

**SUNY BROOME COMMUNITY COLLEGE
BOARD OF TRUSTEES
MINUTES
March 15, 2018
OFFICIAL**

TRUSTEES PRESENT: Marc Newman, Anthony Paniccia, Margaret Coffey, Sharon Ball, Orion Barber, George Akel

TRUSTEES ABSENT: James Orband, Nicholas Serafini, Kathy Connerton

ALSO PRESENT: Dr. Kevin E. Drumm, Dr. Francis Battisti, Michael Sullivan, Jesse Wells, Lynn Fedorchak, Cheryl Sullivan, Esq., Patricia O'Day

Chairperson Newman called the meeting to order at 5:00 p.m.

1.0 APPROVAL OF MINUTES

1.1 Vice Chair Paniccia made a motion to approve the minutes of the January 18, 2018 meeting of the Board of Trustees. The motion was seconded by Trustee Akel and the motion was unanimously approved.

1.2 Vice Chair Paniccia made a motion to approve the minutes of the February 28, 2018 Special Meeting of the Board of Trustees. The motion was seconded by Trustee Paniccia and the motion was unanimously approved.

2.0 PREFERRED AGENDA ACTION ITEMS

2.1 Recommend Approval of Resolution for Unpaid Leave of Absence for Tamara Safarik

The Board of Trustees acts to approve a request for unpaid leave for an employee in the SUNY Broome Community College ESPA bargaining unit. Based on the recommendation of the administration and the review and recommendation of the Finance & Facilities Committee it was recommended that the Board of Trustees grant an unpaid (FMLA eligible) child rearing leave of absence to Tamara Safarik, Accountant, in the Finance Department from April 2, 2018 to February 14, 2019.

2.0 PREFERRED AGENDA ACTION ITEMS CONTINUED

2.2 Recommend Approval of Resolution to Submit SUNY Broome's Proposed 2018-2019 Operating Budget to the County Executive and Broome County Legislature

Under Plan C legislation, the College is required to submit its proposed operating budget and request for sponsor share funding to the County. The proposed 2018-2019 Operating Budget to be submitted to the County Executive and Broome County Legislature includes the requested amount of total appropriations and sponsor share. Once the College's proposed 2018-2019 operating budget is reviewed and approved by the County, the College will submit the 2018-19 Budget to the Board for review and approval. It was recommended that the Board of Trustees approves the resolution to submit SUNY Broome's proposed 2018-2019 operating budget to the County Executive and the Broome County Legislature.

2.3 Recommend Approval of Resolution for Capital Improvement Program Request to Broome County (2019-2021)

As part of Broome County's annual budget process, SUNY Broome Community College is required to submit its Capital Improvement Program (2019-2021). The College's Capital Improvement Program is also submitted to SUNY for review as part of the Governor's 2019-20 Budget. For the County's Capital Improvement Plan, the College has submitted Capital Project requests in the amount of \$14,974,813 for the three-year period 2019-2021. SUNY has approved and appropriated \$5,945,000 toward several of the capital projects being submitted to the County. The College's request for the first year of the capital plan is \$2,375,000 from the County as a match for the SUNY funding. The County approved \$1.4 million for the 2018 capital projects, core buildings. It was recommended that the Board of Trustees approves the resolution for SUNY Broome's Capital Improvement Program (2019-2021).

2.4 Recommend Approval of the Participating Institution Agreement (PIA) from SUNY for Licensing ExLibris Alma Library Services Platform and Primo Discovery Solution Software and Services

In accordance with Policy 1.7 Purchasing, upon recommendation of the Finance and Facilities Committee, the Board of Trustees shall approve any purchases or shall award any contracts greater than or equal to \$50,000. Approval was requested for SUNY Broome Community College to be part of the Participating Institutional Agreement (PIA) from the State University of New York (SUNY) for licensing of ExLibris Alma Library Services Platform and Primo Discovery Solution software and services. The term of the PIA is for five (5) years for the period of January 1, 2018 to June 30, 2024 (this includes the implementation and migration phases) at a cost of \$55,295. *Note: January 2018 – July 2019 will be the migration and implementation phases.* It was recommended that the Board of Trustees approves the Participating Institutional Agreement (PIA) from the State University of New York (SUNY) for Licensing ExLibris Alma Library Services Platform and Primo Discovery Solution Software and Services which has a term of five (5) years for the period of January 1, 2018 to June 30, 2024 (this includes the implementation and migration phases) at a cost of \$55,295.

