presiding; Ms. Suzanne Biemiller (*via* teleconference), Stella Tsai, Esq., Mr. Gary Bixby, Dr. Samuel Hirsch, Mr. Gim Lim, Mr. Robert Lucas, Mr. Harry Moore, Mr. Todd Murphy, Mr. James P. Spiewak, Jill Garfinkle Weitz, Esq.; and representing KPMG, LLPL Ms. Chris Chepel and Mr. Arthur Ayres

AGENDA – PUBLIC SESSION

(1) 2012-2013 A-133 Audit Report (Action Item):

Discussion: The A-133 Audit Report is appended separately. The A-133 Audit report begins on page 50. Pages 1 to 49 contain the Financial Statements reviewed and accepted by the Board on October 3, 2013.

Ms. Chris Chepel of KPMG, LLP presented the A-133 Audit Report results. She directed the Committee's attention to page 57 of the report which noted the five major programs that were reviewed: Student Financial Assistance Cluster (which is the largest at approximately \$90 million); Career and Technical Education – Basic Grants to State (Perkins Local Plan); Higher Education Institutional Aid (Predominantly Black Institutions Formula Grant); Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants; and the TRIO Cluster.

There was only one finding in the Report which was a carryover finding from the 2012 fiscal year before the College's corrective action plan was put in place. Out of a sample of 40 students with enrollment status changes, enrollment was inaccurately reported for one student as half-time but should have been reported as less than half time. This finding was not considered a "material weakness" but was noted as a less severe finding--"a significant deficiency in internal controls over major program" and is now considered resolved. In response to a question from Ms. Tsai, Ms. Chepel explained that KPMG is required to audit larger federal awards annually and only smaller awards if there were prior year findings or the specific federal program has unique high risk features. The auditors' process is to examine the programs for financial accuracy while focusing on allowable costs. They ensure that required standards are being followed and, in the case of the TAACCCT grant, they monitor the activities of the subrecipients.

The College response and corrective action plan was explained by staff (Attachment A).

Mr. White referred Ms. Chepel to page 9 of the College's financial statements and asked her to comment on the trend in Total Net Assets. Ms. Chepel responded that the expense accrual entry for post-retirement benefits related to health care as required by

GASB 45 has a profound effect on the Unrestricted Net Assets. Fortunately, rating agencies understand this effect.

Action: Ms. Tsai moved and Ms. Biemiller seconded the motion that the Committee recommend to the full Board the acceptance of the 2012-2013 A-133 Audit Report. The motion passed unanimously.

(2) Board Resolution Required by PDE for Electronic Signature (Action Item):

Discussion: Mr. Spiewak explained that the Pennsylvania Department of Education (PDE) requires a Board Resolution authorizing Dr. Gay to electronically sign PDE documents and contracts. PDE's resolution was presented for review. Attachment B contains the Resolution.

Action: Ms. Tsai moved and Ms. Biemiller seconded the motion that the Committee recommend to the full Board the approval of the Resolution required by PDE for electronic signature. The motion passed unanimously.

(3) High Speed Copiers Lease (Action Item):

Discussion: Mr. Spiewak provided a handout (Attachment C) which detailed the results of an RFP for the replacement of high speed copiers. Bids were received the week of March 10, 2014 and reviewed by staff. The current lease expires April 30, 2014. This lease/purchase involves four machines in Business Services: one heavy duty unit with various finishing options; two units utilized at the walkup counter; and one color unit. Mr. Spiewak explained that the copiers are typically leased for a period of four years. Technological obsolescence and increasing down time for maintenance are the primary reasons for leasing over a four year time frame.

Staff recommended that Option 2 from Toshiba be approved by the Committee. The lease/purchase proposal is approximately \$10,000 per year less than the current lease and the annual copy or click charge is approximately \$5,000 less than the current arrangement.

Action: Ms. Biemiller moved and Ms. Tsai seconded the motion that the Committee recommend to the full Board that the contract be awarded to Toshiba Business Solutions (Option 2) at \$293,118.40, with the addition of a stacker unit. The motion passed unanimously.

(4) NWRC HVAC Project (Action Item):

Discussion: Mr. Spiewak explained that since a café was established in the Northwest Regional Center, there have been HVAC issues as well as the problem of cooking odors spilling out of the area. Supplemental cooling was not added to this space and the venting system that was installed by Sodexho, a previous food service provider, has proven to be inadequate. This project will alleviate both of these problems. An RFP was issued with four contractors responding. (See chart below.)

