

Revised Agenda
**MEETING OF THE BUSINESS AFFAIRS COMMITTEE
OF THE BOARD OF TRUSTEES**
Community College of Philadelphia
Wednesday, May 22, 2019 – 9:00 A.M.

TO: Business Affairs Committee of the Board of Trustees
FROM: Jacob Eapen 
DATE: May 21, 2019
SUBJECT: **Committee Meeting**

A meeting of the Business Affairs Committee of the Board of Trustees will be held on **Wednesday, May 22, 2019 at 9:00 A.M. in the Isadore A. Shrager Boardroom, M2-1.** For those members who are using Zoom, please note the following information:

You may join this meeting with any of the following methods:

- (1) Via the Zoom app which can be downloaded at <https://zoom.us/download>. Once downloaded, launch the app and JOIN meeting 250539183.
- (2) Use this URL in any browser to connect <https://ccp.zoom.us/j/250539183>
- (3) Dial in via the phone with no video with +1 646 558 8656 and Meeting ID 250539183

AGENDA

PUBLIC SESSION

(1) Highlights on the 2019 Bond Issue. (Information Item):

On May 8, 2019, the College successfully issued \$10,183,783 Series 2019 bonds with a premium of \$1,028,783. The Series 2019 bonds were issued to assist with the College undertaking a capital project consisting of the development, construction, improvement, furnishing, equipping and fit out of a new, approximately 75,000 square foot building on land owned by the College in West Philadelphia, which facility will be used to house the College's Career and Advanced Technology Center; the demolition of an existing building on such site; and other miscellaneous capital improvements at such site, including parking, landscaping and related improvements. The underwriter was PNC Capital Markets LLC. Attachment A contains the final Credit Opinion from Moody's. Attachment B contains the Final Numbers Report prepared by PNC Capital Markets, LLC.

(2) 2019-20 College Budget. (Action Item):

The proposed 2019-20 operating budget amounting to \$133,257,735 is balanced without any tuition or fee increases and provides sufficient dollars to fund all essential services. The 2019-20 expenditure plan totals \$148,009,184. The recommended educational and general expenditures budget (including the Student Activities, Athletics and Commencement budget) totals \$135,214,827; the auxiliary enterprises budget totals \$556,115; and the capital budget totals \$13,038,243, of which \$11,778,243 is debt service. The budget includes a planned use of prior years' carryover funds in the amount of \$748,436. The use of \$386,180 of the Quasi-Endowment Fund is required to balance the Student Activities, Athletics and Commencement budget. Attachment C contains highlights of the 2019-20 College Budget.

Staff will review the 2019-20 budget and ask for Committee recommendation of the proposed budget to the full Board.

(3) Salary and Benefits for Administrators and Confidential Employees (Action Item):

Staff will ask for Committee recommendation regarding the Salary and Benefits for Administrators and Confidential Employees to the full Board.

(4) Next Meeting Date:

The next regularly scheduled meeting of the Committee will be held on Wednesday, June 19th at 9:00 A.M. in the Isadore A. Shrager Boardroom, M2-1.

EXECUTIVE SESSION

An Executive Session will follow the Public Session.

JE/lm

Attachments


cc: Mr. Jeremiah White
Dr. Donald Generals
Mr. Gim Lim
Mr. James P. Splewak
Victoria Zellers, Esq.
Invited Guests: Mr. Andre Allen, College Financial Advisor
Mr. Craig Stock, Foundation Board Member

ATTACHMENT A

Moody's Final Credit Opinion

CREDIT OPINION

25 April 2019


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Community College of Philadelphia, PA

Update to credit analysis

Summary

Community College of Philadelphia's (CCP; A3 stable) very good credit quality is supported by its important role as the only community college provider in Pennsylvania's most populous city. Credit stability is also aided by historically strong financial support from the [Commonwealth of Pennsylvania](#) (Aa3 stable) and [City of Philadelphia](#) (A2 stable). Combined, they make up almost half of the college's revenue, and will continue to provide strong funding for operations, as well as measurable capital support. Consistent operating performance and manageable leverage for its size add to the college's credit strength.

However, the college faces ongoing enrollment pressures. While the college has taken measures to cut expenses, falling enrollment combined with a lack of tuition increases may challenge the college's ability to continue growing net tuition revenue in the future. Further, exposure to a large OPEB liability tempers the college's financial flexibility. While limited expense flexibility remains a challenge, a large scope of operations provides the college with opportunities for economies of scale.

Credit strengths

- » History of good financial support for operations and capital from the Commonwealth of Pennsylvania and City of Philadelphia
- » Important role as the only community college provider in Pennsylvania's largest city serving over 25,000 students annually
- » Large operating scale for a community college, with \$155 million in fiscal 2018 operating revenue, provides for economies of scale
- » Predictable, entirely fixed rate debt structure with relatively rapid principal pay down

Credit challenges

- » Enrollment softening over the last three years after a history of stable enrollment adds pressure to net tuition revenue
- » Limited expense flexibility with a significant portion of unionized faculty and staff
- » Sizeable and growing post-retirement benefit (OPEB) liability, representing an elevated 10% of total operating expenses in fiscal 2018
- » Growing age of plant with limited capital spending over the last five years

Rating outlook

The stable outlook reflects our expectations that CCP will maintain steady liquidity and continue receiving favorable support from the commonwealth and city, including for a portion of debt service. It also includes the likely possibility of another debt issuance of \$20 million in fiscal 2020.

