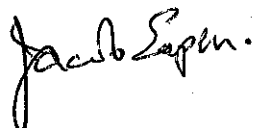


**MEETING OF THE BUSINESS AFFAIRS COMMITTEE
OF THE BOARD OF TRUSTEES
Community College of Philadelphia
Wednesday, March 25, 2015 - 8:30 A.M.**

TO: Business Affairs Committee of the Board of Trustees
FROM: Jacob Eapen 
DATE: March 20, 2015
SUBJECT: **Committee Meeting**

A meeting of the Business Affairs Committee of the Board of Trustees will be held on **Wednesday, March 25, 2015 at 8:30 A.M.** in the College's **Isadore A. Shrager Boardroom, M2-1**. For those members who are dialing into the meeting, the following is the conference bridge information: **DIAL-IN NUMBER: 1-888-675-6779; PARTICIPANT PASSCODE: 2050590#**

AGENDA- PUBLIC SESSION

(1) Amend College's 403b Plan Document to Allow Roth In-Plan Conversion (Action Item):

During the last round of negotiations, the College agreed to permit employees to contribute to a Roth account. As a result, the College established the TIAA-CREF and Fidelity Roth accounts last year. This next plan provision would allow employees to convert their existing pre-tax contributions in their retirement plan account to a Roth post-tax account. Taxes would be paid through account balance fund transfer. The Roth In-Plan conversion is 100% vested and cannot be transferred back to the original pre-tax source. All other plan rules apply for the Roth In-Plan conversion which includes eligibility, transfer, rollover and distribution. Fidelity will offer the Roth In-Plan conversion by May 1, 2015. TIAA-CREF will only be able to offer this conversion by the end of the year.

Staff request that the Committee recommend to the full Board approval of a resolution to amend the College's 403b Plan Document to allow a Roth In-Plan Conversion.

(2) Board Resolution for Refunding 2008 Bond (Action Item):

Attachment A contains the Board resolution required for the College to proceed with the 2008 Bond refunding, the refinancing of an equipment lease and new borrowings for certain capital projects such as: 1) renovating the College's biology labs; 2) replacing certain escalators located in the College's West Building; and 3) various other renovations, repairs and capital improvements to its facilities. Included in the Resolution is the appointment of the President and

the Chief Financial Officer who will have authority to approve the final terms of the refunding on behalf of the College, as well as to execute and deliver any and all documents to carry out the Projects. Committee recommendation of this Resolution to the full Board is requested.

(3) Commonfund Resolution (Action Item):

The College currently has two accounts with the Commonfund, the Multi-Strategy Bond and the Intermediate Term Fund. In order to effect change to authorize Mr. Jacob Eapen as an authorized user, the Commonfund requires a Corporate Resolution to be signed by the Secretary of the Board and notarized. Mr. Eapen assumed the position of Vice President for Business and Finance at the College on January 5, 2015. Please refer to Attachment B.

Staff is requesting that the Committee recommend to the full Board that the Commonfund Corporate Resolution be executed at the April 2, 2015 Board meeting to grant Mr. Jacob Eapen as an authorized user.

(4) Underground Storage Tank Contract (Action Item):

In the fall of 2012, the College participated in a peer-to-peer Environmental Audit of all College facilities. There were other participating community colleges from across the state. One of the outcomes from the audit process revealed the need to replace the three underground fuel storage tanks on the Main Campus. This replacement is necessary to complete registration of the tanks with the state. Funding for this project is available in the fiscal year 2014-2015 budget. Langan Engineering was engaged to develop specifications for the installation. Testing and Design work was completed in summer of 2014. Solicitation of bids occurred in January 2015. Of the thirteen firms invited to the pre-bid conference, five submitted formal responses to the solicitation. Hard costs of the project ranged from \$326,000 to \$523,000. The figures detailed in the table below are inclusive of the proposal costs and additional fees for Construction Administration, Contingencies and miscellaneous costs associated with registration of the tanks and an update to the College Spill Prevention Containment and Control (SPCC) plan, all of which will be handled by Langan Engineering. The lowest qualified bid was from the firm of Warren F. DeLong for \$326,000. This sum is for the preferred option of replacing two of the tanks underground and one aboveground. Staff request that the Committee recommend to the full Board the award of contract to Warren F. DeLong, Inc.

Warren F. Delong, Inc.	\$326,000.00
Oxford Engineering	\$364,400.00
Pine Run Construction	\$421,500.00
TTI Environmental	\$455,161.00
Miniscalco Construction	\$523,237.00

(5) Dining and Vending Services (Action Item):

On February 13, 2015, the College received a letter from American Food and Vending (AFV) announcing their intent to terminate the food service contract effective May 15, 2015. AFV meets the terms of the contract under Section 6.1.13.1 "Termination Without Cause" by giving a 90-day notice.

Because of the urgency to find a replacement vendor by May 15, 2015, the Division of Business and Finance, in consultation with the College's General Counsel, determined that a vendor had to be selected immediately. Staff identified and interviewed two college food service providers who had previously expressed interest in the College's food service contract. Aladdin Food Service Management Inc., LLC and Canteen, a division of the Compass Group, presented their proposals on March 16, 2015 to the College. Staff selected Canteen based on their operational experience, marketing initiatives and proposed financial investments.

