

**MEETING OF THE BUSINESS AFFAIRS COMMITTEE
OF THE BOARD OF TRUSTEES
Community College of Philadelphia
Wednesday, March 20, 2019 – 9:00 A.M.**

Present: Jeremiah J. White, Jr., presiding; Mr. Harold Epps, Mr. Michael Soileau, Dr. Donald Generals, Mr. Jacob Eapen, Mr. Gim Lim, Mr. James P. Spiewak, Victoria Zellers, Esq., and Invited Guests: Mr. Andre Allen, Phoenix Capital Partners, LLP, *via* Zoom; Mr. Noel Eisenstat, NMTC Consultant, George Nagle, Esq., Nagle Law, LLC; ;and Mr. Craig Stock, Foundation Board Member, *via* Zoom

AGENDA

PUBLIC SESSION

The meeting participants introduced themselves. Following the introductions, Mr. Noel Eisenstat, NMTC Consultant and George Nagle, Esq. of Nagle Law, LLC provided an overview and history of the New Market Tax Credits (NMTC) which included information on allocations from the U.S. Treasury, Community Development Entities (CDEs), transaction costs, and Special Purpose Entities, along with an example of a transaction (Attachment A). Mr. Eapen noted that PIDC, which is a CDE that receives allocations, has expressed strong interest in the College's Career and Advanced Technology Center project. Mr. Eisenstat responded to several questions from Committee members.

(1) New Market Tax Credits (NMTC) Consultant for the Career and Advanced Technology Center. (Action Item):

Discussion: Mr. Eapen explained to the Committee that the consultant, Noel Eisenstat, LLC, will be responsible to coordinate and supervise the legal and accounting process required for obtaining NMTC allocations and the solicitation and selection of a tax credit investor for the NMTCs. As the College's consultant he will be responsible for: identifying and negotiating for allocations of NMTCs; soliciting tax credit investors for both NMTCs; assisting in the negotiation of the sale of such credits; proposing and coordinating the structure of the transaction; reviewing the accountant's projections in order to ascertain that the structure of the transaction produces the desired financial result. He will also negotiate documents produced by the NMTC allocating entity, tax credit investor counsel and lenders; assist counsel in production of additional documents required to evidence transaction, i.e., development agreement, etc.; and assist in closing transaction with counsel.

Mr. Eapen explained that College staff interviewed three Philadelphia-based consultants that had experience with NMTCs and felt that Noel Eisenstat, LLC had the best experience relative to the College's project.

The consultant's fee will be 2% of the gross equity investment from the tax credit investor. With a \$20 million NMTC from a CDE or multiple CDEs, the fee will be approximately \$140,000.

Action: Mr. Epps moved and Mr. Soileau seconded the motion that the Committee recommend to the full Board the approval of Mr. Noel Eisenstat to be the NMTC Consultant for the Career and Advanced Technology Center for a fee up to the amount of \$140,000. The motion passed unanimously.

Information Item: Ms. Zellers informed the Committee that College staff selected Nagle Law, LLC as the attorney for this project. An RFP was sent to seven large firms and two smaller firms. Most of the NMTC experts for the large firms were in New York City or Washington DC or the firms had conflicts. Nagle Law, LLC has extensive experience in NMTC in the Philadelphia Market and offered the lowest fee – NTE \$45,000 if one or two CDEs are involved and NTE \$55,000 if three CDEs are involved. She informed the Committee that the RFP was sent directly to four minority women partners of the large firms.

(2) Contract for Construction Management for the Library & Learning Commons Project. (Action Item):

Discussion: Mr. Eapen stated that the Community College of Philadelphia solicited proposals for the delivery of Construction Management Services for the Library/Learning Commons Renovation Project, which is a \$16 million project including an estimated \$14 million for construction. He further explained that the College will be issuing multi-prime construction Bid Documents for the Project. The architectural firm of record is HDR who has partnered with Kelly/Maiello. The Project consists of renovating approximately 64,600 square feet within the Mint and Bonnell Buildings.

