


**MEETING OF THE BUSINESS AFFAIRS COMMITTEE
OF THE BOARD OF TRUSTEES
Community College of Philadelphia
Wednesday, November 18, 2015 – 9:00 A.M.**

TO: Business Affairs Committee of the Board of Trustees
FROM: Jacob Eapen 
DATE: November 13, 2015
SUBJECT: **Committee Meeting**

A meeting of the Business Affairs Committee of the Board of Trustees will be held on **Wednesday, November 18, 2015 at 9:00 A.M. in the College's Isadore A. Shrager Board Room, 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) Memorandum of Understanding (MOU) between the College Foundation and the College (Action Item):

At the November 12, 2015 Foundation Board meeting, the Foundation Board approved the attached MOU. (Please see Attachment A.) The yellow highlights are the minor changes made by the Foundation. Staff request Committee recommendation to the full Board for approval of the MOU.

(2) Short-Term Capital Budget Plan (Information Item):

Staff will provide an overview of the College's short-term Capital Budget Plan. Please refer to Attachment B.

(3) Next Meeting Date:

The next regularly scheduled meeting of the Committee is scheduled for Wednesday, January 20, 2016 at 9:00 A.M. in the Isadore A. Shrager Boardroom, M2-1.

JE/lm

Attachments

c: Mr. Jeremiah White
Dr. Donald Generals
Mr. Todd E. Murphy
Mr. James P. Spiewak
Victoria Zellers, Esq.

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ATTACHMENT A

MEMORANDUM OF UNDERSTANDING BETWEEN THE COMMUNITY COLLEGE OF PHILADELPHIA FOUNDATION AND COMMUNITY COLLEGE OF PHILADELPHIA

**Memorandum of Understanding
Between the Community College of Philadelphia Foundation
and Community College of Philadelphia**

THIS MEMORANDUM OF UNDERSTANDING ("MOU"), entered into as of this ____ day of _____, 2015, by and between **Community College of Philadelphia**, an instrumentality of the Commonwealth of Pennsylvania (the "College") and the **Community College of Philadelphia Foundation**, a Pennsylvania non-profit corporation (the "Foundation").

INTRODUCTION

The College is an institution of higher learning education whose primary mission is to meet the post-secondary educational needs of the Philadelphia community by providing a range of accessible and affordable academic and technical training programs designed to prepare students for entrepreneurship, the vocational world or future academic studies. The College's primary sources of revenue are tuition payments and appropriations from the Commonwealth of Pennsylvania and City of Philadelphia. To supplement its revenue, the College works with the Foundation, which regularly seeks other funding sources to assist the College with its capital development and expansion and enhancement of its programs.

The Foundation was established in 1985 to support the College's mission by bringing together community leaders who will serve as ambassadors of the College and expand educational opportunities for students of the College. The Foundation is a non-profit corporation with a governance structure independent of the College. The Foundation serves the College by creating partnerships with individuals, businesses, organizations, and foundations to solicit and raise funds from a variety of private sources. Based on donor intent, the Foundation invests those funds, whether money or other assets, for the benefit of the College, enabling the College to achieve academic, strategic and other long-term goals that would not be achievable without the support of the Foundation.

The College and the Foundation have been working together on shared goals since the Foundation's inception. The Foundation has played an integral role in the success of the College. Due, in part, to the growth of their interdependence, the College and the Foundation have concluded that it is in their best interests to set forth their respective roles and responsibilities in writing and are entering into this MOU for that purpose.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and intending to be legally bound, the College and the Foundation agree as follows:

1. Foundation's Fundraising Efforts. The Foundation enhances and enriches the educational experiences of the College's students by providing external resources to support the College's mission. In furtherance of advancing the College's mission, the Foundation shall produce and maintain programs which solicit and raise funds earmarked for the College. In this regard, and in consultation with the College, the Foundation shall:
 - (a) create an environment and value statement conducive to increasing levels of private support for the College by engaging in activities that include, but are not limited by, the following:
 - (i) involve community, civic and business leaders in the College's activities;

