

**HYBRID MEETING OF THE BUSINESS AFFAIRS COMMITTEE
OF THE BOARD OF TRUSTEES
Community College of Philadelphia
Wednesday, September 21, 2022 – 9:00 A.M.**

Present for the Business Affairs Committee: Mr. Michael Soileau (presiding); Mr. Ronald Bradley, Mr. Rob Dubow, Mr. Harold Epps, Mr. Steve Herzog, Dominique Ward, Esq., and Mr. Jeremiah J. White

Present for the Administration: Dr. Donald Guy Generals, Mr. Jacob Eapen, Ms. Marsia Henley, Danielle Liautaud-Watkins, Esq., Mr. Gim Lim, Mr. Derrick Sawyer, Mr. Tim Trzaska, Mr. John Wiggins, Ms. Mikecia Witherspoon, and Victoria Zellers, Esq.

Guests: Ms. Sabrina Maynard, Office of Finance, City of Philadelphia

Please note that Attachment A contains a spreadsheet that lists the vendor/consultant, the amount, and the source of funding (i.e., Capital Budget, Operating Budget, Perkins Grant, or Bond Proceeds) which College Administration is seeking approval.

Mr. Soileau called the meeting to order at 9:02 A.M. Prior to the agenda items being discussed, Dr. Generals commented that he wanted to bring to the Board's attention the magnitude of issues with deferred maintenance. He stated that the College buildings are old, and that staff have been contending with pipes bursting, elevators not functioning, and ongoing infrastructure issues. He stated that the three-year capital budget plan is a year-to-year fix to deal with the College's ongoing building issues and hopefully the work with Mosaic Development Partners, LLC will help the College to sustain its long-term value over the next 5 to 10 years.

(1) CBI Heat Pump Replacement (Action Item):

Background: The age of the heat pumps in CBI is about 20 years old which means the manufacturers and the retailers do not sell the parts or the refrigerant (R22) for these systems. Also, the refrigerant called (R22) also known as Freon and HCFC-22 Freon is a chemical that has been banned. On January 1, 2020, the U.S. Environmental Protection Agency (EPA) banned the production and import of R22 because of its particularly harmful impact on the ozone layer when released into the air.

Discussion: Mr. Eapen introduced this item by stating that staff have challenges getting parts. He stated that there will be a short fix by using an energy savings plan which will be discussed under the three-year capital budget plan. Mr. Eapen stated that the heat pumps in the Center for Business and Industry (CBI) have outlived their lifecycle. In an attempt to repair them, staff have found it is difficult to find parts and also parts are cost prohibitive. It is more cost-effective to replace with new heat pumps.

Mr. Eapen stated that staff requested pricing from PT Mechanical, DeWitt Heating and Air Conditioning Inc. and Chadwick Mechanical all under COSTARS. The College received responses from PT Mechanical and DeWitt. He stated that staff recommends DeWitt as the vendor of choice. DeWitt was lowest in cost at \$159,949 compared to PT Mechanical at a cost of \$164,675. DeWitt

is a minority-owned company based in Philadelphia. Mr. Eapen added that DeWitt has done work for the College in the past, and that staff was pleased with DeWitt's performance.

Mr. Wiggins stated that the heat pumps have a projected life of 10 to 15 years. Mr. Soileau asked how many of the heat pumps are actually performing. Mr. Wiggins stated that staff are aware of 15 to 18 heat pumps that need replacement; however, 15 are most critical to be replaced in classrooms and staff areas.

Action: Mr. Dubow moved and Mr. Herzog seconded the motion that the Business Affairs Committee recommend to the full Board the approval to enter into a contract with DeWitt Heating & Air Conditioning, Inc. to replace 15 heat pumps in the CBI building at a cost of \$159,949. The funds will be provided from the Capital Budget. The motion passed unanimously.