Factors that could lead to an upgrade

- » Sustained growth in net tuition revenue driving an improvement in operating performance and cash flow
- » Material increase in financial reserves relative to debt

Factors that could lead to a downgrade

- » Disruption in commonwealth or city financial support
- » Materially weakened debt service coverage
- » Deterioration in liquidity

Key indicators

Exhibit 2

COMMUNITY COLLEGE OF PHILADELPHIA, PA

	2014	2015	2016	2017	2018	2018 + Series 2019A (\$9M)
Total FTE Enrollment	19,119	18,971	18,124	17,298	16,675	16,675
Operating Revenue (\$000)	156,226	155,198	155,722	152,459	154,938	154,938
Annual Change in Operating Revenue (%)	1.0	-0.7	0.3	-2.1	1.6	1.6
Total Cash & Investments (\$000)	50,403	49,254	54,153	57,590	62,242	62,242
Total Debt (\$000)	85,460	73,902	74,878	68,618	76,372	85,382
Spendable Cash & Investments to Total Debt (x)	0.5	0.6	0.6	0.7	0.7	0.6
Spendable Cash & Investments to Operating Expenses (x)	0.3	0.3	0.3	0.3	0.4	0.4
Monthly Days Cash on Hand (x)	104	101	112	120	127	127
Operating Cash Flow Margin (%)	12.6	11.9	11.3	10.3	11.7	11.7
Total Debt to Cash Flow (x)	4.3	4.0	4.2	4.4	4.2	4.7
Annual Debt Service Coverage (x)	1.3	1.2	1.7	1.5	1.8	1.8

Source: Moody's Investors Service

Profile

Established in 1965, Community College of Philadelphia is the only community college in Philadelphia, PA. Along with its main campus, the college has three additional locations throughout the city: Northeast Regional Center, Northwest Regional Center, and West Regional Center. The college has \$155 million in operating revenue and serves over 25,000 students annually.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody.com for the most updated credit rating action information and rating history.

Detailed credit considerations

Market profile: important role as Philadelphia's only community college, but confronting enrollment pressures

Similar to other Pennsylvania community colleges, CCP will continue to confront enrollment pressures. CCP enrolled 16,675 students in fall 2018, 13% lower than fall 2014 totals. Favorably, to offset these trends, the college is taking a number of measures to strengthen demand and improve retention. These actions include technology investments, program adjustments, and strategic outreach to local high schools and international students. The college's recent addition of a workforce development division highlights the college's efforts to be responsive to the city's labor market needs. These factors will stabilize enrollment over the longer term and management reports that fall 2019 enrollment is expected to be at least in line with that of fall 2018.

Tuition revenue, representing 49% of total operating revenue, will remain challenged due to enrollment declines and the absence of tuition increases. Favorably, the college's low cost pricing, which remains below the fiscal 2019 maximum Pell grant award of \$6,195, affords additional pricing flexibility. Restoring net tuition revenue growth is critical to the longer term credit quality of the college.

Operating performance: multiple years of softening operating performance a result of ongoing revenue pressures

Despite enrollment pressures over the last three years, the college has had overall stable operating performance, with operating cash flow margins remaining sound in the 10-12% range from fiscal 2016 to fiscal 2018. However, this is weaker than operating cash flow margins from fiscal 2014 and prior years. This contraction is largely a result of a softening in student charges. While these revenue pressures will persist, management continues to proactively implement measures to adjust expenses. Among others, the college has implemented early retirement incentives to generate sustained savings and has renegotiated expenses associated with the college's healthcare costs. Based on college provided financial information, we expect fiscal 2019 operations to be in line with fiscal 2018 results.

Significant exposure to collective bargaining units and OPEB limits expense flexibility. Favorably, the college's large scale, with over \$155 million in operating revenue, is a credit strength. Additionally, the college has strong revenue diversity, state appropriations and city funding representing 23% and 20% of total operating revenue, respectively. City funding is budgeted to grow modestly in fiscal 2019 while there are currently no increases in the state budget for the college.

Wealth and liquidity: solid absolute wealth at the rating level and growing liquidity

At the current rating level, CCP will maintain solid absolute wealth, with fiscal 2018 total cash and investments of \$62 million. However, financial reserve growth will remain modest due to ongoing capital needs. Favorably, with continued spending discipline, spendable cash and investments to operating expenses will remain comparable to the 0.4x cushion in fiscal 2018.

Liquidity

Liquidity will continue to provide a solid cushion relative to operations. In fiscal 2018, monthly liquidity of \$49 million provides 127 monthly days cash on hand. Favorably, the college's liquidity position has improved materially relative to the 98 monthly days cash on hand in fiscal 2013.