- (ii) involve the College community (administrators, faculty, staff, students, alumni) in fundraising and community activities;
 - (iii) create business and community partnerships that drive revenue;
 - (iv) hold special events and outings;
 - (v) publicize College success stories, in conjunction with the College's Marketing Department, to our intended audiences and, engage them using the press and social media; and
 - (vi) build a long-term endowment.
- (b) plan and execute comprehensive fundraising and donor-acquisition programs, for each of the following: corporate and foundation gifts; alumni support; annual giving; major gifts; planned gifts; and special projects and campaigns, as appropriate. For each of these categories, the Foundation and the College will:
- (i) identify, cultivate, and solicit prospective gifts;
 - (ii) establish and enforce policies to protect donor confidentiality and rights;
 - (iii) establish, adhere to, and periodically assess its gift-management and acceptance policies; and
 - (iv) acknowledge and issue receipts promptly for all gifts, on behalf of both the Foundation and the College, and provide appropriate recognition for all gifts.
2. Limitations on the Foundation's Fundraising Activities. The Foundation shall not engage in the following fundraising activities, unless it has the written **consent** of the College:
- (a) raise funds for or support the activities of any institution other than the College;
 - (b) accept grants from state or federal agencies;
 - (c) accept any gift that obligates the College to dispose of or encumber any of the College's assets; or
 - (d) negotiate and accept real property in any form that obligates the College.
3. Foundation's Management of Assets. In connection with its stewardship over the funds it raises, the Foundation shall:
- (a) establish asset-allocation, disbursement, and spending policies that adhere to applicable federal and state laws including the Uniform Prudent Investor Act (UPIA) and the Uniform Management of Institutional Funds Act (UMIFA);
 - (b) receive, hold, manage, invest, and disperse contributions of cash, securities, patents, copyrights, intellectual property, and other forms of property, including immediately vesting gifts and deferred gifts that are contributed in the form of planned and deferred-gift instruments. In this regard, the Foundation shall treat, invest and disburse all funds which are restricted or limited, by the donor or otherwise, in accordance with the applicable restrictions and/or limitations, and shall provide the College with all documents pertaining to any restrictions and/or limitations;

- (c) transfer or disburse funds to the College in accordance with donor requirements contained in gift agreements and the Foundation's and College's policies for receiving gifts, and that comply with the Donor Bill of Rights; and
 - (d) engage an independent accounting firm annually to conduct an audit of the Foundation's financial and operational records. Promptly after issuance of the audit, the Foundation will provide the College with a copy of the annual audited financial statements, including any management letters or any other materials which are part of the audit report.
4. Name and Logo. To assist the Foundation to achieve its objectives under this Agreement, the College hereby grants to the Foundation, at no cost, the non-exclusive, limited, non-assignable license to use the College's name, logo and other identifying and distinguishing marks (the "College Materials") for use in the Foundation's solicitation and related materials; provided that the Foundation shall not alter the College Materials in any way. The Foundation may, if it so elects, use its own logo or other identifying information or material on its letterhead and other materials. The College may change the College Materials at any time and in any way, at its discretion, but shall notify the Foundation of any changes.
5. Relationship Between College and Foundation. The College and Foundation recognize that the Foundation's success at meeting fundraising and other goals on behalf of the College depends on the parties' collaborative efforts. In this regard, the parties agree to the following:
- (a) The College and the Foundation will establish a process for setting long-term and short-term fundraising goals, holding regularly scheduled meetings and jointly selecting ad hoc committees to undertake special projects.
 - (b) The College's Board of Trustees is responsible for setting and administering the College's strategic priorities, long-term plans, capital spending goals and projects and programmatic initiatives, and the College will communicate all such matters to the Foundation on a timely basis. The College will involve the Foundation, as appropriate, in the strategic planning process and any initiative that requires raising a source of revenue for which the Foundation is responsible.
 - (c) The Foundation will become self-sufficient for its operations and programs, and will develop a plan, with the College's input, for doing so. Until such time as the Foundation is able to be self-sufficient in its operations, the College will make available to the Foundation such resources and services that the Foundation may require to fulfill its obligations under this Agreement, including, but not limited to: office space; computer, telephone and other office equipment; supplies; and personnel. To the extent practical, the College and Foundation will keep track of these resources and their value, so that they can report the value of such resources and services if required.
 - (d) If either the College or the Foundation amends its articles of incorporation or by-laws, it shall immediately give notice to the other party, together with a copy of the document, as amended.