Edward J. Meloney, Inc.	\$222,000
R.A.M.M.	\$110,000
John Meehan and Sons	\$142,529
Santapaul Corporation T/A Lima Company	\$274,540

The lowest cost was offered by R.A.M.M at a cost of \$110,000. Mr. Spiewak noted that the cost will be financed by a third party at an annual cost of approximately \$29,000. Mr. Moore stated that this solution, as specified by an engineer, would alleviate the HVAC and odor issues.

Action: Ms. Tsai moved and Ms. Biemiller seconded the motion that the Committee recommend to the full Board that the Northwest Regional Center HVAC project be awarded to R.A.M.M. at a cost of \$110,000. This cost will be financed with a four-year lease/purchase arrangement with an approximate annual cost of \$29,000. The motion passed unanimously.

(5) Internal Audit Update (Information Item):

Mr. Robert Lucas discussed, in generalities, some of his recent audit activities. He presented the status of the 2013-2014 internal audit plan noting which reports had been finalized since the previous meeting. Mr. Lucas also noted the President's Cabinet members had requested executive summaries of each audit report be distributed to them to share information on issues identified during each audit. The executive summary was developed and has been distributed to the Cabinet for the last finalized audit report. Mr. Lucas also noted that he has begun to assist management with developing responses to issues in each audit report. This process will help expedite finalizing audit reports while providing department managers with a framework response to edit along with target dates for action plans.

6) 2013-14 Fiscal Year Budget Status Report (Information Item):

Mr. Spiewak circulated a handout (Attachment D) which provided FTE, Revenue and Expense projections stating that the financial situation was encouraging. The original budget projected a deficit of \$1.6 million and it is now expected that, if summer enrollment goals are met, the budget will be balanced.

Mr. Spiewak discussed the FTE report which shows that credit FTEs are projected to exceed the budget by 3.3% or almost 500 FTEs. This has generated additional tuition and fees of approximately \$3 million.

Mr. Spiewak then discussed pertinent information that was displayed on the remaining pages of the handout contained in Attachment D. Revenues increased by approximately \$3 million, with the increase attributable to the higher-than-budgeted enrollment and expenses increased by approximately \$1.3 million from the original budget. In response to a question related to tuition write-offs posed by Ms. Tsai, Mr. Spiewak and Dr. Hirsch described the change in policy related to student withdraws and "no shows." Prior to the Fall 2013 semester, students who were receiving financial aid had their tuition and fee charges removed if they dropped a course prior to the census

date or if they were "no shows" for any of their courses. Cash paying students did not have their charges removed. The change in policy makes the treatment of all students the same and should, over the near term, result in less students failing to abide by College policy related to withdrawing from courses. This change has had the effect of increasing the amount of tuition recorded; but since much of this tuition may not be collected, the tuition write-off account, a contra-revenue, was also increased. Mr. White stated that this change in policy should be mentioned at the next Student Outcomes meeting.

Mr. Spiewak next detailed the major factors that caused changes to the expense budget. Additional lapsed savings from administrative positions are projected due to existing administrative vacancies while faculty salaries are projected to be higher than originally budgeted. This is due to estimates made during the budget process since the contract had not yet been settled; adjustments to some faculty salaries based upon review of initial salaries; and the use of more Visiting Lecturers due to a number of faculty being on paid sick leave. Additionally, part-time instructional salaries increased since actual sections offered was slightly higher than projected.

Fringe benefit costs are projected to be higher in a few areas. Medical claims for the first few months of the year are higher-than-originally projected. Effective January 1, 2014, both the LTD and life insurance programs had increases in premiums. Both programs had recently concluded 3-year contracts that had no premium increases over those 3 years. In response to a question from Mr. White, Ms. Weitz noted that the College experienced a higher-than-normal number of faculty retirements once the contract was settled. She noted that some faculty members who had already passed the opportunity for the retirement incentive program may have delayed retirement thinking that another opportunity would come with a new contract, which was not the case.

In regards to Other Expenses, Mr. Spiewak noted that electricity costs are lower than budgeted; security costs are higher than budgeted due to the new union contract to which Allied Barton is a party; and legal costs are higher due to an active litigation claim.