Note: At the request of the Committee, Ms. Henley provided information in the Chat Room. DeWitt Heating & Air Conditioning, Inc. is located at 8325 Stenton Avenue in the Germantown section of Philadelphia with a total of 10 employees: 8 African Americans and 2 Caucasians. The owner is an African American male. The company is certified as an MBE – Minority Business Enterprise.

(2) Renewal of Contract with Cozen O'Connor Public Strategies (Action Item)

Background: In Fall of 2021, the College awarded Cozen O'Connor Public Strategies ("Cozen") with a one-year lobbying services agreement for local, state and federal lobbying at \$15,000 per month. The College and Government Relations Officer are very satisfied with Cozen's services. Cozen has been instrumental in providing the College with opportunities to participate in state-led policy discussions and in fostering new relationships with external partners like SEPTA. The College would like to renew Cozen for local, state, and federal lobbying at Cozen's current rate of \$5,000 each per month for local, state and federal lobbying services for a total of \$15,000 per month and not to exceed \$180,000 per year. Cozen's lead lobbyist is a minority male. Cozen also subcontracts 10% of the Agreement to an MBE firm, Maven, Inc.

Discussion: Ms. Witherspoon stated that the Cozen O'Connor Public Strategies expires September 30, 2022. She stated that staff is requesting to renew it one-year lobbying services agreement to September 30, 2023. Ms. Witherspoon stated that she has been extremely satisfied with Cozen, and that some of our Board members and Dr. Generals have worked closely with some of the lobbyists and have also been satisfied with Cozen's performance. Mr. Joseph Hill, a minority male, is Cozen's lead lobbyist. The team in Philadelphia under the lead lobbyist is predominantly female with two African American females and two Caucasian females. Ms. Witherspoon pointed out that Cozen O'Connor Public Strategies ranked number two in Pennsylvania's Top 50 Lobbyists in 2022. She added that Ms. Brianna Westbrooks, the policy adviser for Cozen O'Connor Public Strategies local team, was named one of the 2022 Philadelphia Forty Under 40 by City & State Pennsylvania. Ms. Witherspoon reported that Cozen participated in state and legislature hearings on the challenges facing students who need child care in higher education institutions. Cozen coordinated meetings for members of the Board of Trustees for the ACCT national legislative conference which take place every year. Cozen helped the College to secure \$3m in RACP (Redevelopment Assistance Capital Program) funding for the College's new Student Services Center. Ms. Witherspoon stated that Cozen also subcontracts 10% of the Agreement to an MBE firm, Maven, Inc. under the leadership of Ms. Melonease Shaw.

Action: Mr. Bradley moved and Mr. Herzog seconded the motion that the Business Affairs Committee recommend to the full Board to renew its one-year lobbying services agreement with Cozen O'Connor Public Strategies at \$15,000 per month for local, state and federal lobbying services at a total not to exceed \$180,000 per year. The lobbying services agreement will be paid from the Operating Budget. The motion passed with Mr. Dubow abstaining.

(3) Three-Year Capital Budget Plan (Information Item)

Mr. White stated that the previous administration did not have a sufficient maintenance plan. He concurred with Dr. General's that a lot of maintenance issues were put off. Mr. White emphasized that a long-term maintenance plan is necessary. He pointed out two examples: the elevator to get to the Boardroom and the floor Gym. Mr. White stated that created within the reserves is a fund for deferred maintenance. He then asked Mr. Eapen how much was in the fund. Mr. Eapen responded that \$4.8m was in the fund and \$5m from the reserves. Mr. White added that at the end of the fiscal year, as staff balances out the net revenue expenses, there is an allocation that puts funds out of the net into the reserves which is allocated into different funds within the reserves. He stated to the Committee that is how the \$4.8m was reached.

Mr. Eapen provided an overview of the three-year Capital Budget Plan. He stated that three areas which will be covered: Sources and Uses of Funds; Guaranteed Savings Energy Program; and a summary of the distribution of funds for the facility projects. Attachment B contains the College's proposed capital budget three-year plan for fiscal years 2022-2023, 2023-2024 and 2024-2025.