- (e) The College and the Foundation shall require the members of its Board of Trustees and Board of Directors, respectively, (the "Governing Body Members"), to execute and submit an annual conflicts of interest disclosure statement, and each party shall provide copies of the statements to the other party. Each of the boards of the College and Foundation shall periodically assess its conflicts of interest policy, and, given the relationship of the parties, shall require its Governing Body Members to disclose conflicts with both the College and the Foundation.
- (f) The Foundation will provide access to data and records to the College on a need-to-know basis in accordance with applicable laws, foundation policies and guidelines, including the Donor Bill of Rights. For its part, the College will treat all information as confidential and shall not use any such information without the consent of the Foundation. Upon the Foundation's request, the College shall furnish the names and addresses of students, alumni, faculty and employees for the purpose of communicating with and soliciting such individuals.
- (g) The Foundation shall comply with applicable laws regarding solicitation, record keeping and filing of reports and returns, and shall provide to the College, promptly after it is filed, a copy of its Form 990 Federal tax return.
- (h) Unless a Governing Body Member holds a position as both a Trustee with the College and a Director with the Foundation, each Governing Body Member shall owe his or her duty, whether imposed by statute, by-law or otherwise, solely to the entity for which he or she serves as a Governing Body Member.
 - (i) If either party believes that the other party has breached any term of this Agreement through the conduct of one or more of the other party's Governing Body Members, its claim shall be solely against the other party and not individually against any Governing Body Member.
 - (ii) The College and the Foundation each shall maintain commercially reasonable insurance coverage, including coverage for directors' and officers' liability insurance with customary limits.
- (i) Recognizing that the ownership, management and disposition of real property may be handled more efficiently by a private entity, the College may look to the Foundation to make recommendations for the manner in which the Foundation (or a separately formed entity) can, for the College's use and benefit, acquire, improve, occupy, lease and sublease, and dispose of real property, and to enter into financings in connection with such functions. Any transaction involving the acquisition, financing, development, leasing, subleasing or disposition of real property by the Foundation for the benefit of the College shall require the separate approvals of both the Board of Trustees of the College and the Board of Directors of the Foundation.
- (j) Notwithstanding anything contained in this MOU, the College and the Foundation each acknowledges and agrees that the College and the Foundation are separate entities, responsible for each of its own affairs, governance and finances, and that neither shall be deemed to have assumed the debts, liabilities, obligations of any kind whatsoever of the other by reason of entering into this MOU or dealing with one another in any manner, and neither party shall be subject to any lien, levy or similar encumbrance imposed on the property of the other.

6. Miscellaneous.

- (a) This MOU may be terminated:
 - (i) By either party, upon 180 days' prior written notice to the other party, regardless of cause.
 - (ii) Upon the giving of ten days' prior written notice, by the non-defaulting party in the event the other party defaults in the performance of its obligations under this MOU and fails to cure the default within 90 days after receiving written notice of such failure.
- (b) If the College terminates this agreement pursuant to (a)(ii) above, the Foundation may require that within 180 days after the termination, the College to pay, or assume liability for (to the reasonable satisfaction of the Foundation) all debt incurred by the Foundation on the College's behalf, including, but not limited to, lease payments, advanced funds, and funds borrowed for specific initiatives.
- (c) If the Foundation terminates this MOU pursuant to (a)(ii) above, the College may require the Foundation to pay to the College an amount equal to debt which the College has incurred on behalf of the Foundation.
- (d) Upon the dissolution of the Foundation, the Foundation will follow the dissolution process as outlined in paragraph 10 of its Articles of Incorporation.

IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be executed by their duly authorized officers as of the day and date first above written.