Leverage: elevated debt relative to financial reserves

Debt will remain elevated relative to financial reserves despite relatively fast principal pay down. Spendable cash and investments provide a modest 0.6x cushion relative to approximately \$85 million of pro forma debt, inclusive of the Series 2019A bonds, which will fund a career and advanced technology center. Favorably, both the commonwealth and city provide annual capital appropriations to pay a large share of debt service, which partly mitigates the debt burden. In conjunction with the Series 2019A bonds, near term debt plans include an additional \$20 million for a second phase of the career and advanced technology center.

Legal security

The underlying rating reflects the unsecured general obligation of the college, payable from any revenues, including commonwealth and local sponsor subsidy payments.

In addition, the Community College Act provides for a direct payment of debt service from commonwealth appropriations if the college fails to make a required debt service payment. Under the statute, upon notification to the commonwealth's Secretary of Education of a community college's failure to pay debt service as scheduled, the Secretary will withhold a sufficient amount of state aid remaining to be distributed in the current fiscal year for remission to the bond trustee. Under the Loan Agreement for the Series A of

2019 bonds, each Loan Payment date is fifteen (15) days prior to the applicable debt service payment date, providing the Trustee with time to notify the Secretary of the Department of the Commonwealth to withhold the debt service due on the Series A of 2019 Bonds

Debt structure

All pro forma debt is fixed rate, providing predictable fixed costs to incorporate into budgets. There are no debt service reserve funds.

Debt-related derivatives

There are no debt-related derivatives.

Pensions and OPEB

The increasing OPEB liability represents an ongoing credit challenge. Under GASB 45, CCP recorded \$78 million OPEB liability in fiscal 2017. Under GASB 75, CCP was required to recognize \$178 million OPEB liability in fiscal 2018. OPEB expenses represent a very high 10% of total fiscal 2018 operating expenses, limiting financial flexibility for the college. The plan is funded on a pay-as-you-go basis.

Favorably, the College has taken steps to address the sizeable OPEB liability with new collective bargaining contracts. As a result of the new contracts, which will now limit new employees to a maximum of five years of post employment benefits, the college expects a \$30 million dollar OPEB reduction.

Overall, exposure to pension liabilities is manageable, with a three-year average Moody's adjusted net pension liability of \$7.5 million, modest relative to the college's \$54 million spendable cash and investments. Most employees participate in one of two defined contribution plans, with a limited number of employees in either Public School Employees' Retirement System (PSERS) or State Employees' Retirement System (SERS), which are multiple-employer cost-sharing defined benefit pension plans. However, the relatively weak funding status of these pension plans (42% Moody's weighted average adjusted funded ratio) could translate into higher contribution levels for the college in the future. Participation in defined benefit plans is closed to new employees.

Governance and management: strong governance by the city; executive leadership team engages in comprehensive financial planning

CCP is strongly linked to the city by its board of trustees, which consists of 15 members, appointed by the Mayor from a list submitted by the Nominating Panel established by Councilmanic Ordinance. Each board member is appointed for a term of six years and serve until their successors are appointed.

CCP's planning-focused management team has been able to maintain good operations. The college's conservative budgeting and ability to cut expenses demonstrate careful and thoughtful planning, supporting the college's very good strategic positioning. The college's budgets incorporate reasonable assumptions and sensitivities. Additionally, the college makes regular adjustments to its programmatic offerings to remain in-line with area labor market needs.

ATTACHMENT B

**Final Numbers Report from
PNC Capital Markets, LLC**

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**Community College of Philadelphia (5-8-2019)
Series 2019 Bonds
AGM Insurance
*Final Numbers***

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SOURCES AND USES OF FUNDS

Community College of Philadelphia (5-8-2019)
Series 2019 Bonds
AGM Insurance
Final Numbers

Dated Date 05/22/2019
Delivery Date 05/22/2019

Sources:

Bond Proceeds:	
Par Amount	9,155,000.00
Net Premium	1,028,783.75
	<hr/>
	10,183,783.75

Uses:

Project Fund Deposits:	
Project Fund	10,000,000.00
Delivery Date Expenses:	
Cost of Issuance	112,500.00
Underwriter's Discount	37,516.43
Bond Insurance	30,358.39
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	180,374.82
Other Uses of Funds:	
Additional Proceeds	3,408.93
	<hr/>
	10,183,783.75

BOND PRICING
Community College of Philadelphia (5-8-2019)
Series 2019 Bonds
AGM Insurance
Final Numbers