2.0 PREFERRED AGENDA ACTION ITEMS CONTINUED

2.5 Recommend Approval of Resolution Authorizing the Project Services Agreement from the Dormitory Authority of New York State (DASNY) for Interior Design, Purchasing Services and the Acquisition of Furniture, Fixtures and Equipment (FF&E) for the Calice-Mechanical Building

In accordance with Policy 1.7 Purchasing, upon recommendation of the Finance and Facilities Committee, the Board of Trustees shall approve any purchases or shall award any contracts greater than or equal to \$50,000. Pursuant to Title 4 of Article 8 of the Public Authorities Law, DASNY is authorized to design, construct and otherwise provide and furnish facilities for locally sponsored community colleges, including SUNY Broome. It was recommended that the Board of Trustees approves the resolution authorizing the Project Services Agreement from the Dormitory Authority of New York State (DASNY) for interior design, purchasing services and the acquisition of furniture, fixtures and equipment (FF&E) for the Calice-Mechanical Building which has a term of one (1) year for the period of March 15, 2018 to March 15 2019 at a cost of \$930,000.

Trustee Coffey made a motion to approve Action Items 2.1, 2.2, 2.3, 2.4 and 2.5 on the Preferred Agenda. The motion was seconded by Trustee Barber. The motion was unanimously approved.

3.0 ACTION ITEMS

3.1 No Action Items were presented at this meeting.

4.0 INFORMATION ITEMS

4.1 Audit Presentation by the Bonadio Group

Tim Doyle of The Bonadio Group gave a summary presentation of SUNY Broome Community College's audit for the year ending August 31, 2017.

A copy of the audit report was provided to each of the Board members.

4.2 President's Report

Dr. Drumm presented his March President's Report to the Board.

The Senate and Assembly budgets are out and they both have a \$100 FTE increase in them. Both also have \$1.5 million for the Carnegie Project. There is nothing new on the funding formula.

The historic tax credits are at risk now in the State of New York. The Governor's Executive Budget and his ideas for enhancing revenue have about 60 categories in it; one of them would defer and cap the use of historic tax credits which would

4.0 INFORMATION ITEMS CONTINUED

4.2 President's Report Continued

in all likelihood cause US Bank to pull out of our Carnegie Project if that passes. US Bank was interested in the combination of doing both the tax credits as a total package.

Chairperson Newman: Has anyone talked to P&C Bank at all along the way; the consultant or anyone. Only because they are very involved in historical and new market tax credits.

Mr. Sullivan: I'll give a further update on the Carnegie shortly.

Assemblywoman Lupardo is on it and we are waiting to hear back from her.

Trustee Akel: How much money is at risk.

Mr. Sullivan: The way the language is written it indicates that a corporate entity that's filing state income taxes; there is a cap of \$2 million per year that they can deduct on their state income tax. If an entity exceeds that they have to defer receiving the deduction until 2021. So the entire historic tax credit isn't at risk. Basically what we're now in negotiations with is; what's the cost to that capital to defer that with a project being competed in August 2019 and assuming National Parks Service approves the Part 3 application that we renovated the building according to what our Part 2 application said. Then US Bank would be eligible to take those tax credits in 2019. They already have a couple of projects on the historic tax credit side within NYS so they're over the ceiling; over the cap of \$2 million. So they can't submit in 2020 because the legislation says that it's going to get deferred for a couple of years. I assume that that is probably a function of the hits that the state is taking based on the Federal Tax Reform Act; they're just trying to push this stuff out a couple of years. The initial estimate that we've received from US Bank is about \$250,000; is the impact for their cost of capital or their return on investment. I know \$250,000 is a meaningful amount of money but I wouldn't represent it as a deal breaker to the project.

Dr. Drumm continued with his report stating that we should have an agreement for parking at the Incubator next month.

Empire State Development (ESD) toured Carnegie on Tuesday and asked if we had other plans to go downtown. Dr. Drumm took them to the Incubator to tour that facility. ESD had a public hearing last week, which Dr. Drumm attended, on new market tax credits and he thanked them for their support. SUNY Broome is on the nationwide ESD commercial; come to New York and build your business campaign.

4.0 INFORMATION ITEMS CONTINUED

4.2 President's Report Continued

The housing operation is in transition. On schedule as planned to move ownership of the LLC from the Foundation to the Housing Board and is almost complete. The Housing Board will be the sole owner of the Student Village. The College has been contracted to provide backup facilities services for housing in case of emergency and that sort of thing.

We are at our enrollment target for the year.

Dr. Drumm congratulated Trustee Orion Barber as being one of 20 students nationally chosen through Phi Theta Kappa for a All USA Academic Scholarship and he will represent New York State at a presentation in April.