Mr. Eapen stated that the College seeks to add the professional services of a Construction Management firm to assist the College from the point of generating minority participation in Bidding to Final Completion of the Project. An RFP was issued and seven firms made proposals. College staff interviewed three firms and is recommending the firm of Johnson, Mirmiran & Thompson, Inc. (JMT), a national engineering, architect and construction management consulting firm. They have extensive, verifiable experience with renovations to fully occupied and operational institutions of the scale and complexity similar to this Project. Comprehensive transition and phasing planning, along with schedule coordination of multiple-prime contractors is a critical component in the skill set of the desired firm. JMT has been involved with a renovation project at the Philadelphia International Airport and with the City's Rebuilding Community Infrastructure initiative. Their Philadelphia office has 146 employees including 110 professionals of which 24 are minorities. Their proposal includes 24% minority participation by partnering with three subcontractors.

Action: Mr. Soileau moved and Mr. Epps seconded the motion that the Committee recommend to the full Board that a contract be approved to Johnson, Mirmiran & Thompson, Inc. (JMT) in the amount of \$529,625 to provide Construction Management Services for the Library/Learning Commons Renovation Project. The motion passed unanimously.

(3) Ellucian Campus Receivables Collector (CRC) (Action Item)

Discussion: Mr. Eapen stated that the College's Enterprise Resource Planning (ERP) system is Ellucian Banner. Our ERP includes the College's Student and Finance systems. In an effort to improve the management of student account receivables, he stated that staff is asking

for the Committee's approval to purchase the Ellucian Campus Receivables Collector (CRC) module.

Mr. Eapen reported that the Ellucian Campus Receivables Collector (CRC) provides delinquency and collection functionalities not available in basic Banner. Some advantages to utilizing this module are: seamless integration with Banner; facilitates the rotation of accounts to and from collection agencies; automates the tracking of the debt collection process; more flexible and easier to manage payment plans for past due accounts; easier file transfers and account updates between the College and third party collection agencies; and web-enabled real-time account adjustments with complete audit trail. He noted that the cost of the software license is \$50,280 and the projected implementation cost is \$55,806. There is an annual software maintenance cost of \$9,050.

In response to Committee members' questions, Mr. Lim explained that the College currently utilizes three collection agencies and manages the process by spreadsheets which is very time consuming and prone to delays in updating student accounts. There is also no ability to establish custom repayment plans for the debtors. He noted that, with this new tool, the College expects to save money of collections costs in addition to gaining efficiencies of the collection process. Mr. Soileau requested that staff establish KPIs to determine if the software is meeting expectations prior to any long term renewal of the product. Mr. White requested that staff provide, at the next meeting, a presentation on the College's write-off procedures and include a comparison of write-off percentages with other peer institutions.

Action: Mr. Soileau moved and Mr. Epps seconded the motion that the Committee recommend to the full Board the purchase of the Campus Receivables Collector (CRC) product for an annual maintenance fee of \$9,050, a one-time license fee of \$50,280 and professional implementation services cost of \$55,806. The total cost for the first year is \$115,136. The motion passed unanimously.

(4) Resolution of Support for 2019-20 PDE Capital Applications (Action Item):

Discussion: Mr. Eapen explained that the Pennsylvania Department of Education (PDE) requires that all capital applications submitted during the annual capital application process include a Board Resolution of Support for the Project. For the FY 2019-20 process, and all subsequent cycles, PDE is requiring that previously submitted projects be submitted with new Resolutions. The Library and Learning Commons will be designated as a carryover capital project. The Career and Advanced Technology Center will be categorized as a new capital project. The Physics Instructional Space Enhancements, Music Labs Enhancements and Mint Building Freight Elevator are submitted as Cash Projects. Mr. Eapen referred Committee members to Attachment B for detail on each of the projects.

Action: Mr. Soileau moved and Mr. Epps seconded the motion that the Committee recommend to the full Board the approval of the submission of the capital projects for PDE funding. The motion passed unanimously.