Mr. Eapen stated that under the Sources of Funds, there is three years of Capital Fees that are being projected which are fees that are paid from out-of-county students which total \$842,818. He stated there is the Perkins Grant which the College is allowed to use for certain capital equipment purchases which total \$225,000. Mr. Eapen stated that there is funding coming from the Pennsylvania Department of Education which totals \$338,000 and RACP (Redevelopment Assistance Capital Program) which contains two components totaling \$7,650,000: (1) \$5.25m for the CATC project and \$2.4m for the capital budget plan. Mr. Eapen stated that there should be funds left over from the Bond Issue from the Bank of New York which total \$1.4m. In addition, he stated there is \$4.8m in the maintenance fund and \$5m from the maintenance fund to be transferred from the reserves. Mr. Eapen stated that this totals \$20.2m over a three-year period. Mr. Dubow asked if there were any restrictions on the usage of funds from the Bank of New York regarding the Bond Issue. Mr. Eapen stated that when the College does the Bond Issue, the College uses general language which states expected projects and other general capital projects. He further explained that the way the RACP funds work, for example the \$5.25m for the CATC project, is that the College has to use its funds first, then the College will get reimbursed once the funds are used. One of the challenges regarding the cash flow is that the funds have been spent over 6 months ago to the state and the College has yet to receive its cash. He stated that this is not only a problem for the College but for other entities that have received RACP funds. Mr. Eapen stated that Ms. Witherspoon will be assisting the College to obtain the funds.

Mr. Eapen pointed out that the two major capital projects: the Library and Learning Commons (LLC) and the Career and Advanced Technology Center (CATC), are not part of the three-year capital budget plan. Mr. Soileau asked if no maintenance is expected for the new

buildings during the three-year capital plan. Mr. Eapen answered in the affirmative. Mr. Dubow asked if the regular maintenance is in the operating budget. Mr. Eapen answered in the affirmative.

Mr. Eapen asked Mr. Trzaska, Director of Construction, to discuss GESA (Guaranteed Energy Savings Act). Mr. Trzaska explained that GESA is a Pennsylvania Senate Bill that provides educational entities to hire an ESCO company (Energy Service Company). ESCO will come in and perform an investment grade energy audit and will then design, acquire, install and train staff on new equipment that the College can use for energy consumption, energy reduction, and state-of-the-art equipment. Additionally, ESCO reviews grants and PECO rebates that are available to the educational entity. ESCO guarantees the energy savings to the College. Every year, ESCO does an audit. Under the GESA project, the College does not have to do all projects at once. The College can deal with its immediate needs over different phases in time. Mr. Trzaska stated that in 2007, the College did a performance contract with Johnson Controls for \$5m to upgrade certain equipment and building automation. However, the College is still operating with technology from the 1960s which needs to be upgraded. He stated that the first phase is to put out an RFQ (Request for Qualifications) for ESCO companies which will give staff time to evaluate which company would be the best fit for the College.

Mr. Eapen stated that there are several projects under the three-year capital budget plan. He pointed out that some of these projects may qualify under GESA (Guaranteed Energy Savings Act). Mr. Dubow asked if that would be another source of funds that is not showing yet. Mr. Eapen stated the uses of funds can come down and the GESA funds can be used toward the capital plan. Mr. Dubow asked Mr. Eapen if he was seeking to do more than what is in the capital plan, or to reduce the cost of what is in the capital. Mr. Eapen stated to do both because staff have not done thorough survey of the College's buildings. Mr. Soileau mentioned that the three-year capital budget plan is an attempt of transparency in a way that Mr. Eapen and his team are thinking about the plan. He stated that the Mosaic Development Partners, LLC's output will apprise the capital plan. Mr. White asked, as a benefit to the College, if the energy savings program was an "off books" arrangement. Mr. Eapen stated that he would carefully need to review the funding to see where the College stands in order to endorse the position of an "off books" arrangement.