Dave Michalak, President of our Faculty Association will be retiring and Howard Streby will be taking over as President. We look forward to working with Howard.

4.3 Council for Operational Issues Update – Carine Surdey

Carine Surdey presented the Council for Operational Issues update to the Board. A copy of this report was included in the Board packets.

4.4 Dashboard Update – Dr. Sesime Adanu

Dr. Adanu presented the Dashboard update to the Board. A copy of this report was included in the Board packets.

4.5 Academic Affairs Update – Dr. Francis Battisti

Dr. Battisti presented the Academic Affairs update to the Board. A copy of this report was included in the Board packets.

Dr. Battisti distributed the book *Thirty Million Words, Building a Child's Brain* by Dana Suskind, MD. This book is for parents or for leaders. This is out of our Civic Engagement Center where Lisa Strahley is coordinating the Literacy Program for the County. We have received funding from Donna Lupardo, BAE and Jason Garnar. Now every child that is born in Broome County will be given a children's book. The kick off for the Literacy Project is on Thursday, April 26 at the Binghamton Club.

4.6 Student Assembly Update – Trustee Orion Barber

Trustee Barber presented the March 2018 Student Assembly update to the Board. A copy of this report was included in the Board packets.

4.0 INFORMATION ITEMS CONTINUED

4.7 Broome Community College Foundation Report – Ms. Cathy Williams

Ms. Williams presented the March Foundation Report to the Board. A copy of this report was included in the Board packets.

In addition to the written report Ms. Williams reported:

- The Housing Corporation debt service guarantee has been met by the Foundation.
- Lisa Strahley single handedly secured \$65,000 for the Literacy Project.
- The Alumni Reunion will be April 27 and 28. Will hold a two week Alumni Art Show where alumni have submitted 51 pieces of artwork.
- We have 35 Second Chance Scholars and 40% of them have a GPA of 4.0. The average GPA is 3.6 for these students.
- The Foundation has been gifted a Michael Tanzer painting of the Exchange Street Bridge. We will have an unveiling on Friday, June 8 and a five week art show in June as well. Mr. Tanzer's family will be bringing a collection of his work to display at the show.

4.8 SUNY Broome Facilities Update – Michael Sullivan

This report is routine and for information purposes. A copy of this report was included in the Board package.

David Ligeikis invited the Board members to tour the Calice Building.

4.9 Budget Transfers

Budget Transfers for February 2018 were included in the Board package.

4.10 Grant Approvals

This report is routine and for informational purposes. Grant approvals for March 2018 were included in the Board package.

4.11 Investment Report

This report is routine and for informational purposes.

4.12 Human Resource Update

This report is routine and for informational purposes. A copy of this report was included in the Board package.

4.0 INFORMATION ITEMS CONTINUED

4.13 Budget and Finance Update – Michael Sullivan

This report is routine and for informational purposes. A copy of this report was included in the Board package.

Mr. Sullivan reported that we are forecasting a balanced budget for the rest of the year.

Mr. Sullivan distributed and discussed 3 Carnegie Information handouts which included; a) the Closing Checklist (weekly call); the weekly call is generally with US Bank, the College, New Market Tax Credit people, the County and ongoing dialog with SUNY and the Division of Budget; b) Broome/FSA Participation and SUNY and NYS Division of Budget; c) the Corporate Structure and the revised Sources and Uses.

Mr. Sullivan: FSA will be the Master Tenant. Over the 7 year period that the tax credits are under the LLC, we have to pay rent toward Carnegie; we won't own Carnegie until the 7th year. As part of the IRS tax structure the College will pay rent of approximately \$125,000 to \$150,000 a year towards the Carnegie. You pay the rent to FSA the owner of the Master Tenant. FSA receives the proceeds of the rent and turns around and gives it back to the College and every year you cycle that rent payment. In the event we can't get the \$1.5 million from the legislature; can we take the rent and not cycle it back to the College but accumulate it over a 7 year period and generate it as match to the project. DOB (Division of Budget) and SUNY said yes if the investment bankers indicate that FSA is part of the structure in the deal.

Trustee Akel: The Master Tenant, FSA responsibility; that's \$827,700, are you going to take that money from them in one lump sum.

Mr. Sullivan: No.

Trustee Akel: You said a 7 year rotation.

