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

Present: Mr. Jeremiah White, Jr., presiding; Mr. Matthew Bergheiser, Ms. Suzanne Biemiller, Mr. Willie Johnson, Ms. Jennie Sparandara *via* teleconference, Stella Tsai, Esq., , Dr. Donald Generals, Dr. Samuel Hirsch, Mr. Harry Moore, Mr. Todd Murphy, Mr. James P. Spiewak and Jill Garfinkle Weitz, Esq.

AGENDA – PUBLIC SESSION

(1)   Elevator/Escalator RFP (Action Item):

Mr. Spiewak stated that the College issued an RFP for maintenance and repair services for the College's escalators and elevators on August 5, 2014. The College has three (3) sets of escalators in the West Building and 28 elevators. Five vendors attended the pre-bid meeting and three vendors submitted proposals. One vendor was eliminated based upon price. College staff met with representatives of the two lowest bid firms to discuss their proposals in detail. Gold Elevator (the incumbent) submitted the lowest cost at $690,000 over the three year period of the contract. The cost proposal from Kone, Inc. was $856,440. Kone, Inc. also offered an alternative pricing proposal and proposed to furnish services under a US Communities contract specification. US Communities is a purchasing consortium to which the College belongs. The alternate proposal was based upon establishing a preventative maintenance schedule and having the College responsible for paying for any replacement parts required either as a result of maintenance inspections, equipment breakdowns or malfunctions. Staff have explored and made reference calls on this type of contract with references furnished by Kone, Inc. In most cases, it was extremely difficult to engage the reference in a discussion of their experiences with this type of contract. Mr. Moore informed the Committee that the only regional reference using this type of arrangement was the Lancaster School District and only for elevators. He noted that while a contract of this type has potential for savings, it does not fit well with institutions that have aging equipment since the potential exposure to costly repairs is too great. In fiscal year 2013-14, the College expended $286,000 for maintenance efforts between both companies, Gold Elevator and Kone Inc., which provided partial maintenance on four of their Eco-Mod traction elevators.

Mr. Spiewak stated that with the decision to eliminate consideration of the alternative proposal from Kone, Inc., the assessment came down to the full maintenance proposals of the bidders. The low bidder, Gold Elevator, has committed to implementation of a software based service call and preventative maintenance program at no additional cost to the contract. The lack of electronic documentation and staff

access to maintenance and repair records has been a source of frustration with the incumbent over the years. Kone reports that they have an established electronic record keeping system that documents all service call requests and related activities.

Action: Mr. Bergheiser moved and Ms. Tsai seconded the motion that the Committee recommend to the full Board the awarding of the escalator and elevator maintenance contract to Gold Elevator for a three-year period at annual costs of $216,000 for year one, $234,000 for year two and $240,000 for year three with the possibility of two one-year extensions. The motion passed unanimously.

(2) Inducement Resolution for Potential Bond Financing for the Biology Lab Renewal Project and for the Renewal or Replacement of the Three Sets of Escalators in the West Building (Action Item):

Mr. Spiewak stated that Attachment A contains a recommended Inducement Resolution for Board adoption which will preserve the College's right to utilize bond or loan financing for the capital costs associated with renewing and updating biology labs and prep rooms for a project amount of $5,900,000 and for the renewal or replacement of the three sets of escalators in the West Building at a project amount of $2,400,000. The Resolution was prepared by the College's bond counsel, Kevin Scott, at Fox Rothschild. The resolution will permit capital costs incurred by the College during the initial stages of the projects to be included in the bond or loan financing. He noted that the Department of Education will provide 50% funding of the debt service associated with the biology lab project with the remaining 50% funded from the City appropriation. Mr. Spiewak also mentioned that the College intended to submit the escalator project to the Department of Education as a "carry forward" project for FY 15-16 with the hope of receiving 50% state funding starting with that fiscal year.

Mr. Spiewak stated that a similar delegation of authority has been made in prior capital projects requiring bond or loan financing to facilitate access to favorable financial market conditions and help ensure that construction time schedules are met. College bond counsel has always recommended that the resolution amount be higher than estimated costs at the time it is adopted in case of any unforeseen capital costs. The amount of actual financing undertaken by the College will be recommended to the Board for its approval later in the fiscal year.

Ms. Biemiller questioned whether stairways and/or elevators could replace escalators. Mr. Bergheiser requested that staff analyze all-in costs of the various vertical transportation options over a ten-year period and report back to the Committee. Mr. White stated that the Committee action on this item is undertaken with the understanding that prior to any borrowing for the escalator project, staff will present an analysis of all-in costs for the various vertical transportation options.