Mr. Soileau asked Mr. Eapen to review the next steps before the Executive Session. Mr. Eapen stated that the first step is to work on the Guaranteed Energy Savings Act and asked the Committee to refer names of ESCO companies. Mr. Eapen stated that staff will come back to the Committee if there are any procurements that are over \$100,000 and that staff will be focusing on the College's buildings, mainly the classrooms. He then referred the Committee to the chart focusing on the individual buildings with estimated costs. Mr. Eapen stated that the Bonnell Building has a projected cost of \$5.2m with \$900,000 of RACP funds to replace the Atrium Skylights. Next, he pointed out the CBI Heat Pumps that the Committee just approved. Mr. Eapen stated that the Gym needs replacing of the gym floor and water infiltration challenges which total \$1.56m and the Gym locker room, bathrooms and coils which total \$1m of which \$500,000 will be used from RACP funds. He stated that based on the consultant's report, the Main Garage needs to undergo Phases IV and V which totals \$721,000. Mr. Eapen reported on the Mint Building front doors (\$300,000), the replacement of hot water/heat exchanger system (325,000), the Café in the Mint Building which is the final payment to close out the project (\$480,202), and the Mint Lighting (\$1,000,000) of which \$500,000 will be used from RACP funds.

The cost of the Mint Building projects totals \$2.1m. He reviewed the cost at the Northeast Regional Center which total \$609,017, and that the Northwest Regional Center needs repairs in the amount of \$150,000. Mr. Eapen stated that even though there are no classrooms running at the Northwest Regional Center, these repairs will keep the Center safe with basic heating and cooling. He pointed out that in the West Building, College staff is awaiting approval from the Pennsylvania Department of Education to receive half of the funding for the Physics Lab in the amount of \$627,000. He stated that that approval was received for the Physics Lab from the PA Commission's Capital Work Group. Other facility projects in the West Building are: Create a Simulation/Skills Lab for Nursing & Allied Health in the amount of \$725,000; Renovate the Respiratory Care Lab Space in the amount of \$30,000; Repair the Dental Clinic Floor in order to meet the accreditation standards in the amount of \$114,000. Mr. Eapen reviewed the project items in the Winnet Building starting with the Great Hall renovations (\$900,000) and the Old Cafeteria Renovation to accommodate the Single Stop Office Space and the Keys Program which will be relocated from the Mint Building to the Winnet Building which has an estimated cost of \$1m with \$500,000 coming from RACP funds; and smaller challengers such as the compressor (\$30,000), Student Life Instruction Building (SLIB) and Gym heating system pumps (\$36,000), and the Student Life Freight Elevator Rebuild in the amount of \$47,000.

Mr. Eapen asked Mr. Wiggins to discuss the sprinkler systems in various buildings. Mr. Wiggins stated that sprinkler heads need to be replaced and only have a life span of 10 years. He stated that the average sprinkler head is 20 years old and would need to be replaced with newer and modern sprinkler heads. Mr. Wiggins stated that staff are estimating \$1.3m to replace the sprinkler heads. He then spoke to the roof replacements estimating at \$2.3m which are necessary to protect, keep the buildings safe, and save energy.

Mr. Eapen mentioned one of the goals in the capital budget plan is to move the offices at 1500 Spring Garden Street to the Main Campus due to the 1500 Spring Garden Street lease expiring in 2025, and he then reported on the furniture, fixtures and equipment purchases.

Mr. Soileau pointed out to the Committee that as we contemplate on spending \$20m over three years on capital projects and equipment, roughly 75% is covered by other sources and \$5m will be coming out of the College's reserves. He stated that as we think about taking \$5m from the reserves for aging buildings, the Mosaic study should assist the College on how to prioritize these funds. Mr. Soileau stated that as we think through the expenditures, we need to tie it back to the Five-Year Strategic Plan prioritizing those projects that are the "stalwarts" of the College versus those that are not.

