

**COMBINED MEETING OF THE BUSINESS AFFAIRS & EXECUTIVE  
COMMITTEES OF THE BOARD OF TRUSTEES  
Community College of Philadelphia  
Wednesday, February 21, 2018 – 10:00 A.M.**

Present from the Executive Committee: Mr. Jeremiah J. White, Jr., (Chair), Ms. Suzanne Biemiller, Mr. Matthew Bergheiser and Dr. Judith Rényi (*via* Teleconference)

Present from the Business Affairs Committee: Ms. Suzanne Biemiller (Chair), Mr. Steve Herzog and Mr. Michael Soileau (*via* Teleconference)

Present from the Administration: Dr. Donald Guy Generals, Mr. Jacob Eapen, Mr. Gary Bixby, Dr. Pam Carter, Mr. Gim Lim, Mr. Richard Saxton, Mr. James P. Spiewak, and Victoria Zellers, Esq.

Guest: Mr. Andre Allen, Principal, Phoenix Capital Partners, LLP

**AGENDA – EXECUTIVE SESSION**

**AGENDA – PUBLIC SESSION**

**(1) Commission Agreement with Newmark Knight Frank (Action Item):**

Discussion: Ms. Zellers discussed the proposed Commission Agreement with Newmark Knight Frank as it relates to a potential partnership arrangement.

Action: Ms. Biemiller moved and Mr. Bergheiser seconded the joint motion that the Business Affairs and Executive Committees of the Board of Trustees approve the signing of the Commission Agreement with Newmark Knight Frank. The motion passed unanimously.

**(2) Resolution of Support for the West Regional Center Expansion Vision (Action Item):**

Discussion: Mr. White stated that the combined Committees should offer a resolution of support for the College's West Regional Center expansion vision. The President will come back to the committees at a later date with a specific plan and financing strategy.

Action: Mr. Herzog moved and Ms. Biemiller seconded the joint motion that the Business Affairs and Executive Committees of the Board of Trustees offer a resolution of support for the College's West Regional Center expansion vision. The motion passed unanimously.

**(3) Resolution for the 2018 Bond Issue (Action Item):**

Discussion: Mr. Spiewak stated that Attachment A contains the Board Resolution required for the College to proceed with a project consisting of: (a) the renovation and improvement of its Library/Learning Commons facility located at the Main Campus; (b) subject to favorable market conditions, the refunding of the \$11,922,300 State Public School Building Authority's College Revenue Bonds (Community College of Philadelphia Project), Series of 2017 (the "Refunding Project" and, collectively with the Construction Project, the "2018 Project"),

and (c) paying the costs of issuing the 2018 Bonds. The authorized borrowing will not exceed \$32.5 million to finance the 2018 Project. Mr. Andre Allen explained that the interest rate associated with the 2017 Bond will increase due to the change in corporate tax laws and that a small upfront savings can be anticipated by refinancing. Mr. Eapen noted that the timing of the bond issuance has been planned to meet PDE's expectation of at least one debt service payment during the year.

Included in the Resolution is the appointment of the President and any other authorized officer to execute and deliver any and all documents to complete the 2018 Project.

Action: Ms. Biemiller moved and Mr. Herzog seconded the joint motion that the Business Affairs and Executive Committees of the Board of Trustees approve the Resolution for the 2018 Bond Issue. The motion passed unanimously.

**(4) Appointment of PNC Financial Services as the Senior Underwriter for the Sale of the 2018 Bonds (Action Item):**

Discussion: Mr. Spiewak stated that the College selected PNC Financial Services in the past due to: (a) getting the most favorable rate for the College in the last transaction; (b) their commitment to the highest minority underwriter participation; and (c) offered the best support to the College in regards to acquiring a rating from Moody's. Mr. Spiewak and Mr. Allen noted that PNC has kept abreast of the College's debt and is willing to forego the change in the interest rate on the 2017 Bond until the above-mentioned refinancing occurs.

Action: Mr. Herzog moved and Ms. Biemiller seconded the joint motion that the Business Affairs and Executive Committees of the Board of Trustees appoint PNC Financial Services to act as the Senior Underwriter for the sale of the 2018 Bonds. The motion passed unanimously.