(7) West Building Renovations Budget Update (Information Item):

Mr. Spiewak informed the Committee that the West Building Projects were complex and consisted of the following: relocation of the Architecture, Design & Construction program from the 4th floor to the second floor; the re-use of this 4th floor space for a Bio-Chemistry and Engineering Technology lab; the re-design of space for the Division Offices of Math, Science and Health Careers; the renovation of the Chemistry labs; and the creation of a new Research Lab. A budget status handout (Attachment E) was provided that showed the projects are expected to come in approximately \$750,000 over the original budget.

The College executed two separate borrowings for these projects: the first to fund the ADC, Division Office and Bio-Chemistry and Engineering Labs; and then the

second for the Chemistry Labs once this project was approved by PDE. Mr. Spiewak noted that since the time the College borrowed the funds, there have been a few factors that have affected the cost of projects. Originally, the space that is now the Bio-Chemistry and Engineering Technology Labs was designed as two Process Technology labs with a classroom in between. This concept was replaced with the current design in order to better respond to changes in workforce and transfer opportunities for students. The new labs are a better fit for current STEM projects. The moving of the Engineering Technology lab created an opportunity to build a Research Lab that had always been desired by the Division. The creation of the Research lab enabled the College to apply for and receive a \$286,598 Department of Defense Research grant to assist in providing equipment for the lab. These two factors drove some of the increased costs in construction and resulted in additional architecture design costs. The design of the renovated Chemistry Labs also went through an additional iteration. In addition, the College had more asbestos remediation work than originally thought and there were electrical code compliance issues that needed to be addressed.

To account for the borrowing shortfall, the College has set aside \$375,000 from the current year's capital budget and will set aside \$375,000 from the FY 14-15 capital budget to fund the extra costs.

Mr. White noted that the spending of approximately \$375,000 of FY 13-14 capital funds will need to come before the Committee as an action item in April, 2014.

(8) NERC, Pavilion and BMW Budget Update (Information Item):

Mr. Spiewak provided a handout (Attachment F) that reflected the current budget status of the NERC, Pavilion, BMW and Landscape Projects which were begun in 2008. Anticipated revenues are greater than the actual costs of the projects. It is important to note that this projection assumes the College will recover \$2.4 million from the architect.

Mr. Spiewak stated that there was \$500,000 remaining in the budget to complete the landscaping along 17th Street but unfortunately, when this project was bid in January, 2014, the proposals received were approximately double that amount. Staff intend to scale back the design so that the completion of this landscaping can be accommodated within budget.

(9) Construction Update on West Building Construction Projects and 17th Street Landscaping (Information Item):

Mr. Bixby provided an update on the construction efforts currently taking place on the 4th floor of the West Building. Two renovated chemistry labs were turned over for use after Spring Break; two additional labs and the Bio-Chemistry and Engineering Technology labs will be completed in early summer; and the remaining Chemistry and Research labs will be completed prior to the Fall 2014 term.

Staff will rebid the electrical and masonry repair work for the west side of 17th Street and will present options for completion of the landscape work within the available funds.

(10) Next Meeting Date:

The next regularly scheduled meeting of the Committee will occur on Wednesday, April 23, 2014 at 9:00 A.M. in the Isadore A. Shrager Boardroom, M2-1.

AGENDA –EXECUTIVE SESSION

Committee Members met separately with the Internal Auditor.

JPS/lm
Attachments
BAC0314MINUTES

ATTACHMENT A
INSTITUTIONAL RESPONSE TO
JUNE 30, 2013 A-133 AUDIT REPORT

COMMUNITY COLLEGE OF PHILADELPHIA

JUNE 30, 2013 A-133 AUDIT REPORT

INSTITUTIONAL CORRECTIVE ACTION PLAN

FINDING: 2013-001 84.268 Compliance Requirement: Enrollment Reporting (FFEL and Direct Loan)

RECOMMENDATION:

We recommend that the College continue to enhance the accuracy of its enrollment reporting.

COLLEGE RESPONSE:

The College concurs with this finding. However, it must be noted the finding relates to a summer term. The National Student Loan Data System Enrollment Reporting Guide states that "students are considered to be in-school and continuously enrolled during academic year holiday and vacation periods, as well as during the summer between academic years (even if not enrolled in a summer session), as long as there is reason to believe that they intend to enroll for the next regularly scheduled term." The next regularly scheduled term was fall 2012 and the student was indeed enrolled for half-time.