Note: At the request of Mr. Dubow, staff will provide to the Committee a listing of capital projects and equipment that came off of last year's plan. At the request of Mr. Epps, staff will provide to the Committee a chart outlining the College's reserves for the last five years.

Mr. Eapen mentioned that there are three major expenditures under the reserves: (1) \$6.75m for the purchase of the 4701 Chestnut Street parking lot; (2) \$5m from the reserves as needed; and (3) \$4.8m in the deferred maintenance fund.

(4) Next Meeting (Information Item)

The next regularly scheduled meeting of the Business Affairs Committee is set for Wednesday, October 19, 2022 at 9:00 A.M.

EXECUTIVE SESSION

The Committee went into an Executive Session at 9:53 A.M. to discuss legal matters related to construction contracts.

ATTACHMENT A
FUNDING FOR ACTIONS ITEMS

BUSINESS AFFAIRS COMMITTEE MEETING

AGENDA: September 21, 2022

Agenda No.	Vendor/Consultant	Amount	Source
1.	CBI Heat Pump Replacements – 15 DeWitt Mechanical	\$159,949	Capital Budget
2.	Renewal of Contract with Cozen O’Connor Public Strategies	A total not to exceed of \$180,000 per year	Operating Budget

ATTACHMENT B

Three-Year Capital Budget Plan

Community College of Philadelphia		
Multi-Year Capital Plan - Summary		
Fiscal Year 2023-2025		
<u>Source of Funds</u>		Revenues
3 Years of Capital Fees (FY23, FY24, FY25)		842,818
Perkins (State Grant)		225,000
PA Department of Education (PDE)		338,000
Redevelopment Assistance Capital Program - RACP (State Grant)		7,650,000
Bank of New York Mellon		1,400,000
Maintenance Fund		4,829,695
Maintenance Fund (To be transferred from reserves)		5,000,000
		\$ 20,285,513
<u>Use of Funds</u>		Capital Expenses
Facility Projects		\$ 19,287,775
FF&E (Furniture, Fixtures & Equipment) Purchases		539,738
Divisional Priorities		458,000
		\$ 20,285,513

Community College of Philadelphia

Multi-Year Capital Plan - Details

Fiscal Year 2023-2025

Building	FACILITY PROJECTS	Uses of Funds	22-23	23-24	24-25	RACP
Bonnell	Electrical cost: Generator	1,000,076	1,000,076	-	-	-
Bonnell	Cooling Tower Dunnage & Piping	565,000	-	-	565,000	-
Bonnell	Replace Atrium Skylights - Mint/Bonnell	1,800,000	-	1,800,000	-	900,000
Bonnell	Chiller #3 Replacement	1,300,000	-	-	1,300,000	-
Bonnell	Parking lot lighting	60,000	60,000	-	-	-
Bonnell	Bathrooms renovation	447,225	447,225	-	-	-
Bonnell	Replacement - Bonnell Breaker	36,985	36,985	-	-	-
	TOTAL BONNELL	5,209,286	1,544,286	1,800,000	1,865,000	900,000
CBI	CBI Heat Pumps	160,000	160,000	-	-	-
	TOTAL CBI	160,000	160,000	-	-	-
Gym	Replacing Gym Floor/ Water Infiltration	1,566,013	1,566,013	-	-	-
Gym	GYM-Locker rooms/Bathrooms/coils	1,000,000	-	-	1,000,000	500,000
	TOTAL GYM	2,566,013	1,566,013	-	1,000,000	500,000
Main Garage	Main garage -Phase IV & V	721,000	361,000	360,000	-	-
	TOTAL MAIN GARAGE	721,000	361,000	360,000	-	-
Mint	Mint Building Front Doors	300,000	300,000	-	-	-
Mint	Replace Hot Water / Heat Exchanger System (MG-35)	325,000	325,000	-	-	-
Mint	Café in Mint Building	480,202	480,202	-	-	-
Mint	Mint Lighting	1,000,000	-	1,000,000	-	500,000
	TOTAL MINT	2,105,202	1,105,202	1,000,000	-	500,000
NERC	Reconfiguration of Medical Assistant Lab Space (NERC 203)	75,000	75,000	-	-	-
NERC	Heat Pumps Condensate Piping Repairs - NERC	94,100	94,100	-	-	-
NERC	NERC (Northeast Regional Center) Heat Pumps	332,000	-	332,000	-	-
NERC	Oil Tank Replacement & Ad hoc	107,917	107,917	-	-	-
	TOTAL NERC	609,017	277,017	332,000	-	-
NWRC	Northwest Regional Center Repairs	150,000	150,000	-	-	-
	TOTAL NWRC	150,000	150,000	-	-	-