The Division of Business and Finance recommends that the College offer a five year and four month contract with dining/catering commissions beginning on or about May 1, 2015. Please refer to Attachment C.

Staff request that the Committee recommend to the full Board that the College offer a five year and four month contract with Canteen, a Division of the Compass Group, for dining/catering commissions.

(6) Resolution of Support for 2015-16 PDE Capital Applications (Action Item):

All capital applications annually submitted to the State require a Board Resolution of Support for the Project to be included with the application. Four new capital applications are planned to be submitted for the 2015-16 fiscal year:

- Purchase of binocular microscopes for biology labs - \$234,000 (cash project)
- Creation of a Learning Commons on the Main Campus by consolidating and redesigning library and learning lab spaces - \$9,000,000 (debt project)
- Redevelopment of third floor of Mint Building to accommodate administrative functions currently housed in leased facilities and the relocation of classrooms in accordance with the Facilities Master Plan - \$3,600,000 (debt project)
- Restorations and improvements to the historic Mint Building including exterior walls, lighting, way finding system, Rotunda murals and board room - \$1,200,000 (debt project)

Attachment D provides more details on these projects. Staff request that the Committee recommend to the full Board approval of the 2015-16 State Capital Applications.

(7) 2014-15 Fiscal Year Budget Status Report (Information Item):

Staff will provide an overview of the College's budget status for fiscal year 2014-15. The implications of the key factors currently impacting on the budget will be discussed.

(8) Rescheduling the April 22, 2015 Meeting Date:

The next meeting date of the Committee was scheduled for Wednesday, April 22, 2015 at 9:00 A.M. in the Isadore A. Shrager Boardroom, M2-1. However, due to the City Council Budget Hearing scheduled on that date, the April Business Affairs Committee meeting will need to be rescheduled. **Please note that we are currently reviewing two possible dates: Monday, April 27, 2015 at 2:00 p.m. onward or Wednesday, April 29, 2015 at 2:00 p.m. onward.**

AGENDA –EXECUTIVE SESSION

(1) 2015-16 Fiscal Year Budget Update (Information Item):

Staff will provide an overview of the key budget assumptions for the 2015-16, 2016-17 and 2017-18 fiscal years.

JE/lm

Attachments

c: Mr. Matthew Bergheiser
Dr. Donald Generals
Mr. Todd Murphy
Mr. Anthony Simonetta
Mr. James P. Spiewak
Jill Garfinkle Weitz, Esq.

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ATTACHMENT A

BOARD RESOLUTION FOR REFUNDING 2008 BOND

BUSINESS AFFAIRS COMMITTEE RESOLUTIONS

WHEREAS, the College is undertaking certain capital projects, including 1) renovating the College's biology labs, 2) replacing certain escalators located in the College's West Building, and 3) various other renovations, repairs and capital improvements to its facilities, including the refinancing of an equipment lease (the "Capital Project");

WHEREAS, if market conditions warrant, the College desires to advance refund all or a portion of its College Revenue Bonds, Series of 2008 (the "Refunding Project" and, collectively with the Capital Project, the "Projects");

WHEREAS, the College desires to finance the Projects by issuing tax-exempt bonds (the "Bonds") in one or more series, to be issued by the State Public School Building Authority on the College's behalf;

NOW, THEREFORE, IT IS RESOLVED, that the undertaking of the Projects and the issuance of the Bonds to pay the costs of the Projects (including the costs to issue the Bonds) is hereby approved, subject, 1) with respect to the Refunding Project, to a finding by the President and the Chief Financial Officer of the College (for which finding they can rely solely on representations from the underwriter of the Bonds) that the Refunding Project will result in net present value savings of at least three percent (3%), and 2) with respect to the Capital Project that the aggregate principal amount of the Bonds issued for this purpose will not exceed \$15,000,000 (not including any original issue premium) and the average interest rate will not exceed 6% per annum;

FURTHER RESOLVED, that the President and the Chief Financial Officer are hereby authorized and directed to finalize the undertaking and financing of the Projects and the issuance of the Bonds on behalf of the College including, without limitation, appointing finance professionals, determining the interest rates, maturity dates and other final terms of the Bonds; and

FURTHER RESOLVED, that the President and the Chief Financial Officer, or either of them, is hereby authorized and directed to execute and deliver any and all documents and to do any and all things necessary or desirable in order to carry out the Projects and the issuance of the Bonds, including but not limited to: (a) approving the form, content and terms of, and executing and delivering, all financing documents required to be executed by the College, including any loan agreement, indenture, note, purchase agreement and security agreement; (b) determining the security for the Bonds; and (c) approving the form, content, use and distribution of any disclosure document used in connection with the sale, issuance and offering of the Bonds.

ATTACHMENT B

COMMONFUND – CORPORATE RESOLUTION

Form B: Authority - Corporate Resolution

At a meeting held on _____
(Date)

the Board of Trustees or Governing Body of the Institution adopted the following resolution or the substantive equivalent thereof which is in full force and effect on the date hereof.

