

**SUNY BROOME COMMUNITY COLLEGE**  
**Board of Trustees**  
**Finance and Facilities Committee Minutes**  
**August 16, 2016**

**COMMITTEE MEMBERS PRESENT:**

Chairperson Newman, George Akel, Anthony Paniccia, Nicholas Serafini

**SUNY BROOME ADMINISTRATION PRESENT:**

Dr. Drumm, Michael J. Sullivan, Lynn Fedorchak, Jeanette Tillotson, Phil Testa, Jesse Wells

**Chairperson Newman called the meeting to order at 8:00 a.m.**

**1. ACTION ITEMS**

**1.1 RECOMMEND APPROVAL OF PAYROLL CERTIFICATION**

Trustee Serafini moved that the Finance and Facilities Committee approves the filing of the College payroll for June and July 2016. Trustee Akel seconded the motion, and it was unanimously approved.

**1.2 RECOMMEND APPROVAL OF PETTY CASH**

Trustee Serafini moved that the Finance and Facilities Committee approves expenditures from petty cash accounts for June and July 2016 and reimburse the funds in the amounts designated. Trustee Paniccia seconded the motion, and it was unanimously approved.

**1.3 RECOMMEND APPROVAL OF ENTREPRENEURIAL ASSISTANT PROGRAM GRANT**

Trustee Akel moved that the Finance and Facilities Committee approves on behalf of the Board of Trustees the Entrepreneurial Assistant Program Grant in the amount of \$80,000 for the period of June 1, 2016 to May 31, 2017 with 100% match, using a combination of cash and in-kind (at least 50% must be a cash match). Match requirement is met through salaries of BCC and BLDC personnel, BCC room rental, cash and in-kind donations. Trustee Paniccia seconded the motion, and it was unanimously approved.

**1.4 RECOMMEND APPROVAL OF RESOLUTION FOR REVISED POSITION DESCRIPTION FOR CLINICAL NURSING SKILLS CENTER INSTRUCTIONAL SPECIALIST**

Trustee Serafini moved that the Finance and Facilities Committee recommends that the Board of Trustees approves the resolution for the revised position description of Clinical Nursing Skills Center Instructional Specialist. Trustee Akel seconded the motion, and it was unanimously approved.

**1.5 RECOMMEND APPROVAL OF COLLEGE TREASURER**

Trustee Akel moved that the Finance and Facilities Committee recommends that the Board of Trustees approves the resolution appointing Michael J. Sullivan, Vice President of Administrative & Financial Affairs as Treasurer effective August 19, 2016. Trustee Serafini seconded the motion, and it was unanimously approved.

**1.6 RECOMMEND APPROVAL OF BID #16-1 FOR DEMOLITION OF 901 FRONT STREET FOR THE DEMOLISH BUILDINGS PROJECT**

Trustee Paniccia moved that the Finance and Facilities Committee recommends that the Board of Trustees approves the base bid and alternatives 2 and 3 to LCP Group, Inc. in the amount of \$295,000 for the demolition of 901 Front Street for the Demolish Buildings Project. Trustee Akel seconded the motion, and it was unanimously approved.

**1.7 RECOMMEND APPROVAL OF AGREEMENT BETWEEN BROOME COUNTY TRANSIT AND BROOME COMMUNITY COLLEGE**

Trustee Akel moved that the Finance and Facilities Committee recommends that the Board of Trustees approves the agreement between Broome County Transit and Broome Community College for a three (3) year term of August 15, 2016 to August 14, 2019 at a total cost of \$375,000. Trustee Serafini seconded the motion, and it was unanimously approved.

**2. INFORMATION ITEMS**

**2.1 President's Report**

Dr. Drumm gave his report to the committee.

He welcomed Michael J. Sullivan (Sully) the new Vice President for Administrative & Financial Affairs.

Enrollment is running slightly ahead of budget and keep our fingers crossed that we will be heading in that direction for the next couple of critical weeks.