CORRECTIVE ACTION PLAN:

In addition to implementing a more rigorous review prior to submitting the enrollment status change report, the College has also transitioned from an in-house developed reporting process to a baseline reporting process delivered by Ellucian, the College's Enterprise Resource Planning (ERP) System provider. The baseline reporting process is widely used by many other schools and is more extensively tested.

ATTACHMENT B

**BOARD RESOLUTION REQUIRED BY
PDE FOR ELECTRONIC SIGNATURE**

RESOLUTION

BE IT RESOLVED, by authority of the Board of Trustees of the Community College of Philadelphia, and it is hereby resolved by authority of the same, that the Judith Gay who is the Interim President of the above named body is authorized and directed to sign any and all contracts, agreements, grants and/or licenses (hereinafter collectively referred to as contract(s)) with the Pennsylvania Department of Education (Department); and

BE IT FURTHER RESOLVED, that the body consents to the use of electronic signatures by the above named individual and that no handwritten signature from the above named individual shall be required in order for any contract with the Department to be legally enforceable and that by affixing his/her electronic signature to an electronic file of the contract via the Department's e-grants system, the above designated authorized individual shall have effectively executed and delivered the contract, binding the Community College of Philadelphia to comply with the terms of said contract; and

BE IT FURTHER RESOLVED, that no writing shall be required in order to make the contract valid and legally binding, provided that the Department and all other necessary Commonwealth approvers affix their signatures electronically and an electronically-printed copy of the Contract is e-mailed or is otherwise made available to the body by electronic means; and

BE IT FURTHER RESOLVED, that the body will not contest the due authorization, execution, delivery, validity or enforceability of the electronic Contract under the provisions of a statute of frauds or any other applicable law. The Contract, if introduced as evidence on paper in any judicial, arbitration, mediation, or administrative proceedings, will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form and the admissibility thereof shall not be contested under either the business records exception to the hearsay rule or the best evidence rule; and

BE IT FURTHER RESOLVED, that the body will notify the Department's Bureau of Management Services promptly in the event that the above named individual is no longer authorized to execute agreements on behalf of the body electronically and that the Department shall be entitled to rely upon the above named officer's authority to execute agreements electronically on behalf of the body until such notice is received by the Department's Office of Chief Counsel.

ATTEST

President/Chair or Vice-President/Chair

Treasurer/Secretary

Print/type name and title

Print/type name and title

I, _____, Secretary, of _____. Do certify that the foregoing is a true and correct copy of the Resolution adopted at a regular meeting of the _____, held the ____ day of _____, 20__.

Dated: _____

Signature

Print/type name and title

TO BE EXECUTED BY AUTHORIZED OFFICER:

As the person authorized to sign on behalf of the above named body, I agree that I shall not provide any other person with my e-grants password or otherwise authorize any other individual to affix my electronic signature to any agreement with the Department.

Dated: _____

Signature

Judith Gay, Interim President

ATTACHMENT C

**RATIONALE FOR REPLACEMENT OF COPIERS IN THE
BUSINESS SERVICES CENTER**

Replacement of Copiers in Business Services (Duplicating Center).

Our current vendor (Canon Business Solutions) provides us with the following models on a four-year lease which expires April 30, 2014:

- Two Canon 7105 copiers – 105 pages per minute
- One Canon 1135 copier – 135 pages per minute
- One Canon 5151 color copier – 51 pages per minute

The average monthly volume is 800,000 impressions.

In response to our RFP, the following companies provided a response:

1. Canon Business Solutions
2. Ricoh USA
3. Konica Minolta
4. Xerox USA
5. Stewart Xerox
6. Toshiba Business Solutions

Staff visited all above vendors for product demonstrations. Each vendor was also required to bring a demonstration unit onsite for testing with our Banner Software. All companies passed the evaluation.

There were only minor changes in specifications for the new equipment; saddle stitch binding and three hole punch capabilities were added. On the color unit the speed requirement was increased from 51 pages per minute to 65 pages per minute.

As part of staff's evaluation, the construction of the copier as well as quality of output was reviewed. All companies provided acceptable copy quality. The most critical component is the quality of the service organization. Each company had to provide information related to the number of technicians available locally and response times.

The College is currently under contract with Toshiba Business Solutions for its office suite multi-function units. For this RFP they were able to demonstrate their ability to provide hardware, software and service as well as the lowest prices for hardware and service.