(5) Approval of Destiny One (Action Item):

Discussion: Mr. Spiewak stated that the College's current non-credit, on-line registration system, FlexRegistration, is no longer being supported by the vendor, Ellucian. The College's Non-Credit Team was tasked with researching Non-Credit Registration System options and determining which system would better serve the customers of the College's non-credit departments. He noted that the Team evaluated three products and selected Destiny One for the following reasons:

- Ease of use
- College can create custom payment plans
- Offer courses and not have them tied to Banner semesters
- Has flexibility in offering discounts to employers
- Students have ability to receive credentials online after completion
- Students can drop courses online
- Integrates with Banner Finance
- Mobile application
- Available with any browser

Mr. Spiewak explained the cost structure used by Destiny One which has a flat monthly fee which can increase based upon the number of registrations processed and the tuition revenue received each month. Based upon the College's history of noncredit activity and the projected increases in such related to the workforce development noncredit initiatives, it is projected that the annual cost will be \$57,876 and that there is a one-time implementation cost of \$29,949.

Action: Mr. Soileau moved and Mr. Epps seconded the motion that the Committee recommend to the full Board the approval of Destiny One as the Non-Credit Registration System. The projected annual fee (paid monthly) is \$57,876*. The one-time implementation cost is \$29,949. The motion passed unanimously.

*varies based upon number of student registrations and tuition revenues

(6) Future Business Affairs Committee Meeting Dates (Information Item):

Please refer to Attachment C for the proposed future meeting dates.

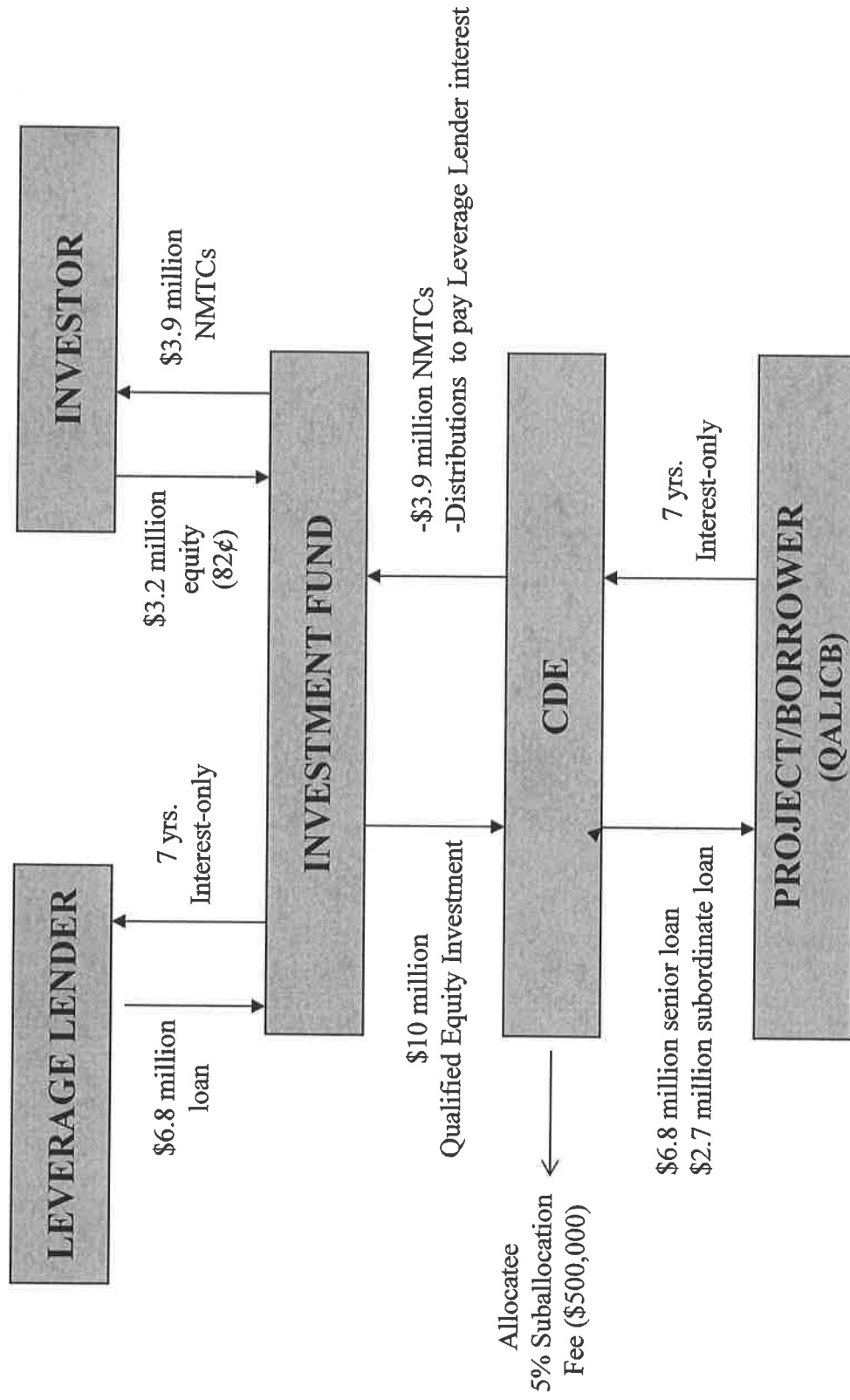
(7) Next Meeting Date:

The next regularly scheduled meeting of the Committee will be held on Wednesday, April 17th at 9:00 A.M. in the Isadore A. Shrager Boardroom, M2-1.

ATTACHMENT A

NMTC Structure Example

NMTC STRUCTURE EXAMPLE - \$10 MILLION NMTC ALLOCATION



ATTACHMENT B

Resolution of Support for 2019-20 PDE Capital Applications

FISCAL YEAR 2019-2020 PDE CAPITAL PROJECTS APPLICATIONS

PROJECT NAME: A. Library and Learning Commons Project - Phase 2

The initial plans for phase 1 renovations to the existing library were aesthetic and included partial enhancements to aging systems. Phase 2 will intentionally reconfigure the Library to support improved learning and study areas as defined within a new Learning Commons using both interior and exterior learning environments. Comprehensive technology upgrades will be used to modernize all systems and embrace the demands to support the paradigm in academic pedagogies and student success. These technologies will be available to students, tutors, staff, work-force development efforts and community users. This effort will create an ideal mix of spaces for: library management, library instructional spaces, wide-scale tutoring, increased access to technology for student access to materials, presentation development space, study group areas, quiet rooms, seminar spaces, conference/meeting rooms, bound volume storage and retrieval, and a café. Accessibility improvements, daylighting, implementation of comprehensive energy efficiency strategies and an exhibit center for the arts with interconnection to the Rotunda within the historic Mint Building are all included in Phase 2 efforts.

Original Request	\$9,000,000
New Request:	<u>\$6,000,000</u>
	\$15,000,000

PROJECT NAME: B. Career and Advanced Technology Center

The College's West Philadelphia Regional Center is to be transformed into a destination center providing high-quality academic, career and technical programs supporting the career focused students entering the region's workforce. The main objective of this effort is to create a dynamic, identity focused center that will provide students the ideal learning environment where they will be able to define and master technologies of the ever evolving workplace demands of Industry and Healthcare.

The project, located in West Philadelphia, will be: A design for construction of a technology rich facility of approximately 75,000 ft² focused on Automotive and Transportation Technology as the anchor program inclusive of advanced fuel systems of passenger vehicles; large-scale vehicles and equipment; stationary power equipment; and marine craft. Comprehensive transportation instruction and training in this area of the facility will focus on: automotive and stationary equipment, servicing current and future technologies inclusive of, at a minimum, diagnostic and repair procedures and techniques for analyzing equipment and vehicles powered with gasoline, diesel, biofuel, electric drives, propane and compressed natural gas. Two upper levels of adaptive instructional spaces for classrooms, labs, study space and various manufacturing training spaces will be created. The space will include Advanced Technology programs in: manufacturing; energy and trades training with advanced specialized industry equipment; business and information technology; healthcare training; and adaptive instructional spaces for classrooms. The building will consist of new state-of-the-art advanced, open and adaptive technologies for instructional space and study areas, laboratory service bays for automobiles, large vehicles, stationary and marine equipment. Included in the \$32,000,000 budget is equipment and furnishings for the facility and the demolition of the non-automotive technology building to create surface parking.