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)	Principal Cost	Takedown
Serial Bonds:											
	06/15/2020	280,000	5.000%	1.760%	103.398	-	-	-	9,514.40	289,514.40	1,500
	06/15/2021	295,000	5.000%	1.820%	106.411	-	-	-	18,912.45	313,912.45	2,750
	06/15/2022	310,000	5.000%	1.880%	109.245	-	-	-	28,659.50	338,659.50	2,750
	06/15/2023	325,000	5.000%	1.950%	111.859	-	-	-	38,541.75	363,541.75	3,750
	06/15/2024	340,000	5.000%	2.000%	114.378	-	-	-	48,885.20	388,885.20	3,750
	06/15/2025	360,000	5.000%	2.040%	116.801	-	-	-	60,483.60	420,483.60	3,750
	06/15/2026	375,000	5.000%	2.080%	119.089	-	-	-	71,583.75	446,583.75	3,750
	06/15/2027	395,000	5.000%	2.140%	121.077	-	-	-	83,254.15	478,254.15	3,750
	06/15/2028	415,000	5.000%	2.210%	122.801	-	-	-	94,624.15	509,624.15	4,000
	06/15/2029	435,000	5.000%	2.330%	123.828	-	-	-	103,651.80	538,651.80	4,000
	06/15/2030	455,000	5.000%	2.430%	122.820 C	2.612%	06/15/2029	100.000	103,831.00	558,831.00	4,000
	06/15/2031	480,000	5.000%	2.530%	121.822 C	2.850%	06/15/2029	100.000	104,745.60	584,745.60	4,000
	06/15/2032	505,000	5.000%	2.600%	121.130 C	3.029%	06/15/2029	100.000	106,706.50	611,706.50	4,000
		4,370,000							873,393.85	5,843,393.85	
Term Bond 2034:											
	06/15/2033	530,000	5.000%	2.710%	120.051 C	3.300%	06/15/2029	100.000	106,270.30	636,270.30	4,000
	06/15/2034	555,000	5.000%	2.710%	120.051 C	3.300%	06/15/2029	100.000	111,283.05	666,283.05	4,000
		1,085,000							217,553.35	1,302,553.35	
Term Bond 2036:											
	06/15/2035	585,000	3.000%	3.090%	98.812	-	-	-	(6,949.80)	578,050.20	4,000
	06/15/2036	600,000	3.000%	3.090%	98.812	-	-	-	(7,128.00)	592,872.00	4,000
		1,185,000							(14,077.80)	1,170,922.20	
Term Bond 2039:											
	06/15/2037	620,000	3.000%	3.170%	97.489	-	-	-	(15,568.20)	604,431.80	4,000
	06/15/2038	640,000	3.000%	3.170%	97.489	-	-	-	(16,070.40)	623,929.60	4,000
	06/15/2039	655,000	3.000%	3.170%	97.489	-	-	-	(16,447.05)	638,552.95	4,000
		1,915,000							(48,085.65)	1,866,914.35	
		9,155,000							1,028,783.75	10,183,783.75	

BOND PRICING

Community College of Philadelphia (5-8-2019)
Series 2019 Bonds
AGM Insurance
Final Numbers

Dated Date	05/22/2019
Delivery Date	05/22/2019
First Coupon	06/15/2019
Par Amount	9,155,000.00
Premium	1,028,783.75
Production	10,183,783.75
Underwriter's Discount	(37,516.43)
Purchase Price	10,146,267.32
Accrued Interest	-
Net Proceeds	10,146,267.32
	111.237398%
	(0.409792%)
	110.827606%

BOND SUMMARY STATISTICS

**Community College of Philadelphia (5-8-2019)
Series 2019 Bonds
AGM Insurance
*Final Numbers***

Dated Date	05/22/2019
Delivery Date	05/22/2019
Last Maturity	06/15/2039
Arbitrage Yield	2.788794%
True Interest Cost (TIC)	2.925348%
Net Interest Cost (NIC)	3.085607%
All-In TIC	3.077494%
Average Coupon	3.982926%
Average Life (years)	12.067
Duration of Issue (years)	9.485
Par Amount	9,155,000.00
Bond Proceeds	10,183,783.75
Total Interest	4,399,934.03
Net Interest	3,408,666.71
Total Debt Service	13,554,934.03
Maximum Annual Debt Service	678,850.00
Average Annual Debt Service	675,588.57
Underwriter's Fees (per \$1000)	
Average Takedown	3.791917
Other Fee	0.306000
Total Underwriter's Discount	4.097917
Bid Price	110.827606

Bond Component	Par Value	Price	Average Coupon	Average Life	Duration	PV of 1 bp change
Serial Bonds	4,970,000.00	117.573	5.000%	7.742	6.630	3,568.85
Term Bond 2034	1,085,000.00	120.051	5.000%	14.575	10.921	1,063.30
Term Bond 2036	1,185,000.00	98.812	3.000%	16.570	13.149	1,552.35
Term Bond 2039	1,915,000.00	97.489	3.000%	19.082	14.591	2,795.90
	9,155,000.00			12.067		8,980.40

	TIC	All-In TIC	Arbitrage Yield
Par Value	9,155,000.00	9,155,000.00	9,155,000.00
+ Accrued Interest	-	-	-
+ Premium (Discount)	1,028,783.75	1,028,783.75	1,028,783.75
- Underwriter's Discount	(37,516.43)	(37,516.43)	
- Cost of Issuance Expense	-	(112,500.00)	
- Other Amounts	-	(30,358.39)	(30,358.39)
Target Value	10,146,267.32	10,003,408.93	10,153,425.36
Target Date	05/22/2019	05/22/2019	05/22/2019
Yield	2.925348%	3.077494%	2.788794%