Toshiba Business Solutions will provide the college with the following equipment:

1. Three (3) E-Studio 1355 copiers – 135 pages per minute
2. One (1) E-Studio 6540CT color copier – 65 pages per minute

This selection provides a slight increase in production over our current Canon copiers. In addition, meter charges are roughly 10% lower than our current contract.

The total cost for the above option, with the addition of a stacker unit, is \$293,118.40, which will be covered by a four year municipal lease with a \$1.00 buyout. This will allow the college maximum flexibility at the end of lease.

Staff performed reference checks with three customers using the same models as are being recommended. Monthly volumes were similar and all customers stated that repair calls were minimal.

Our current vendor for satellite copiers on all campuses is Toshiba Business Solutions. They have successfully maintained fifty copiers without undue difficulty. By selecting Toshiba as our vendor for high speed equipment, we benefit from onsite parts inventory and daily on-campus visits by their technicians. This will minimize travel time and delays in getting a technician on location.

In summary, staff recommend Toshiba Business Solution Option 2.

	Toshiba Option 1	Toshiba Option 2	Ricoh	Xerox	Canon2	Canon1	KonicaMinolta 1	Stewart Xerox
Purchase #1	\$ 33,782.00	\$ 33,782.00	\$ 31,521.98	\$ 31,458.00	\$ 48,543.00	\$ 75,848.00	\$ 42,748.00	\$ 109,515.00
Purchase #2	\$ 25,757.00	\$ 27,255.00	\$ 24,210.53	\$ 24,870.00	\$ 27,281.00	\$ 25,034.00	\$ 42,748.00	\$ 30,875.00
Purchase #3	\$ 25,757.00	\$ 27,255.00	\$ 24,210.53	\$ 24,870.00	\$ 27,281.00	\$ 25,034.00	\$ 58,766.00	\$ 30,875.00
Purchase #4	\$ 13,661.00	\$ 13,661.00	\$ 18,386.77	\$ 16,375.00	\$ 20,268.00	\$ 20,268.00	\$ 44,127.00	\$ 30,757.00
	\$ 98,957.00	\$ 101,953.00	\$ 98,329.81	\$ 97,573.00	\$ 123,373.00	\$ 146,184.00	\$ 188,389.00	\$ 202,022.00
FMV #1	\$ 41,511.32	\$ 41,511.32	\$ 33,892.43	\$ 43,463.38	\$ 53,203.13	\$ 83,129.41	\$ 49,108.90	\$ 127,592.33
FMV #2	\$ 31,650.20	\$ 33,490.94	\$ 26,031.16	\$ 32,094.24	\$ 29,899.98	\$ 27,437.26	\$ 49,108.90	\$ 35,971.45
FMV #3	\$ 31,650.20	\$ 33,490.94	\$ 26,031.16	\$ 32,094.24	\$ 29,899.98	\$ 27,437.26	\$ 67,510.38	\$ 35,971.45
FMV #4	\$ 16,786.64	\$ 16,786.64	\$ 19,769.46	\$ 19,298.66	\$ 22,213.73	\$ 22,213.73	\$ 50,693.10	\$ 35,833.97
	\$ 121,598.36	\$ 125,279.84	\$ 105,724.21	\$ 126,950.52	\$ 135,216.82	\$ 160,217.66	\$ 216,421.28	\$ 235,369.20
\$1BO #1	\$ 38,527.70	\$ 38,527.70	\$ 35,257.21	\$ 48,476.53	\$ 60,348.66	\$ 94,294.23	\$ 50,340.04	\$ 112,300.36
\$1BO #2	\$ 29,375.34	\$ 31,083.78	\$ 27,079.38	\$ 36,000.22	\$ 33,915.74	\$ 31,122.27	\$ 50,340.04	\$ 31,660.26
\$1BO #3	\$ 29,375.34	\$ 31,083.78	\$ 27,079.38	\$ 36,000.22	\$ 33,915.74	\$ 31,122.27	\$ 69,202.84	\$ 31,660.26
\$1BO #4	\$ 15,580.10	\$ 15,580.10	\$ 20,565.53	\$ 21,878.31	\$ 25,197.18	\$ 25,197.18	\$ 51,963.96	\$ 31,539.26
	\$ 112,858.48	\$ 116,275.36	\$ 109,981.50	\$ 142,355.28	\$ 153,377.32	\$ 181,735.95	\$ 221,846.89	\$ 207,160.14
Per Copy Costs based upon volume estimates as provided by CCP								
\$/Copy #1	\$ 61,416.00	\$ 61,416.00	\$ 65,510.40	\$ 77,793.60	\$ 81,888.00	\$ 77,793.60	\$ 81,888.00	\$ 96,218.40
\$/Copy #2	\$ 19,512.00	\$ 19,512.00	\$ 20,812.80	\$ 27,316.80	\$ 26,016.00	\$ 24,715.20	\$ 26,016.00	\$ 30,568.80
\$/Copy #3	\$ 21,888.00	\$ 21,888.00	\$ 23,347.20	\$ 30,643.20	\$ 29,184.00	\$ 27,724.80	\$ 29,184.00	\$ 34,291.20
\$/Copy #4	\$ 48,000.00	\$ 48,000.00	\$ 45,000.00	\$ 47,520.00	\$ 48,000.00	\$ 48,000.00	\$ 14,400.00	\$ 54,339.12
	\$ 150,816.00	\$ 150,816.00	\$ 154,670.40	\$ 183,273.60	\$ 185,088.00	\$ 178,233.60	\$ 151,488.00	\$ 215,417.52
TOTAL FOUR-YEAR COSTS								
total FMV + \$/Copy	\$ 272,414.36	\$ 276,095.84	\$ 281,565.01	\$ 310,224.12	\$ 320,304.82	\$ 338,451.26	\$ 367,909.28	\$ 450,786.72
total \$5BO + \$/Copy	\$ 263,674.48	\$ 267,091.36	\$ 287,075.10	\$ 325,628.88	\$ 338,465.32	\$ 359,969.55	\$ 373,334.89	\$ 422,577.66
	Toshiba includes the PC	Toshiba includes the PC	PC NOT included					
			Management Software not included in price, add \$6,700 into FMV & \$5BO totals lines					