Mr. Sullivan: A 7 year rotation. So every year this nominal rent of let's say up to \$125,000 would be paid by the College by the operating budget to the Master Tenant. The realty company holds title to the property and that is really what the County controls and they have to control the realty company. The Master Tenant, US Bank, has an ownership interest and FSA is going to have an ownership interest. The master lease and the sub lease comes down to SUNY Broome; we are leasing Carnegie in order to have the Culinary, Hospitality Programs within the building. In essence the owner for 7 years has to be the tax credit corporation in order to be eligible for tax credits. If there is a separate entity that owns the real estate and as an arm's length transaction the College has got to pay some nominal level of rent. All we're really saying is in the event we need some additional match or source that instead the FSA would take those annual payments and pay the County the \$827,700 which is expecting as part of the sources that pay for the project. In essence, the College on an annual basis would have to have a line item of about \$125,000 which would be a rent payment to the Master Tenant.

4.0 INFORMATION ITEMS CONTINUED

4.13 Budget and Finance Update – Michael Sullivan Continued

Trustee Akel: When construction is completed there has to be \$827,700 available to pay bills; where is that going to come from.

Trustee Paniccia: Out of the operating budget.

Trustee Akel: Not in one lump, he said \$125,000 per year. You have to come up with \$827,700 at the third year, right, when the construction is done. You have to pay those bills.

Mr. Sullivan: This money, from an IRS perspective, because the ownership structure is with the entity that the tax credits are flowing through, that entity has to receive some nominal rent payment. This is independent of bills being paid, sources and uses. The County would receive approximately \$125,000 a year for that 7 year period so they would become whole other than the \$3 million that they're putting in with the project with all the other sources we've identified would equal the \$16.8 million.

Trustee Paniccia: If the \$1.527 million doesn't come through, what you're saying is that for the next 7 years we're going to have to take another \$125,000 out of operating budget to cover the cost for Carnegie.

Mr. Sullivan: That's the current contingency plan, yes.

Trustee Paniccia: If the supplemental state request funding comes through, is that FEMA funding of \$600,000 still available to the College.

Mr. Sullivan: We have to discuss this with SUNY around an eligible match but I would anticipate that it could be, yes.

Trustee Paniccia: The reason why I ask is that since it's for the Library; if you were to go through the Library; the carpets, lighting needs replacing and there is a lot we could do with that \$600,000. I want to be a proponent of earmarking this money right now back for the Library.

Mr. Sullivan: As you recall the 2 remaining primary buildings that has been funded by SUNY as core buildings; the Library is one and Mr. Ligeikis mentioned the Old Science Building and Student Services. What we have to decide is how much money we want to put in the building, from an aesthetic and just basic maintenance; I think the College would invest funding to maintain it but most likely it would be under repairs and taken out of the operating budget. We would use the SUNY \$5 million to have County match and totally renovate the Library as well as Old Science and Student Services buildings. I think FEMA could be used as part of the match towards the SUNY Capital side not so much out of the operating budget for ongoing repairs and maintenance.

4.0 INFORMATION ITEMS CONTINUED

4.13 Budget and Finance Update – Michael Sullivan Continued

Trustee Paniccia: I'm just talking from a maintenance side. There's \$10,000 we could put in there from the maintenance side that would make it look a lot better and there's probably \$100,000 between carpet and painting and have a cleaning service go in there on a monthly basis would make a big difference.

Mr. Sullivan: Mr. Ligeikis and I will take a look at that and include it.

4.14 Press Clippings

This report is routine and for informational purposes. A copy of the press clipping was included in the Board package.

5.0 COMMITTEE REPORT

5.1 Finance and Facilities Committee Meeting Minutes

Anthony Paniccia, Chairperson of the Finance and Facilities Committee submitted and reviewed the minutes for the March 14, 2018 meeting. The meeting was called to order at 9:00 a.m. and adjourned at 9:16 a.m.

EXECUTIVE SESSION

Chairperson Newman called for a motion to adjourn to Executive Session to discuss personnel matters. Vice Chair Paniccia made a motion to adjourn to Executive Session and Trustee Coffey seconded the motion. The Trustees went into Executive Session at 6:34 p.m.

Chairperson Newman called for a motion to come out of Executive Session. Trustee Ball made a motion to come out of Executive Session and Trustee Akel seconded the motion.

At 6:49 p.m. the Trustees came out of Executive Session.

Chairperson Newman adjourned the meeting at 6:50 p.m.

**THE NEXT FULL BOARD OF TRUSTEES MEETING IS SCHEDULED FOR 5:00 P.M.
ON THURSDAY, APRIL 26, 2018 TO BE HELD IN THE LIBOUS ROOM, D117 OF
THE DECKER HEALTH SCIENCE CENTER BUILDING**