Mr. Spiewak reviewed the data contained in Attachment B.   The data reflects the College's originally budgeted and proposed revised debt service for the current year. It also displays projections for fiscal years 2016 and 2017 compared with financial projections that were discussed with the Board during budget discussions in June, 2014. He noted that it also shows the projected debt payments made from city appropriations as a percentage of total operating revenues for fiscal years 2015 through 2017.   This calculation is one of the key financial performance indicators that the Board has asked staff to track.

Action: Mr. Bergheiser moved and Ms. Biemiller seconded the motion that the Committee recommend to the full Board the adoption of the Inducement Resolution with the understanding that prior to any borrowing for the escalator project, staff will present an analysis of all-in costs for the various vertical transportation options.. The motion passed unanimously.

(3) **Civitas Learning (Action Item):**

Dr. Hirsch presented a PowerPoint on Civitas Learning.   Please refer to Attachment C which contains the PowerPoint presentation.   He noted that the Civitas Learning platform brings together College data with advanced predictive analytics and engaging applications to allow the College to evaluate in real time the effectiveness of investments and the efficacy of interventions, allowing for better decisions.   The platform integrates new data and data sources with current systems, continually improving predictive insights.   Use of the Civitas Learning platform will allow for the analysis of key institutional metrics including course success, persistence and graduation; viewing of historical results and predictions of future performance, as well as the most powerful predictors of student success and risk; provide insights across institutional data sets including Banner, Canvas, and Hobson's CRM; and identify opportunities for interventions for both the overall student population and for key segments.

In response to a question from Mr. White, staff noted that the data that will be utilized by the Civitas platform is credible and valid. Dr. Hirsch and Dr. Generals stated that Banner is used by 100% of faculty for entering grades and attendance records and that Canvas, the learning management system, is currently used by more than 70% of faculty. Hobsons, the customer relation management tool, is utilized by Admissions and this tool is gaining interest among academic programs. Civitas takes the information from these database silos, integrates it and performs analyses. Dr. Hirsch described how data can be filtered to various subsets and noted that the data is updated dynamically. Mr. Bergheiser stated that this type of data collection and analyses needs to be fully ingrained in the institutional culture. Dr. Hirsch responded that the College

has made great strides in the last few years in being a data-driven institution and that Civitas should help take the College to the next level. Mr. Bergheiser and Dr. Generals both noted that how it is communicated and implemented are important components of getting faculty and staff to buy in. Ms. Biemiller and Ms. Tsai also commented that the perception of how the data is being used is important; it should be seen as an intervention tool as opposed to a method of "labeling" cohorts. In response to Mr. White's question concerning who has responsibility for this effort, Dr. Hirsch noted it will be a shared effort involving Academic Affairs, Student Affairs, Institutional Research and ITS. Dr. Hirsch stated that there is a possibility that part of the first year cost will be covered by a grant.

Terms of Agreement: Three-year agreement with an annual subscription fee of $115,000. There is a one-time platform installation fee of $27,500.

Action: Ms. Biemiller moved and Mr. Bergheiser seconded the motion that the Committee recommend to the full Board that the College enter into a *Master Services Agreement* with Civitas Learning, Inc. for a three year period in the amount of $345,000 with an initial implementation fee of $27,500 to be paid in the first year. The motion passed unanimously.

(4)   Next Meeting Date

The next meeting of the Committee is scheduled for Wednesday, January 21, 2015 at 9:00 A.M. in the Isadore A. Shrager Boardroom, M2-1.

JPS/lm
Attachments
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ATTACHMENT A

INDUCEMENT RESOLUTION FOR POTENTIAL BOND FINANCING FOR THE BIOLOGY LAB RENEWAL PROJECT AND FOR THE RENEWAL OR REPLACEMENT OF THE THREE SETS OF ESCALATORS IN THE WEST BUILDING

REIMBURSEMENT RESOLUTION

THE COMMUNITY COLLEGE OF PHILADELPHIA

WHEREAS, Philadelphia Community College (the "College") is undertaking certain capital projects, including renovating the College's biology labs and replacing certain escalators located in the College's West Building (the "Project"); and

WHEREAS, the College intends to request an appropriate governmental authority to issue revenue bonds to finance the Project (the "Bonds"), in an amount not to exceed $10,000,000; and

WHEREAS, the College has incurred, and will in the future incur, expenses related to the Project prior to the issuance of the Bonds (the "Original Expenditures"), with the expectation that the College will be reimbursed for such Original Expenditures with proceeds of the Bonds; and

WHEREAS, the Internet Revenue Service (the "IRS") has issued Treasury Regulation 1.150-2 (the "Regulation"), which sets forth rules regarding the use of tax-exempt bond proceeds in reimbursing original expenditures; and