ATTACHMENT D

**2013-14 FISCAL YEAR BUDGET STATUS REPORT
As of MARCH 19, 2014**

**Community College of Philadelphia
Enrollment Information (FTEs) for Fiscal Year 2013-2014**

	Actual FY 12-13	Budgeted FY 13-14	Actual / Projected FY 13-14	Actual FY 14 vs Budgeted FY 14	% Variance
<u>CREDIT</u>					
Summer 2	1,837	1,829	1,865	36	1.97%
Fall	12,825	12,309	12,950	641	5.21%
Spring	12,878	12,455	12,756	301	2.41%
Summer 1	2,691	2,750	2,750	*	0.00%
Credit Year-to-date Totals - Annual FTEs	15,115	14,672	15,161	*	3.33%
<u>NONCREDIT</u>					
Summer 2	93	94	58	(36)	-38.30%
Fall	598	686	525	(161)	-23.47%
Spring	561	603	371	(232)	-38.47%
Summer 1	186	268	186	(82)	-30.60%
Noncredit Year-to-date Totals - Annual FTEs	719	826	570	*	-30.95%

* Projected

**Community College of Philadelphia
Operating Budget Projections
Fiscal Year 2013-2014**

	<u>Original Budget</u>	<u>Current Projection as of March 19, 2014</u>
<u>REVENUES</u>		
Student Tuition and Fees	\$73,549,267	\$76,560,871
Commonwealth of Pennsylvania	28,226,906	28,226,906
City of Philadelphia	18,843,343	18,923,752
Other Income	<u>1,687,400</u>	<u>1,594,300</u>
TOTAL REVENUES	\$122,306,916	\$125,305,829
<u>EXPENSES</u>		
Salaries, Net of Lapsed Funds	\$72,164,281	\$73,022,027
Fringe Benefits	31,177,700	31,556,900
Other Expenses	20,407,960	20,442,108
Student Financial Aid	<u>175,000</u>	<u>175,000</u>
TOTAL EXPENSES	\$123,924,941	\$125,196,035
Projected (Deficit) Surplus *	<u>(\$1,618,025)</u>	<u>\$109,794</u>