BOND DEBT SERVICE

Community College of Philadelphia (5-8-2019)
Series 2019 Bonds
AGM Insurance
Final Numbers

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2019	-	-	25,284.03	25,284.03
06/30/2020	280,000	5.000%	395,750.00	675,750.00
06/30/2021	295,000	5.000%	381,750.00	676,750.00
06/30/2022	310,000	5.000%	367,000.00	677,000.00
06/30/2023	325,000	5.000%	351,500.00	676,500.00
06/30/2024	340,000	5.000%	335,250.00	675,250.00
06/30/2025	360,000	5.000%	318,250.00	678,250.00
06/30/2026	375,000	5.000%	300,250.00	675,250.00
06/30/2027	395,000	5.000%	281,500.00	676,500.00
06/30/2028	415,000	5.000%	261,750.00	676,750.00
06/30/2029	435,000	5.000%	241,000.00	676,000.00
06/30/2030	455,000	5.000%	219,250.00	674,250.00
06/30/2031	480,000	5.000%	196,500.00	676,500.00
06/30/2032	505,000	5.000%	172,500.00	677,500.00
06/30/2033	530,000	5.000%	147,250.00	677,250.00
06/30/2034	555,000	5.000%	120,750.00	675,750.00
06/30/2035	585,000	3.000%	93,000.00	678,000.00
06/30/2036	600,000	3.000%	75,450.00	675,450.00
06/30/2037	620,000	3.000%	57,450.00	677,450.00
06/30/2038	640,000	3.000%	38,850.00	678,850.00
06/30/2039	655,000	3.000%	19,650.00	674,650.00
	9,155,000		4,399,934.03	13,554,934.03

NET DEBT SERVICE

Community College of Philadelphia (5-8-2019)
Series 2019 Bonds
AGM Insurance
Final Numbers

Period Ending	Principal	Coupon	Interest	Total Debt Service	Net Debt Service
06/30/2019	-	-	25,284.03	25,284.03	25,284.03
06/30/2020	280,000	5.000%	395,750.00	675,750.00	675,750.00
06/30/2021	295,000	5.000%	381,750.00	676,750.00	676,750.00
06/30/2022	310,000	5.000%	367,000.00	677,000.00	677,000.00
06/30/2023	325,000	5.000%	351,500.00	676,500.00	676,500.00
06/30/2024	340,000	5.000%	335,250.00	675,250.00	675,250.00
06/30/2025	360,000	5.000%	318,250.00	678,250.00	678,250.00
06/30/2026	375,000	5.000%	300,250.00	675,250.00	675,250.00
06/30/2027	395,000	5.000%	281,500.00	676,500.00	676,500.00
06/30/2028	415,000	5.000%	261,750.00	676,750.00	676,750.00
06/30/2029	435,000	5.000%	241,000.00	676,000.00	676,000.00
06/30/2030	455,000	5.000%	219,250.00	674,250.00	674,250.00
06/30/2031	480,000	5.000%	196,500.00	676,500.00	676,500.00
06/30/2032	505,000	5.000%	172,500.00	677,500.00	677,500.00
06/30/2033	530,000	5.000%	147,250.00	677,250.00	677,250.00
06/30/2034	555,000	5.000%	120,750.00	675,750.00	675,750.00
06/30/2035	585,000	3.000%	93,000.00	678,000.00	678,000.00
06/30/2036	600,000	3.000%	75,450.00	675,450.00	675,450.00
06/30/2037	620,000	3.000%	57,450.00	677,450.00	677,450.00
06/30/2038	640,000	3.000%	38,850.00	678,850.00	678,850.00
06/30/2039	655,000	3.000%	19,650.00	674,650.00	674,650.00
	9,155,000		4,399,934.03	13,554,934.03	13,554,934.03

NET DEBT SERVICE

Community College of Philadelphia (5-8-2019)
 Series 2019 Bonds
 AGM Insurance
 Final Numbers