COMMUNITY COLLEGE OF PHILADELPHIA

By: _____
Chair, Board of Trustees

By: _____
President

COMMUNITY COLLEGE OF PHILADELPHIA COLLEGE FOUNDATION

By: _____
President, Board of Directors

By: _____
Executive Director

ATTACHMENT B

SHORT TERM CAPITAL BUDGET PLAN

SOURCES and USES FOR CAPITAL PLAN

SOURCES OF FUNDS

	<u>Total Funds</u>	<u>Committed Funds</u>	<u>Remaining Funds</u>	
City Funds - FY16	1,400,000	1,400,000	-	
Capital Fees - FY16	360,000	360,000	-	
2015 Bond Issue for Bio Lab & Escalator Replacement	7,700,000	6,900,000	800,000	Committed - \$5.9M for Bio Labs; \$1M for Stairs
Bond Refinancing	2,500,000	1,213,289	1,286,711	
Burt Hill Litigation	2,400,000	1,500,000	900,000	Amount needed to fully fund all projects including Landscaping per Perkins grant
Perkins Grant FY 16	436,125	436,125	-	
Operating Budget - FY 16	516,295	516,295	-	
Other Misc. Sources	2,098,089	2,098,089	-	SPSBA Loan, Plant Fund, Grant
TOTALS	17,410,509	14,423,798	2,986,711	

USES OF FUNDS

	<u>Funded Amount</u>	<u>Total Cost</u>	<u>Unfunded Amount</u>
FACILITY PROJECTS - Short Term	10,616,211	10,616,211	-
DEPARTMENTAL PRIORITIES	1,871,462	1,871,462	-
PERKINS FUNDED - FY 16	436,125	436,125	-
NERC/Pavilion/BMW Balance	1,500,000	1,500,000	-
TOTALS	14,423,798	14,423,798	-

<u>Building Location</u>	<u>Description</u>	<u>Cost</u>	<u>Amt Funded</u>	<u>Source</u>	<u>Status</u>
	<u>FACILITY PROJECTS - Short Term</u>				
West, NERC, WRC	Biology Lab Projects	5,900,000	5,900,000	New Bond Issue	In-Progress
WEST	Escalator removal	1,000,000	1,000,000	New Bond Issue	In-Progress
MAIN	17th St improvement / Pavilion Plaza	1,379,782	1,379,782	Plant Fund	Completed except for street milling
MAIN	Public Art	275,000	275,000	Plant Fund	In Progress
BONN	BG-25 / BG-28 HVAC solution	99,188	99,188	Plant Fund	Completed
BONN	Performance theater	269,170	269,170	Plant Fund	Completed except for floor
WRC	Lounge / security relocation	74,949	74,949	SPSBA Loan	In Progress
BONN	Student Banking	NA	NA	PSECU	Completed
WEST	Bookstore modification (Online pick/up)	NA	NA	Barnes & Noble	Completed
BONN	2015 Classroom Tech upgrade	325,000	325,000	FY16 Capital Budget	Scheduled for Winter Break
BONN	Enrollment Central windows	9,000	9,000	FY 16 Capital Budget	Architect reviewing
BONN	Bursar service area	80,000	80,000	FY 16 Capital Budget	Architect reviewing
MINT	M2-35 / M2-36 Furniture	26,777	26,777	FY 16 Capital Budget	Completed
Winnet	Replace Damaged/Worn Wood Handrails	100,000	100,000	Operating Budget 52010	Scheduled for Winter Break
CBI	Terrazzo Floor in CBI	75,000	75,000	Operating Budget 52010	
NWRC	NWRC Repair Building Cracks	50,000	50,000	Operating Budget 52010	
MAIN	Master Facility Plan	263,120	263,120	Operating Budget 50000	In Progress
MAIN	Pavilion / BMW Stormwater credit	5,000	5,000	Operating Budget 52000	Completed
MAIN	Underground Storage Tank removal / replacement - balance	23,175	23,175	Operating Budget - FY16	Completed
MAIN	Data Closet Enhancements	200,000	200,000	Propose FY16 Capital & Refinance funds	
MINT	M1 Corridor LED lights	65,000	65,000	Propose FY16 Capital & Refinance funds	
Mint	Mint Light Enhancements - Exterior	50,000	50,000	Propose FY16 Capital & Refinance funds	
NERC	NERC Stormwater credits / Pond reconstruction	34,750	34,750	FY 16 Capital Budget	Completed
NERC	NERC Light replacement	75,000	75,000	Propose FY16 Capital & Refinance funds	Prototype installed
PAV	BAS tie-in connections / Honeywell programming	71,300	71,300	Propose FY16 Capital & Refinance funds	
BONN	Learning lab / 20+ office relocation	25,000	25,000	Propose FY16 Capital & Refinance funds	
All	Capital Repairs and Replacements - Plumbing	140,000	140,000	Propose FY16 Capital & Refinance funds	
	<u>FACILITY PROJECTS SUBTOTAL</u>	10,616,211	10,616,211		