* Prior to impact of GASB45 accrual

**Community College of Philadelphia
Operating Budget Projection
Fiscal Year 2013-2014**

Current Projection
as of March 19,
2014

	Original Budget	Current Projection as of March 19, 2014	
OPERATING REVENUES			
State Funding			
State Lease funding	\$28,036,906	\$28,036,906	
	190,000	190,000	
Total State Revenues	28,226,906	28,226,906	
Tuition - Credit Students	60,559,252	63,967,981	Reflects higher than budgeted credit enrollments.
Technology Fee			Reflects higher than budgeted credit enrollments.
Net Contribution from: Contracted Noncredit Instruction; Other Noncredit Instruction; Adult Community Noncredit Instruction	10,196,700	10,584,280	Budget revised based upon actual net contributions through the Spring term.
	551,500	411,500	Reflects higher than budgeted credit enrollments.
Course Fees	3,291,615	3,395,110	Reflects impact on new late fee associated with the payment plan option.
Student Regulatory Fees	957,200	1,122,000	Reflects higher than budgeted write-offs and discounted tuition.
Tuition Adjustments - Student Receivable Write-offs, Collection Costs, Credit Card Costs & Senior Citizen Discount	(2,007,000)	(2,920,000)	
Total Student Tuition & Fees	73,549,267	76,560,871	
City Operating Funds	18,843,343	18,923,752	
Investment Income			
Vocational Education Funding	660,000	548,900	
Indirect Costs, Administrative Allowances	200,000	200,000	
Parking Proceeds & Miscellaneous Income	300,000	300,000	
	527,400	545,400	
Total Other Income	1,687,400	1,594,300	
TOTAL OPERATING REVENUES	\$122,306,916	\$125,305,829	

**Community College of Philadelphia
Operating Budget Projection
Fiscal Year 2013-2014**

Current Projection
as of March 19,

	Original Budget	2014	Comment
<u>OPERATING EXPENSES</u>			
Salaries			
Full-Time Administrative Salaries	15,342,969	15,599,863	
Less: Projected Lapsed Salaries	(600,000)	(1,000,000)	
Net Full-Time Administrative Salaries	14,742,969	14,599,863	
Full-Time Faculty Salaries	28,274,336	28,994,336	
Less: Projected Lapsed Salaries	(150,000)	0	
Net Full-Time Faculty Salaries	28,124,336	28,994,336	
Full-Time Classified Salaries	10,749,777	10,749,777	
Less: Projected Lapsed Salaries	(600,000)	(600,000)	
Net Full-Time Classified Salaries	10,149,777	10,149,777	
Subtotal - Full-Time Salaries	53,017,082	53,743,976	
Part-Time & Overload Credit Salaries	9,814,525	10,207,525	Additional sections were added to
Summer Credit Instruction	4,322,276	4,049,276	accommodate increased enrollments.
Part-Time & Overload Non-Credit Salaries	316,956	316,956	
All Other Salaries	4,243,442	4,254,294	
Early Retirement Incentive Payments	450,000	450,000	
Subtotal - Other than Full-Time Salaries	19,147,199	19,278,051	
Total Salaries	72,164,281	73,022,027	

**Community College of Philadelphia
Operating Budget Projection
Fiscal Year 2013-2014**

Current Projection
as of March 19,
2014

Original Budget	2014	Comment
Fringe Benefits		
Medical Program	20,264,000	Budget revised based upon revised projection by benefit broker.
Retirement	5,542,800	
FICA	3,066,400	Budget revised based upon projected increase in salaries.
Tuition Remission	700,000	Budget revised based upon actual through Spring term and projected for summer term.
Group Life	370,800	Budget revised based upon results of bid after 3-year fixed rate contract expired.
Unemployment Compensation	366,400	
Workers' Compensation	271,700	Actual premium cost is higher than budgeted.
Unused Vacation	228,400	Budget revised based upon final FY 12-13 costs.
Disability Premium	272,200	Budget revised based upon results of bid after 3-year fixed rate contract expired.
Forgivable Education Loan	95,000	
Total Fringe Benefits	31,177,700	31,556,900
Facility Expenses		
Utilities	2,398,610	Budget revised based upon lower than projected cost of electricity procurement.
Contracted Security	1,360,880	Budget revised based upon increase in contract related to health care costs for unionized security guards.
Contracted Cleaning	1,100,000	
All Other Facility Expenses	2,001,872	
Total Facility Expenses	6,861,362	6,796,362

Community College of Philadelphia
 Operating Budget Projection
 Fiscal Year 2013-2014