On Monday he had a meeting at Binghamton University (BU) with Valerie Hampton, the head of Diversity and Inclusion at BU and the presidents of TC<sup>3</sup> and Corning. We are looking at a loose regional approach to this requirement that SUNY has levied on us to have a Chief Diversity Officer. Other than the very largest community colleges, nobody is going with a full time, brand new executive level Chief Diversity Officer. Both TC<sup>3</sup> and Corning have someone appointed who has collateral duties. We have had someone doing collateral duties up until recently, but he is beginning a doctoral program at BU so he cannot continue. We have the position posted now to have a part-time person with collateral responsibilities. This will be discussed at the Board retreat.

Debbie will be retiring next summer, and a number of her departments have moved over to Academic Affairs. The enrollment management function is now in Academic Affairs. We wanted to more closely align all our enrollment services with academic advising because academic advising is the most critical piece of student success. It is working well, but it does mean a very large piece of Debbie's responsibilities have been moved over under Francis and that leaves us room for when we go out for the position this winter to have a Vice President for Student Services and Chief Diversity Officer rolled into one at the executive level. They are not unrelated responsibilities. It does mean as a Chief Diversity Officer they will have not just the responsibility for students, but to be the strategic person on diversity issues for the entire campus which is faculty and staff as well. This is not a done deal yet, and the job description will come forward to the Board.

We launch our Achieving the Dream this fall. A lot of conversation with the presidents and Valerie Hampton at BU on Monday about diversity issues around student success and how much they overlap. The Achieving the Dream initiative will fit well into that.

## **2.2 SUNY Broome Budget and Financial Developments**

Michael gave his report to the committee.

Relative to the current year we are finishing up in about two weeks, he included Regina's mid-July, 2016 budget forecast. Our forecast is showing the need for more fund balance of about \$400K; with a \$50 million operation we are within one half of one percent. The key drivers on the expense side for the whole year was payroll was up about \$300K to \$400K primarily because of the approximate 1% incremental costs for the union settlements (ESPA and FA). We have not settled with the Guild nor with Administration wage adjustments and that will be a next year cost.

The rest of the budget had about a \$750K expense surplus predominantly in the fringe benefit areas: health insurance and retirement expense were below budget. Contractual expenses are forecasted to be about \$400K positive variance against an \$8 million base.

The only surprise in the updated forecast was that the Study Abroad Program has declined about 45% to 50% against budget. The budget forecasted revenue is about \$550K, and it is probably coming in at about \$225K. These are programs for international students and in light of a number of terrorism activities that have occurred abroad it has had a significant impact on student enrollment. Dr. Drumm indicated that the numbers are down significantly across the country as you can imagine. Several years ago at the crest of this program, it may have had 100 FTEs and now it is around the 12 to 15 FTE level.

Internally, we want to ensure in the future anything that has a level of magnitude, in terms of dollar value or volatility, we will refine how we are monitoring and forecasting the budget.

Depending on final enrollment figures and accruals over the next several weeks, we could end up close to a balanced budget or needing another \$100K-200K of additional fund balance beyond what we are forecasting.

That gets us to a fund balance number of about 6%. Based on the adopted budget for the coming year, it would be close to 5%, which is about as low as the external parties would like. The objective is to manage the budget next year to not use the budgeted amount of fund balance, and trying to get that number back up in the 7.5% range.

For next year, the budget has a 4% assumed enrollment decline against the forecast for this year, which was a 2% decline. The Fall, 2016 enrollment update reflects a 2% decline with a couple of weeks remaining. By the next committee meeting we should have pretty good idea how fall ended up.

Jeanette updated the committee on the implementation of Epayment for the students. With this electronic payment piece in place students and their families have an easy to use Family Educational Rights and Privacy Act (FERPA) compliant process to pay for college expenses. Students, parents and other authorized users now have the ability to view current balances and securely make payments over the web. There was a discussion regarding the fees charged for this service.