Date	Principal	Coupon	Interest	Total Debt Service	Net Debt Service	Annual Net D/S
06/15/2019	-	-	25,284.03	25,284.03	25,284.03	-
06/30/2019	-	-	-	-	-	25,284.03
12/15/2019	-	-	197,875.00	197,875.00	197,875.00	-
06/15/2020	280,000	5.000%	197,875.00	477,875.00	477,875.00	-
06/30/2020	-	-	-	-	-	675,750.00
12/15/2020	-	-	190,875.00	190,875.00	190,875.00	-
06/15/2021	295,000	5.000%	190,875.00	485,875.00	485,875.00	-
06/30/2021	-	-	-	-	-	676,750.00
12/15/2021	-	-	183,500.00	183,500.00	183,500.00	-
06/15/2022	310,000	5.000%	183,500.00	493,500.00	493,500.00	-
06/30/2022	-	-	-	-	-	677,000.00
12/15/2022	-	-	175,750.00	175,750.00	175,750.00	-
06/15/2023	325,000	5.000%	175,750.00	500,750.00	500,750.00	-
06/30/2023	-	-	-	-	-	676,500.00
12/15/2023	-	-	167,625.00	167,625.00	167,625.00	-
06/15/2024	340,000	5.000%	167,625.00	507,625.00	507,625.00	-
06/30/2024	-	-	-	-	-	675,250.00
12/15/2024	-	-	159,125.00	159,125.00	159,125.00	-
06/15/2025	360,000	5.000%	159,125.00	519,125.00	519,125.00	-
06/30/2025	-	-	-	-	-	678,250.00
12/15/2025	-	-	150,125.00	150,125.00	150,125.00	-
06/15/2026	375,000	5.000%	150,125.00	525,125.00	525,125.00	-
06/30/2026	-	-	-	-	-	675,250.00
12/15/2026	-	-	140,750.00	140,750.00	140,750.00	-
06/15/2027	395,000	5.000%	140,750.00	535,750.00	535,750.00	-
06/30/2027	-	-	-	-	-	676,500.00
12/15/2027	-	-	130,875.00	130,875.00	130,875.00	-
06/15/2028	415,000	5.000%	130,875.00	545,875.00	545,875.00	-
06/30/2028	-	-	-	-	-	676,750.00
12/15/2028	-	-	120,500.00	120,500.00	120,500.00	-
06/15/2029	435,000	5.000%	120,500.00	555,500.00	555,500.00	-
06/30/2029	-	-	-	-	-	676,000.00
12/15/2029	-	-	109,625.00	109,625.00	109,625.00	-
06/15/2030	455,000	5.000%	109,625.00	564,625.00	564,625.00	-
06/30/2030	-	-	-	-	-	674,250.00
12/15/2030	-	-	98,250.00	98,250.00	98,250.00	-
06/15/2031	480,000	5.000%	98,250.00	578,250.00	578,250.00	-
06/30/2031	-	-	-	-	-	676,500.00
12/15/2031	-	-	86,250.00	86,250.00	86,250.00	-
06/15/2032	505,000	5.000%	86,250.00	591,250.00	591,250.00	-
06/30/2032	-	-	-	-	-	677,500.00
12/15/2032	-	-	73,625.00	73,625.00	73,625.00	-
06/15/2033	530,000	5.000%	73,625.00	603,625.00	603,625.00	-
06/30/2033	-	-	-	-	-	677,250.00
12/15/2033	-	-	60,375.00	60,375.00	60,375.00	-
06/15/2034	555,000	5.000%	60,375.00	615,375.00	615,375.00	-
06/30/2034	-	-	-	-	-	675,750.00
12/15/2034	-	-	46,500.00	46,500.00	46,500.00	-
06/15/2035	585,000	3.000%	46,500.00	631,500.00	631,500.00	-
06/30/2035	-	-	-	-	-	678,000.00
12/15/2035	-	-	37,725.00	37,725.00	37,725.00	-
06/15/2036	600,000	3.000%	37,725.00	637,725.00	637,725.00	-
06/30/2036	-	-	-	-	-	675,450.00
12/15/2036	-	-	28,725.00	28,725.00	28,725.00	-
06/15/2037	620,000	3.000%	28,725.00	648,725.00	648,725.00	-
06/30/2037	-	-	-	-	-	677,450.00
12/15/2037	-	-	19,425.00	19,425.00	19,425.00	-
06/15/2038	640,000	3.000%	19,425.00	659,425.00	659,425.00	-
06/30/2038	-	-	-	-	-	678,850.00
12/15/2038	-	-	9,825.00	9,825.00	9,825.00	-
06/15/2039	655,000	3.000%	9,825.00	664,825.00	664,825.00	-
06/30/2039	-	-	-	-	-	674,650.00
	9,155,000		4,399,934.03	13,554,934.03	13,554,934.03	13,554,934.03

FORM 8038 STATISTICS

Community College of Philadelphia (5-8-2019)
 Series 2019 Bonds
 AGM Insurance
 Final Numbers