Current Projection
 as of March 19,

	Original Budget	2014	Comment
All Other Expenses			
Leased Equipment & Software	4,554,646	4,555,053	
Catalogs and Advertising	1,251,471	1,259,186	
Supplies-Pool	1,469,430	1,339,430	Budget revised based upon projected spending.
Contracted Services	1,377,304	1,467,304	Budget revised based upon projected spending.
Consultant	783,450	860,485	Budget revised based upon costs associated with Presidential Search.
Maintenance & Repairs	524,609	530,250	
Postage	428,600	368,600	Budget revised based upon projected spending.
Insurance	635,000	635,000	
Legal Fees	200,000	500,000	Budget revised based upon costs associated with claim against Burt Hill Architects.
Other Expenses	2,322,088	2,130,438	
Total All Other Expenses	13,546,598	13,645,746	
King Scholarship	175,000	175,000	
TOTAL OPERATING EXPENSES	\$123,924,941	\$125,196,035	
Projected (Deficit) Surplus *	(\$1,618,025)	\$109,794	

* Prior to impact of GASB45 accrual

ATTACHMENT E

**WEST BUILDING RENOVATION PROJECTS
BUDGET UPDATE AS OF MARCH 19, 2014**

West Building Renovation Projects

3/17/2014

	PNC Loan West Building	SPSBA Loan Chemistry Lab	Total
Net Loan Proceeds	<u>2,370,000</u>	<u>1,800,000</u>	<u>4,170,000</u>
<u>COSTS</u>			
<u>Professional Fees and Other Costs</u>			
Architect - Design	136,671	101,968	238,639
Architect - Construction Adm	28,065	22,200	50,265
Construction Manager	93,496	93,134	186,630
Asbestos Removal	<u>61,375</u>	<u>85,869</u>	<u>147,244</u>
	319,607	303,171	622,778
<u>Second Floor Projects</u>			
Division Office - Construction	422,965		422,965
Division Office - Outfitting	<u>65,339</u>		<u>65,339</u>
	488,304		488,304
ADC - Construction	726,702		726,702
ADC - Outfitting	<u>27,272</u>		<u>27,272</u>
	753,974		753,974
<u>Fourth Floor Projects</u>			
Construction - Chemistry Labs		1,982,796	1,982,796
Construction - Bio-Chemistry, Engineering Tech & Research Lab	946,306		946,306
Chemistry Labs - Hoods & Casework Purchase	<u>140,430</u>		<u>140,430</u>
TOTAL COSTS	<u>2,648,621</u>	<u>2,285,967</u>	<u>4,934,588</u>
Over Budget	<u>278,621</u>	<u>485,967</u>	<u>764,588</u>

ATTACHMENT F

**NERC, PAVILION, BMW AND LANDSCAPE PROJECTS
BUDGET UPDATE AS OF MARCH 19, 2014**

Budget Status of NERC, Pavilion, BMW Projects as of March 19, 2014

PROJECTED USE OF FUNDS	Construction Costs	Architect, Construction Manager & Other Professional Fees	Outfitting & Public Art	Total Cost	Projected Recoveries from Architect	Net Total Cost
Northeast Regional Center Pavilion Building	25,165,342	3,436,516	2,413,882	31,015,740	-	31,015,740
Bonnell, Mint & West Building Renovations	24,610,268	8,765,541	635,344	34,011,154	(975,000)	33,036,154
	18,191,561	4,123	2,144,514	20,340,198	(1,425,000)	18,915,198
TOTALS	67,967,172	12,206,180	5,193,740	85,367,092	(2,400,000)	82,967,092

17th Street Landscaping/Bulb Out - awarded to Biddle Sept 2013
 Landscape Architect and Vision Plan
 Construction Management - Reynolds
 17th Street Landscaping/Bulb Out (as originally budgeted)

329,240
 424,991
 38,720
510,760

TOTAL PROJECTED NET COSTS

84,270,803

SOURCE OF FUNDS

Bond Proceeds 74,000,000
 Bond Proceeds Interest Earnings 1,078,624
 Remaining Proceeds from 1809 Sale 305,000

Capital Campaign Proceeds

Barnes and Noble 1,000,000
 EDA Grant 1,641,473
 Federal SBA Grant 282,000
 State Redevelopment Assistance (RACP) Grant 995,000
 Federal SBA Earmark - NERC 10,152
 Comprehensive Campaign Proceeds 3,000,000

6,928,625

Transfers from FY 11-12 and FY 12-13 FYE Close 1,500,000
 Other 577,879
 PWD/SMIP Grant 234,000

1,500,000
 577,879
 234,000

TOTAL PROJECTED SOURCE OF FUNDS

84,624,128

Additional Available for Landscaping

353,325