Community College of Philadelphia						
Multi-Year Capital Plan - Details						
Fiscal Year 2023-2025						
Building	FACILITY PROJECTS	Uses of Funds	22-23	23-24	24-25	RACP
West	Create a Simulation / Skills Lab for Nursing & Allied Health	725,000	-	725,000	-	-
West	Physics Lab	627,000	627,000	-	-	-
West	Renovation of Respiratory Care Lab Space (W2-36)	30,000	30,000	-	-	-
West	Dental Clinic Floor	114,000	114,000	-	-	-
	TOTAL WEST	1,496,000	771,000	725,000	-	-
Winnet	Great Hall Renovation	900,000	-	900,000	-	-
Winnet	Compressor	30,000	30,000	-	-	-
Winnet	SLIB and Gym heating system pumps	36,000	36,000	-	-	-
Winnet	Student Life Freight Elevator Rebuild	47,000	-	47,000	-	-
Winnet	Old Cafeteria renovation to single stop office space, Keys, etc.,	1,000,000	500,000	500,000	-	500,000
	TOTAL WINNET	2,013,000	566,000	1,447,000	-	500,000
WRC	New entrance/split system/reconfigure rooms	240,000	-	120,000	120,000	-
	TOTAL WRC	240,000	-	120,000	120,000	-
Various	Replace sprinklers head College Wide	1,380,000	-	690,000	690,000	-
Various	Roof Replacements	2,390,421	68,370	1,122,051	1,200,000	-
Various	FCTL, Cooling Tower, Music Area, Piano Lab etc.	147,836	147,836	-	-	-
Various	CME- Flooring	100,000	100,000	-	-	-
	TOTAL VARIOUS	4,018,257	316,206	1,812,051	1,890,000	-
	Subtotal Facility Projects	19,287,775	6,816,724	7,596,051	4,875,000	2,400,000
	FURNITURE, FIXTURES & EQUIPMENT PURCHASES					
NERC	NERC Labs Chairs (78)	31,100	31,100	-	-	-
Various	Replacement of Classroom Tablet Armchairs (Qty 25 rooms)& Various	258,638	258,638	-	-	-
Various	Interior Wayfinding Signage	25,000	25,000	-	-	-
West	Dental Equip	225,000	225,000	-	-	-

Community College of Philadelphia

Multi-Year Capital Plan - Details

Fiscal Year 2023-2025

<u>Building</u>	<u>FACILITY PROJECTS</u>	<u>Uses of Funds</u>	<u>22-23</u>	<u>23-24</u>	<u>24-25</u>	<u>RACP</u>
	Subtotal Furniture, Fixtures & Equipment Purchases	539,738	539,738	-	-	
	<u>DIVISIONAL PRIORITIES</u>					
Various	Math, Science & Health Careers - Instructional Equipment	58,000	58,000	-	-	-
Various	1500 Spring Garden St. Office Relocations	400,000	-	200,000	200,000	-
	Subtotal Divisional Priorities	458,000	58,000	200,000	200,000	-
	TOTAL MULTI-YEAR CAPITAL PLAN	20,285,513	7,414,462	7,796,051	5,075,000	2,400,000