Dated Date 05/22/2019
 Delivery Date 05/22/2019

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bonds:						
	06/15/2020	280,000.00	5.000%	103.398	289,514.40	280,000.00
	06/15/2021	295,000.00	5.000%	106.411	313,912.45	295,000.00
	06/15/2022	310,000.00	5.000%	109.245	338,659.50	310,000.00
	06/15/2023	325,000.00	5.000%	111.859	363,541.75	325,000.00
	06/15/2024	340,000.00	5.000%	114.378	388,885.20	340,000.00
	06/15/2025	360,000.00	5.000%	116.801	420,483.60	360,000.00
	06/15/2026	375,000.00	5.000%	119.089	446,583.75	375,000.00
	06/15/2027	395,000.00	5.000%	121.077	478,254.15	395,000.00
	06/15/2028	415,000.00	5.000%	122.801	509,624.15	415,000.00
	06/15/2029	435,000.00	5.000%	123.828	538,651.80	435,000.00
	06/15/2030	455,000.00	5.000%	122.820	558,831.00	455,000.00
	06/15/2031	480,000.00	5.000%	121.822	584,745.60	480,000.00
	06/15/2032	505,000.00	5.000%	121.130	611,706.50	505,000.00
Term Bond 2034:						
	06/15/2033	530,000.00	5.000%	120.051	636,270.30	530,000.00
	06/15/2034	555,000.00	5.000%	120.051	666,283.05	555,000.00
Term Bond 2036:						
	06/15/2035	585,000.00	3.000%	98.812	578,050.20	585,000.00
	06/15/2036	600,000.00	3.000%	98.812	592,872.00	600,000.00
Term Bond 2039:						
	06/15/2037	620,000.00	3.000%	97.489	604,431.80	620,000.00
	06/15/2038	640,000.00	3.000%	97.489	623,929.60	640,000.00
	06/15/2039	655,000.00	3.000%	97.489	638,552.95	655,000.00
		9,155,000.00			10,183,783.75	9,155,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	06/15/2039	3.000%	638,552.95	655,000.00	-	-
Entire Issue	-	-	10,183,783.75	9,155,000.00	11.8111	2.7888%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	150,016.43
Proceeds used for credit enhancement	30,358.39
Proceeds allocated to reasonably required reserve or replacement fund	0.00

ATTACHMENT C

Highlights of the 2019-2020 College Budget

Community College of Philadelphia
Fiscal Year 2019-2020 Proposed Budget
KEY INITIATIVES

The Student Experience

Guided Pathways Reform Efforts -full-scale implementation of redesigned programs, developmental education and support services
Educational Planning Module via Starfish
New Degree and Certificate Programs - Computer Programming I & II, Web & Database Development, Cloud Computing, Advanced Automotive Repair Professional, Business Leadership, Corporate Social Responsibility, Digital Investigations, Fashion Retail Sales, Tourism and Hospitality Management, ASL/IE Post-Baccalaureate
Two new Full Time Advisors (to a total of 14)
Dual Enrollment Expansion and 1 new position

Workforce Development, Readiness and Economic Innovation

2 Additional Staff in Career Connections - Manager of Student Outreach & Engagement, Career Pathway Coordinator
2 Additional Staff in WEI - Recruitment & Outreach Coordinator, Operations Data Coordinator
CNC Lab at West Regional Center
New Robotics module for the Electro-Mechanical program
New certificate and training programs - Message Therapy, Certified Production Technician, Certified Logistics Technician, Bookkeeping certificate, Office Manager certificate, CDL, Social Media & Technology, Cloud Computing bootcamp, Digital Mapping, Adobe Creative workshops, Social Media certificate, Diversity workshops, Facilitation workshops, Change Management workshops, Conflict Resolution workshops, Human Resources for the non-HR Manager workshops

Fiscal Stability and Sustainability

Fundraising Activities
Implementation of new CRM system
Implementation of new Assessment Management system
Implementation of new Contract Management software
Implementation of new eProcurement software
Implementation of new Collections & Receivable software
New Approach and Funding for Marketing Efforts

World-class Facilities

Renovations for Library Learning Commons project
Building of West Regional Center Career and Advanced Technology Center
Upgrades to Classroom Technology
New Classroom Furniture
Multiple Deferred Maintenance and Renovation Projects

External and Internal Community Relations

New Government Relations position

Community College of Philadelphia
Fiscal Year 2019-2020 Proposed Budget Compared with FY 2018-2019 Revised Budget

	<u>FY 2018-19</u> <u>Revised Budget</u>	<u>FY 2019-20</u> <u>Proposed Budget</u>	<u>Variance</u>
<u>REVENUES</u>			
Student Tuition and Fees	68,798,280	69,039,567	\$241,287
Commonwealth of Pennsylvania	31,791,114	31,791,114	0
City of Philadelphia	26,446,073	29,190,402	2,744,330
Other Income	2,282,864	2,488,216	205,352
TOTAL REVENUES	\$129,318,330	\$132,509,299	\$3,190,969
<u>EXPENSES *</u>			
Salaries, Net of Lapsed Funds	74,370,320	76,825,016	\$2,454,696
Fringe Benefits	31,863,116	33,001,000	1,137,884
Other Expenses	22,002,902	22,631,719	628,817
PowerUp Your Business	<u>800,000</u>	<u>800,000</u>	<u>0</u>
TOTAL EXPENSES	129,036,338	133,257,735	\$4,221,397
Transfer TO (FROM) Carry Forward Funds	<u>\$281,993</u>	<u>(\$748,436)</u>	

Assumptions

No Increase in Tuition or Fees (only 1 increase to tuition in last six years)

No Increase from State; **\$3.5 M from City**

Credit Enrollments are same as FY 18-19

Salary increases based upon contract settlement; Faculty positions based upon load selections as of 5/9/19

4% Increase in Healthcare Costs over FY19 Revised Projection prior to savings from contract settlement

Debt Service includes 1 payment of \$821,961 from the City appropriation for Phase II financing of Career and Advanced Technology Center

Community College of Philadelphia
Fiscal Year 2019-2020 Proposed Budget Compared with FY 2018-2019 Revised Budget