**(5) 2017-18 Budget Status (Information Item):**

Mr. Spiewak provided an overview of the current budget projections for the 2017-18 fiscal year. He noted that the student tuition and fees projection reflects credit enrollments down 3.1% from budgeted for fall and down 1.6% from budgeted for spring. The summer enrollments were up 3.7% from budgeted. City revenues reflects the additional \$500,000 added to appropriation as part of the City's budget process and the fact that there will be a small debt service payment associated with the Library/Learning Commons project. Mr. Spiewak stated that the major changes to expenses are related to additional lapsed salary dollars of \$500,000 from freezing and delaying the hiring for vacant positions and \$320,000 in savings for PT faculty from offering fewer sections than budgeted. The medical self-funded plan, to-date, is well under budget by approximately \$900,000. Additionally, the College is not spending the additional funds of \$480,000 that were budgeted in the advertising line. Mr. Eapen noted that with these projected revenues and expenses, a small surplus of \$200,000 is expected. Should this hold, the College would look to pay off existing leases to help future budget years.

## **ATTACHMENT A**

### **Resolution for the 2018 Bond Issue**

COMMUNITY COLLEGE OF PHILADELPHIA  
BUSINESS AFFAIRS COMMITTEE RESOLUTION

WHEREAS, the College desires to undertake a project consisting of 1) the renovation and improvement of its Library/Learning Commons facility located at its main campus (the "Construction Project"), 2) subject to favorable market conditions, the refunding of the \$11,922,300 State Public School Building Authority's College Revenue Bonds (Community College of Philadelphia Project), Series of 2017 (the "Refunding Project" and, collectively with the Construction Project, the "2018 Project"), and 3) paying the costs of issuing the 2018 Bonds (defined herein);

WHEREAS, the College desires to finance the 2018 Project by having the State Public School Building Authority, or other appropriate governmental authority (the "Authority"), issue tax-exempt bonds in one or more series, in an aggregate principal amount not to exceed \$32,500,000 (the "2018 Bonds");

WHEREAS, the 2018 Bonds will be issued pursuant to a trust indenture (the "Trust Indenture") between the Authority and a bond trustee and the proceeds of the sale of the 2018 Bonds will be loaned to the College pursuant to the terms of a loan agreement (the "Loan Agreement") between the Authority and the College;

WHEREAS, the College will appoint a municipal underwriter (the "Underwriter") to act as underwriter for the sale of the 2018 Bonds pursuant to a Bond Purchase Contract (the "Purchase Contract") by and among the Authority, the College and the Underwriter.

NOW THEREFORE, BE IT RESOLVED, THAT:

1. The 2018 Project be and hereby is approved and the College hereby authorizes the issuance by the Authority of the 2018 Bonds in an amount not to exceed \$32,500,000 to finance the 2018 Project.

2. The President of the College is hereby authorized, consistent with the general terms of this Resolution, to 1) determine, based on current market conditions, whether to proceed with the Refunding Project, and 2) approve the final terms of the 2018 Bonds, including, without limitation, the principal amount thereof (limited to \$32,500,000 or \$20,500,000 absent the Refunding Project), the rates of interest, dates of maturity and redemption, security for the 2018 Bonds and other provisions thereof.

3. The President of the College is authorized, consistent with the general terms of this Resolution, to approve the final terms of the forms of A) the Trust Indenture, the Loan Agreement and the Bond Purchase Agreement, and B) all other agreements and documents required pursuant to the financing of the 2018 Project and the issuance of the 2018 Bonds, including, without limitation, a continuing disclosure agreement, preliminary official statement and official statement and a tax certificate and the President and any other authorized officer be and hereby are authorized and directed to execute and deliver all such documents in such form as shall be approved by such officer executing the same, their approval to be conclusively evidenced by their execution of said document.

4. The College may apply its general funds to pay 2018 Project expenditures pending the issuance of the 2018 Bonds with the expectation that amounts so advanced will be reimbursed from the proceeds thereof pursuant to Treasury Regulation § 1.150-2.

5. The President and any other authorized officer be and hereby are authorized and directed to execute and deliver any and all other documents and to do any and all other things necessary or desirable in the opinion of such officers to complete the 2018 Project and consummate the transactions contemplated by these Resolutions.