Original Request	\$20,000,000
New Request:	<u>\$12,000,000</u>
	\$32,000,000

PROJECT NAME: C. Physics Instructional Space Enhancements

The enhancement of the Physics learning environment consists of facilitating an integrated lecture and laboratory approach, providing easy access to technology and space for demonstration, increased and more efficient space utilization for materials handling / storage, and re-structuring of areas for lab preparation that are needed to support the new technologies, the state-of-the-art equipment and evolving pedagogy of the fields of Physics and Engineering Science. This update will include life-safety and improve accessibility throughout. Instructors and students will have technology rich tools for discovering information and acquiring knowledge thus creating an interactive environment that will foster the ability to exchange information and improve the students' learning experience and course outcomes. The estimated costs for the enhancements to the Physics instructional space are \$627,000 which includes all equipment.

Estimated Total Cost of Project	\$627,000
Cash Project	

PROJECT NAME: D. Music Labs

The Music Department renovation will relocate the synthesizers and sound booth from the CCPTV studio area to existing 2nd floor area. The renovation will create a soundproof studio with visibility and access from a new synthesizer classroom/control room. It will also dissect the existing large classroom into a soundproof classroom and an adjacent smaller classroom to be used as a piano lab. Through these renovations, students in the Music Performance and Sound Recording & Music Technology programs will have greater access to the department's facilities which require specific technologies which cannot be found in other areas of the College.

New flooring, ceiling, and finishes are to be provided throughout with some of the spaces requiring acoustical isolation.

Estimated Total Cost of Project	\$350,000
Cash Project	

PROJECT NAME: E. Mint Building Elevator

This project involves the reconditioning of the existing freight elevator in the Mint Building. This manually operated electro-mechanical heavy duty elevator is the only means of vertical transportation in the Mint Building for equipment and products from the ground floor service entrance and/or from the loading dock of the adjoining Bonnell Building to their destination. It is also heavily used by the Facilities and Information Technology staffs in their daily operations. This manual elevator needs to be upgraded with modern control and operating systems for improved operations and safety.

Estimated Total Cost of Project	\$300,000
Cash Project	

ATTACHMENT C

FUTURE BUSINESS AFFAIRS COMMITTEE MEETING DATES

**APRIL 2019 THROUGH AUGUST 2020
BUSINESS AFFAIRS COMMITTEE MEETING DATES
ISADORE A. SHRAGER BOARDROOM, M2-1**

2019

- Wednesday, April 17, 2019 – 9:00 A.M.
- Wednesday, May 22, 2019 – 9:00 A.M.
- Wednesday, June 19, 2019 – 9:00 A.M.
- No meeting in July
- Wednesday, August 21, 2019 – 9:00 A.M.
- Wednesday, September 18, 2019 – 9:00 A.M.
- Wednesday, October 16, 2019 – 9:00 A.M.
- Wednesday, November 20, 2019 – 9:00 A.M.
- No meeting in December

2020

- Wednesday, January 22, 2020 – 9:00 A.M.
- Wednesday, February 19, 2020 – 9:00 A.M.
- Wednesday, March 18, 2010 – 9:00 A.M.
- Wednesday, April 22, 2020 – 9:00 A.M.
- Wednesday, May 20, 2020 – 9:00 A.M.
- Wednesday, June 17, 2020 – 9:00 A.M.
- No meeting in July
- Wednesday, August 19, 2020 – 9:00 A.M.