	<u>FY 2018-19</u> <u>Revised Budget</u>	<u>FY 2019-20</u> <u>Proposed Budget</u>	<u>Variance</u>
<u>OPERATING REVENUES</u>			
State Funding	31,653,624	31,653,624	-
State Lease funding	<u>137,490</u>	<u>137,490</u>	-
Total State Revenues	31,791,114	31,791,114	0.0%
Tuition - Credit Students , net of write-offs, discounts & other offsets	52,985,730	53,114,667	128,937
Technology Fee	9,768,000	9,768,000	-
Course & Other Fees	4,220,550	4,246,800	26,250
Net Contribution from Noncredit Programs	675,000	755,000	80,000
Other Student Fees	<u>1,149,000</u>	<u>1,155,100</u>	<u>6,100</u>
Total Student Tuition & Fees	68,798,280	69,039,567	241,287
City Operating Funds	26,446,073	29,190,402	2,744,330
Investment Income	744,800	744,800	-
Vocational Education Funding	300,000	300,000	-
Indirect Costs, Administrative Allowances	500,000	500,000	-
Parking Proceeds & Miscellaneous Income	<u>738,064</u>	<u>943,416</u>	<u>205,352</u>
Total Other Income	2,282,864	2,488,216	205,352
TOTAL OPERATING REVENUES	129,318,330	132,509,299	3,190,969
			2.5%

Community College of Philadelphia
Fiscal Year 2019-2020 Proposed Budget Compared with FY 2018-2019 Revised Budget

	<u>FY 2018-19</u> <u>Revised Budget</u>	<u>FY 2019-20</u> <u>Proposed Budget</u>	<u>Variance</u>
<u>OPERATING EXPENSES *</u>			
Salaries			
Full-Time Administrative Salaries	17,910,285	18,700,740	790,456
Full-Time Faculty Salaries	28,565,956	29,093,314	527,359
Full-Time Classified & Confidential Salaries	<u>10,814,808</u>	<u>10,717,737</u>	<u>(97,071)</u>
Total Full-Time Salaries	57,291,048	58,511,791	1,220,743
Less Projected Lapsed Funds	<u>(2,950,000)</u>	<u>(1,800,000)</u>	<u>-39.0%</u>
Net Full-Time Salaries	54,341,048	2,370,743	4.4%
Part-Time & Overload Credit Salaries	10,352,748	13,500	0.1%
Summer Credit Instruction	3,948,000	4,040,036	92,036
Noncredit Instructional Salaries	462,577	414,174	(48,403)
Part-Time Laboratory/Professional	1,236,438	1,241,472	5,034
Classified Part-Time and Overtime	640,395	679,157	38,762
Extended Time	629,139	697,386	68,247
Tutors, Student & Other College Co-Ops	431,938	617,138	185,200
All Other Salaries	1,228,037	1,287,739	59,702
Early Retirement Incentive Payments	<u>1,100,000</u>	<u>769,875</u>	<u>(330,125)</u>
Other than Full-Time Salaries	20,029,272	20,113,225	83,953
Total Salaries	74,370,320	76,825,016	2,454,696
Staff Benefits			
Medical Program	20,600,000	21,208,200	608,200
Retirement Contributions	6,056,100	6,365,500	309,400
FICA	3,084,800	3,203,000	118,200
All Other Benefits	<u>2,122,216</u>	<u>2,224,300</u>	<u>102,084</u>
Total Fringe Benefits	31,863,116	33,001,000	1,137,884
			3.6%

Community College of Philadelphia
Fiscal Year 2019-2020 Proposed Budget Compared with FY 2018-2019 Revised Budget

	<u>FY 2018-19</u> Revised Budget	<u>FY 2019-20</u> Proposed Budget	<u>Variance</u>
<u>Facility Expenses</u>			
Utilities	1,964,506	2,027,170	62,664
Contracted Security	1,980,000	2,085,145	105,145
Contracted Cleaning	1,500,932	1,560,696	59,764
All Other Facility Expenses	<u>2,566,772</u>	<u>2,533,811</u>	<u>(32,961)</u>
Total Facility Expenses	8,012,210	8,206,822	194,612
<u>All Other Expenses</u>			
Leased Equipment & Software	4,012,099	4,226,810	214,711
Contracted Services	2,253,164	2,088,203	(164,961)
Catalogs and Advertising	1,872,752	1,795,250	(77,502)
Supplies-Pool	1,377,270	1,329,758	(47,512)
Institutional & Departmental Contingency	21,068	400,000	378,932
Insurance	729,300	735,400	6,100
Legal Fees	568,000	411,000	(157,000)
Maintenance & Repairs	426,568	520,284	93,716
Consulting	673,473	508,117	(165,356)
Other Expenses	<u>2,056,998</u>	<u>2,410,075</u>	<u>353,077</u>
Total All Other Expenses	13,990,692	14,424,897	434,205
PowerUp Your Business	800,000	800,000	-
TOTAL OPERATING EXPENSES	<u>129,036,338</u>	<u>135,257,735</u>	<u>4,221,397</u>
			3.1%
			0.0%
			3.3%