Each of the representatives of the Institution holding the following offices in the Institution [Insert Title(s) of one or more officers; person signing this Application and Certification, must be listed here]

Title: President Title VP for Business & Finance, and Treasurer

Title: Controller Title: _____

(each referred to herein as an Authorized Representative) is hereby authorized to act on behalf of and in the name of the Institution in matters relating to the investment of the Institution's short term cash, including without limitation the opening of bank accounts and money market mutual fund accounts and the transfer of funds into and from such accounts. Without limiting the foregoing, each such Authorized Representative is authorized to open accounts relating to and effectuate transfers and transactions relating to the cash investment platform provided by Commonfund and The Bancorp Bank and to take all actions relating thereto, including specifying the investment fund(s) of Commonfund and/or deposit accounts of The Bancorp Bank in which assets of the Institution should be invested or deposited or to which they should be transferred, specifying the distribution options or options applicable to such investments and deposits, withdrawing all or any portion of the assets from any one or more of the investment funds(s) or deposit account(s) for deposit for the account of the Institution, making representations and warranties and extending covenants binding upon the Institution, executing documents and generally conducting affairs with Commonfund and The Bancorp Bank on behalf of the Institution. In addition to the Titles listed above, the following individuals are hereby considered Authorized Representatives, with the accompanying authorizations referred to above:

Name: Jacob Eapen Title: VP for Business & Finance, and Treasurer

Name: Todd E. Murphy Title: Controller

Name: _____ Title: _____

SIGNATURE: The undersigned hereby executes and delivers this instrument on behalf of the Institution identified below, intending that it be bound hereby

Authorized Officer Signature Date

Stacy E. Holland Board Secretary
Name (print) Office/Title

Community College of Philadelphia
Name of Institution

NOTARIZATION

State of _____;

County of _____;

On this _____ day of _____, in the year _____, before me, _____ a notary public in and for _____ County, personally appeared _____ proved to me to be the person(s) whose name(s) is (are) subscribed to this instrument and acknowledged that he (she) (they) executed it.

WITNESS MY HAND AND OFFICIAL SEAL

Notary Signature

ATTACHMENT C

CANTEEN, A DIVISION OF THE COMPASS GROUP FINANCIAL PACKAGE

CANTEEN, A DIVISION OF THE COMPASS GROUP

FINANCIAL PACKAGE

The arrangement for delayed dining/catering commissions was negotiated in view of the negative impact which the first four months of business will have on Canteen's overall fiscal year which ends September 30, 2015. In return for four month delay in the commission structure, the College received improved financial arrangements for the subsequent time period.

- 20% commission on all vending sales above \$350,001.00
- \$5,000.00 annual scholarship for student/s in the Culinary Program
- \$52,000.00 guaranteed annual commission
- 50/50 profit split shared by Canteen and College (profit is defined as dining/catering revenue minus expenses associated with generating the revenue)
- \$40,000.00 investment to cover smallwares replacement, marketing and signage, catertrax software program, catering van, ADA compliant vending machines, 2 new Voce Coffee machines, debit/credit card features for all vending machines

ATTACHMENT D

DETAILS ON 2015-16 PDE CAPITAL APPLICATIONS

DETAILS ON 2015-16 PDE CAPITAL APPLICATIONS

The first project is purchasing 130 binocular microscopes. These microscopes are a critical instrument for teaching students across a number of Biology courses from beginning courses, such as General Biology to more advanced courses such as Microbiology. Many students take biology courses as a requirement for their career programs such as Nursing, Respiratory Care Technology, Clinical Laboratory Technology and Dental Hygiene. Thus handling a microscope in a biology course lays the foundation for subsequent topics in their career program. The use of microscopes also bridges the theoretical understanding of a concept with the hands-on experience of seeing that concept come to life. Most of the current microscopes have not been replaced in over 20 – 30 years. Although they have received continual maintenance, they are at a point where even professional maintenance cannot repair the wear and tear usage.

The second project involves renovations to the Mint and Bonnell Buildings in order to accommodate a learning commons. This project requires consolidating the learning lab areas on the main campus to the Library area. Improved access, improved tutoring space, including break-out and seminar rooms, and enhanced technology systems will be incorporated into the design. This renovation work includes modifying the existing Library space, building supporting office spaces, adding state-of-the-art technology rich features, renovating vacated spaces to classrooms and offices, and building appropriate spaces for tutoring and related services.

The third project is relocating the staff from the Offices of Human Resources, Development and Communications to the Main Campus. As part of this process, the third floor of the Mint Building will be renovated into office space. Currently this space is utilized for classrooms that are not of optimum space and configuration. Classrooms will be relocated to reclaimed or new spaces as identified in the Facilities Master Plan.

The final project is making improvements and restorations to both the exterior and interior of the Mint Building. The Mint exterior walls will be chemically cleaned, the historic lighting fixtures at the main entrance on Spring Garden Street will be restored and exterior lighting will be installed to brighten the area. Technology will be incorporated into the Board room and the historic Rotunda will be restored including the murals. Additionally, a new way finding system will be incorporated.