This report was submitted to the committee for information.

## 2.3 Reports for Board Information

### 2.3.1 SUNY Broome Facilities Update

Phil informed the committee that the demolition on 901 Front Street will be starting today as the abatement is done. It should take about two to three days to knock down the building and one day to get rid of it. By Friday the building should be gone, and they will start working on the parking lot area.

The Carnegie Library renovation presentation was made to CAUD (Binghamton's Commission on Architecture and Urban Design) and it took about 8 minutes for them to approve the design. A presentation will be made to SHPO (State Historic Preservation Office) mid-September with applications 1 and 2 because that includes the tax credits for that group.

Trustee Serafini asked if we have gotten to the proforma yet. Dr. Drumm said that Michael is now working on that and finishing that up. Michael let the committee know that he has taken an initial look at it. The initial year which is only one semester based on the proforma shows a loss of several hundred thousand dollars and going into the third year is a loss of approximately \$100K. He has not had an opportunity to go through all the assumptions both on the enrollment side and the cost side. He would be prepared to present the initial draft of that proforma at the next meeting.

Trustee Serafini asked if that operating loss includes anticipated revenue from functions that are there. Michael responded that if there was, it was very, very modest. Dr. Drumm said that Rey Wojdat is working on the ancillary revenue piece. Given our push towards alternative revenue across our spectrum of higher education, I think there is a fair amount of opportunity there without going overboard and competing too much with the hotels. This was discussed further with the committee.

Michael met with Tony Marshall around the historical tax credit piece along with a colleague from another community college who is very familiar with both tax credit scenarios. Coming out of that meeting, based on the evolving case of BCC not obtaining title to the building, which allowed BCC to be eligible for historical tax credits, we are proceeding with pursuing the historical tax credits for the Carnegie building project.

Tax counsel provided him and Bob Behnke key action items for the stakeholders and timeline for the historic tax credits. Based on the timeline of getting bids out for the construction in early 2017, there is a lot to be done between now and the end of the year among the IDA, the County and SUNY Broome. Bob will continue discussions with the IDA regarding the corporate structures that need to be put into place. The lease and the proforma will need to be modified because we have to show a market rate lease. The good news is total project sources of funds is \$12.2 million. This was discussed further.

The president said this will be a subject at their retreat in September along with the Foundation which is planning a comprehensive fund raising campaign which is the first in our history.

Trustee Serafini asked why are we going over \$50K on the basketball court. Phil responded that he isn't sure he will go over \$50K. Our first initial contact with a vendor on county contract for a cost estimate was over \$50K. He isn't sure if it will be over \$50K when we get competitive bidding. Trustee Serafini said it seems like a lot to him, and Phil said it includes excavating costs. If we were doing it on top of an existing base, there would not be the added excavation costs. It is a  $\frac{3}{4}$  court with four baskets. Trustee Akel asked if it was going to be done this fall and Phil said yes.

Dr. Drumm told the committee that we have upgraded some major visible spaces: the floor of Applied Technology (AT), lecture halls in Titchener, and the reception area of the Counseling Center. These are very noticeable, high traffic areas that the faculty and students should notice.

### 2.3.2 Personnel Report

The president said that we are not filling all the positions we had hoped to until we see where we are with enrollment. We will have some open positions going into the new fiscal year.

### 2.3.3 Budget Transfers

### 2.3.4 Grant Approvals

### 2.3.5 Investment Report

These reports were submitted to the committee for information.

## 2.4 Draft of Board of Trustee and Finance & Facilities Committee Meetings for 2016-2017

This was submitted to the committee for information, and they were asked to look at it prior to the board meeting on Thursday.

**Trustee Akel made a motion to adjourn the meeting, and Trustee Paniccia seconded the motion which was unanimously approved. The meeting adjourned at 8:38 a.m.**

***The next Finance and Facilities Committee Meeting is scheduled for Tuesday, September 13, 2016 in the Wales 107 Conference Room***