<u>Building Location</u>	<u>Description</u>	<u>Cost</u>	<u>Amt Funded</u>	<u>Source</u>	<u>Status</u>
<u>DEPARTMENTAL PRIORITIES</u>					
Bonnell	Replacement Seating Computer Classrooms - Phase I & II	141,584	141,584	FY 16 Capital Budget	Completed
CBI	CBI Fire Safety System (Honeywell)	93,520	93,520	FY 16 Capital Budget	
Mint	Corrections to Sprinkler/Venting Systems-MG Manifold Room	107,800	107,800	FY 16 Capital Budget	
Biology	Binocular Microscope	233,890	233,890	FY 16 Capital Budget	P0018153 issued 9/24/15
Dental Studies	Dental Studies Area and Lab Renovations	100,000	100,000	FY 16 Capital Budget	
Multimedia Services	Classrooms with Smart Technology	320,000	320,000	FY 16 Capital Budget	
Multimedia Services	Classrooms with Smart Technology	321,000	321,000	Propose FY16 Capital & Refinance funds	
CBI	Door Access System Replacement CBI (CBORD)	50,000	50,000	Propose FY16 Capital & Refinance funds	
All	Entrance Matting	50,000	50,000	Propose FY16 Capital & Refinance funds	In Testing phase
All	Cameras and Recorders	100,000	100,000	Propose FY16 Capital & Refinance funds	
Winnet	SLIB and Gym heating system pumps	9,000	9,000	FY 16 Capital Budget	
All	Variable Speed Drives	28,500	28,500	Propose FY16 Capital & Refinance funds	
Pavilion	Lighting Control Pavilion	5,000	5,000	FY 16 Capital Budget	
Northwest Regional Center	Carpeting for Front Desk/Administrative Areas	1,200	1,200	FY 16 Capital Budget	
West Regional Center	Printer	3,000	3,000	FY 16 Capital Budget	
Education	Refrigerator	1,200	1,200	FY 16 Capital Budget	
Biology	Refrigerator	7,000	7,000	FY 16 Capital Budget	
Biology	Microscopes	47,600	47,600	Propose FY16 Capital & Refinance funds	
Biology	Portable water purification unit	10,000	10,000	FY 16 Capital Budget	
Dental Studies	Intercom	1,600	1,600	FY 16 Capital Budget	
Dental Studies	X-ray unit machine	20,000	20,000	Propose FY16 Capital & Refinance funds	
Physics	CH-135-SC STOOL, CONF/TASK, ADA HT, ARMLESS, LAB HT.	13,052	13,052	Propose FY16 Capital & Refinance funds	
Chemistry	HAWORTH VERY	3,277	3,277	FY 16 Capital Budget	
Chemistry	Explosion-proof Refrigerator	2,000	2,000	FY 16 Capital Budget	
Chemistry	Ice Machine	58,000	58,000	Propose FY16 Capital & Refinance funds	
Multimedia Services	Mobile VidCaster 8000 System	20,000	20,000	Propose FY16 Capital & Refinance funds	
Multimedia Services	Equipment Installation	25,000	25,000	Propose FY16 Capital & Refinance funds	
Facility Operations	Genie Lift	50,000	50,000	Propose FY16 Capital & Refinance funds	
Engineering Services	West Regional Center Unit Ventilators				P0018167 issued 9/23/15
Engineering Services	Replacement Vehicles (2) for Facilities	48,239	48,239	Propose FY16 Capital & Refinance funds	Req for Van (\$23,600), Pickup (\$24,639) processed 11/6/15
<u>DEPARTMENTAL PRIORITIES SUBTOTAL</u>		1,871,462	1,871,462		