WHEREAS, the Regulation requires that a borrower declare an intent to reimburse itself for original expenditures with bond proceeds and that such reimbursement occur within eighteen (18) months after the later of (A) when the original expenditure is paid or (B) the date the project is placed in service, meaning when a facility is operating at its intended level, but in no event more than three (3) years after the original expenditure is paid.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of the College hereby authorizes the College to borrow up to $10,000,000 by the issuance of the Bonds by an appropriate governmental authority to pay for the costs of the Project; and

FURTHER RESOLVED, that the College may apply its general funds to pay the Original Expenditures pending the issuance of the Bonds, with the expectation that amounts so advanced will be reimbursed from the proceeds thereof; and

FURTHER RESOLVED, that these Resolutions shall be deemed to be a declaration of official intent, as contemplated by the Regulation.

ATTACHMENT B

AN ANALYSIS OF THE COLLEGE'S EXISTING AND PROPOSED DEBT SERVICE FOR THE CURRENT YEAR WITH PROJECTIONS FOR FISCAL YEARS 2016 AND 2017

PROJECTED DEBT PAYMENTS MADE FROM CITY APPROPRIATIONS AS A PERCENTAGE OF TOTAL OPERATING REVENUES FOR FISCAL YEARS 2015 THROUGH 2017

Debt Service		Fiscal Year 2014-15			Financial Planning FY 15-16			Financial Planning FY 16-17		
		Approved Budget	Revised	Change	Initial for FY 15-16	Revised for FY15-16	Change	Initial for FY 16-17	Revised for FY16-17	Change
NWRC & Main Campus Projects and Center for Business & Industry Building	2007 Bond - Refinancing of 1998 & 2001 Bond	2,888,106	2,888,106	0	2,890,356	2,890,356	0	2,892,356	2,892,356	0
Roofing and Brick Work	2006 Loan	375,775	375,775	0	375,363	375,363	0	189,163	189,163	0
Northeast Regional Center Expansion and Main Campus Expansion & Renovations	2008 Bond	5,784,900	5,784,900	0	5,781,850	5,781,850	0	5,782,690	5,782,690	0
Northwest Regional Center Chiller, West Building Elevators & Mint Masonry Renewal	2010 Loan	290,402	290,402	0	0	0	0	0	0	0
West Philadelphia Regional Center Expansion & Outfitting	2011 Loan	216,899	216,899	0	216,899	216,899	0	108,449	108,449	0
Chemistry Lab Renovations	2013 SPSBA Loan	377,242	377,242	0	377,242	377,242	0	377,242	377,242	0
West Building Renovations	2013 PNC Note	325,551	325,551	0	325,551	325,551	0	325,551	325,551	0
Fit-out of 1500 Spring Garden Street Lease (1)	**5-year Loan**	**77,042**		**(77,042)**	**154,084**	**0**	**(154,084)**	**154,084**	**0**	**(154,084)**
Renovations to Biology Labs (2)	**10-year Loan**	**378,468**	**356,487**	**(21,981)**	**756,936**	**712,973**	**(43,963)**	**756,936**	**712,973**	**(43,963)**
West Building Escalators (3)	**10-year Loan**		**145,012**	**145,012**	**0**	**290,023**	**290,023**	**0**	**290,023**	**290,023**
Total Debt Service		10,714,385	10,760,373	**45,988**	10,878,281	10,970,257	**91,976**	10,586,472	10,678,448	**91,976**

(1) College anticipates fit-out cost related to new space at 1500 Spring Garden Street - **No longer under consideration.**

(2) Should the College receive PDE approval and funding for the renovation of Biology Labs, one debt service payment during FY 2014-15 will be necessary during fiscal year 2014-15, funded 50% each by the State ($189,234) and City ($189,234). **Project lower interest rate.**

(3) Contemplated replacement/overhaul of West Building escalators. **NEW.**

			Total Debt Payments Made from City Appropriations		Percent of Total Operating Revenues
Total Debt Payments Made Using City Dollars					
as a Percentage of Unrestricted Operating Revenue					
	2004-05		$3,378,206		3.56%
	2005-06		$3,378,259		3.46%
	2006-07		$3,469,762		3.37%
	2007-08		$3,848,690		3.57%
	2008-09		$6,819,821		6.25%
	2009-10		$6,183,563		5.20%
	2010-11		$6,471,559		5.32%
	2011-12		$6,576,665		5.49%
	2012-13		$6,822,960		5.64%
	2013-14		$6,785,455		5.43%
	2014-15 *		$5,768,640		4.52%
	2015-16 *		$5,800,354		4.50%
	2016-17 *		$5,601,258		4.24%
	* Estimated				

ATTACHMENT C

CIVITAS LEARNING
IMPROVING STUDENT SUCCESS

MOVNG FORWARD THROUGH THE USE OF
ADVANCED ANALYSTICS

NOVEMBER 19, 2014

Improving Student Success

Moving Forward Through the Use of Advanced Analytics

November 19, 2014

Civitas Learning

Why Predictive Analytics?