<u>Building Location</u>	<u>Description</u>	<u>Cost</u>	<u>Amt Funded</u>	<u>Source</u>
	<u>PERKINS FUNDED</u>			
All CTE programs	SMART classrooms (boards/install)	63,000	63,000	Perkins
Auto Tech	New Vehicle Lift	4,500	4,500	Perkins
Auto Tech	Biodiesel Reactor w/Testing Equipment	4,500	4,500	Perkins
Auto Tech	Vehicle Jack Kit	1,900	1,900	Perkins
Auto Tech	Hydraulic Power Press	4,300	4,300	Perkins
Auto Tech	Heavy Duty Stackable Storage Kit	2,800	2,800	Perkins
Auto Tech	Vehicle charging Station	8,000	8,000	Perkins
Biology	Human muscle figure	9,120	9,120	Perkins
Biology	EKG Machine	5,000	5,000	Perkins
CLT	Serofuge	9,600	9,600	Perkins
CLT	Hematology analyzer	22,000	22,000	Perkins
CLT	Chemistry Analyzer	40,000	40,000	Perkins
Nursing	Hill-Rom CenturyPlus1400 refurbished bed	5,544	5,544	Perkins
DMI	Buttockmate	6,750	6,750	Perkins
Allied Health	IM Injection simulator	3,260	3,260	Perkins
Dental Hygiene	STATIM	6,500	6,500	Perkins
Dental Hygiene	Computers for Digital Radiology	8,000	8,000	Perkins
Dental Hygiene	X-ray unit machine	20,000	20,000	Perkins
Dental Hygiene	Radiology manikin	37,500	37,500	Perkins
CAHM	Metro Non-insulated Proofing Cabinet-Clear Door	1,795	1,795	Perkins
CAHM	Dough Divider	3,600	3,600	Perkins
CAHM	Pitco High Production Natural Gas Fryers	5,500	5,500	Perkins
CAHM	Wells Dual Countertop Fryer	1,543	1,543	Perkins
CAHM	767-SK/III Smoker Oven w/Glass Door	3,393	3,393	Perkins
Photo	Sony PXW-F57 4K XDCAM Super35 Camcorder Kit with 28 to 135mm z	42,000	42,000	Perkins
Photo	Filflex K302 3-Light P360EX LED Lighting Kit B&H # FIFLXK302 MFR # FL	17,100	17,100	Perkins
Photo	Video Devices PIX-E7 7" 4K Recording Video Monitor B&H # VIPXE7 A	6,400	6,400	Perkins
Photo	Vinten Vision blue5 Posi-Loc Tripod With Head and Mid-Level Spread	10,800	10,800	Perkins
Photo	Profoto D1 Air 3 Head Studio Kit - 2- 1000W/s / 1- 500W/s B&H # PRC	38,920	38,920	Perkins
Photo	Canon EF 11-24mm f/4 L USM lens B&H # CA11244LUSM MFR # 9520	9,000	9,000	Perkins
Sound Recording	Dynaudio BM14S II sub woofer speaker	2,000	2,000	Perkins
	Sonnet xMac Pro Server Expansion System - Thunderbolt 2 4U PCIe 2.0 expansion system/4u rackmount enclosure for new Mac Pro with Thunderbolt 2 ports	1,800	1,800	Perkins
Sound Recording	OneButtonStudio	10,000	10,000	Perkins
BHS	OneButtonStudio	10,000	10,000	Perkins
DVP	OneButtonStudio	10,000	10,000	Perkins
Allied Health/Nursing	OneButtonStudio	10,000	10,000	Perkins
	<u>PERKINS FUNDED SUBTOTAL</u>	436,125	436,125	