- Bring data from disparate sources together to create a more complete view of student progression
- Facilitate greater understanding of how students succeed and face challenges
- Identify persistence trends and success probabilities
- Provide a student-level summary of risk factors to better understand why a student is at risk and inform necessary action
- Track interventions and evaluate effectiveness to learn what works and what doesn't – and for which students
- Increase visibility and understanding into student success across various dimensions

Civitas Learning
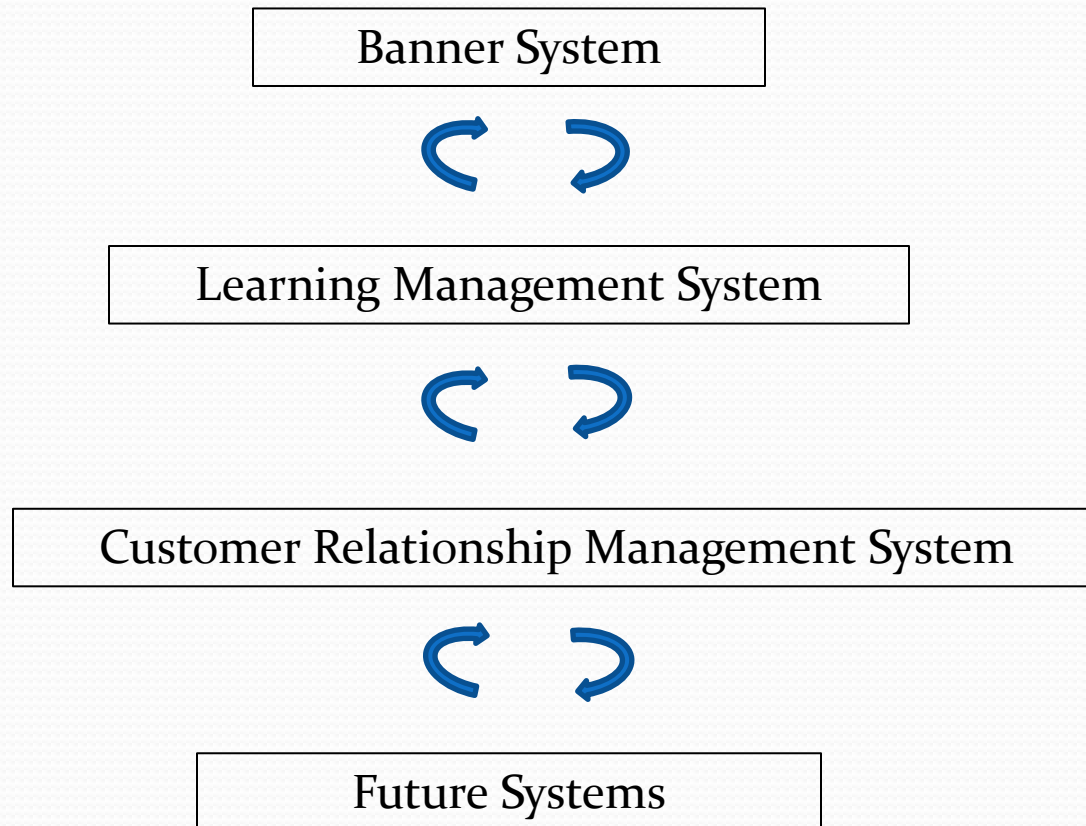
Predictive Modeling

Data is integrated and normalized for analysis → Predictive factors are identified and custom models are created → Personalized, real-time recommendations are delivered

Civitas Learning

Data is Integrated and Normalized for Analysis

Banner System

Learning Management System

Customer Relationship Management System

Future Systems

Civitas Learning

Predictive Factors are Identified and Custom Models are Created

- Based on aggregate data from multiple sources

- Students segmented based on data analysis

- Students clustered based on top value similarities

- Iterate models as data refreshes, new variables become available and methodologies improve

Civitas Learning

Personalized, Real-Time Recommendations are Delivered

- Predictive-flow-model infrastructure that is continuously updated to keep student-level predictions as current as possible

- Platform allows view of student progression dynamics filtered by chosen segments

Civitas Learning