

SUNY BROOME COMMUNITY COLLEGE
Board of Trustees
Official Finance and Facilities Committee Minutes
March 14, 2018

COMMITTEE MEMBERS PRESENT:

Chairperson Anthony Paniccia, Orion Barber, Margaret Coffey, Nick Serafini

SUNY BROOME ADMINISTRATION PRESENT:

Dr. Drumm, Dr. Battisti, Michael J. Sullivan, Lynn Fedorchak, Jeanette Tillotson, David Ligeikis

Chairperson Paniccia called the meeting to order at 9:00 a.m.

1. ACTION ITEMS

1.1 RECOMMEND APPROVAL OF PAYROLL CERTIFICATION

Trustee Coffey moved that the Finance and Facilities Committee approves the filing of the College payroll for February 2018. Trustee Barber seconded the motion, and it was unanimously approved.

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

Trustee Coffey moved that the Finance and Facilities Committee recommends 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. Trustee Serafini seconded the motion, and it was unanimously approved.

1.3 RECOMMEND APPROVAL OF THE PARTICIPATING INSTITUTION AGREEMENT (PIA) FROM SUNY FOR LICENSING EXLIBRIS ALMA LIBRARY SERVICES PLATFORM AND PRIMO DISCOVERY SOLUTION SOFTWARE AND SERVICES

Trustee Coffey moved that the Finance and Facilities Committee recommends 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. Trustee Barber seconded the motion, and it was unanimously approved.

1.4 RECOMMEND APPROVAL OF RESOLUTION TO SUBMIT SUNY BROOME'S PROPOSED 2018-2019 OPERATING BUDGET TO THE COUNTY EXECUTIVE AND BROOME COUNTY LEGISLATURE

Trustee Coffey moved that the Finance and Facilities Committee recommends 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. Trustee Barber seconded the motion, and it was unanimously approved.

1.5 RECOMMEND APPROVAL OF RESOLUTION FOR CAPITAL IMPROVEMENT PROGRAM REQUEST TO BROOME COUNTY (2019-2021)

Trustee Coffey moved that the Finance and Facilities Committee recommends that the Board of Trustees approves the resolution for SUNY Broome's Capital Improvement Program (2019-2021). Trustee Barber seconded the motion, and it was unanimously approved.

1.6 RECOMMEND APPROVAL OF A 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

Trustee Coffey moved that the Finance and Facilities Committee recommends 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 Barber seconded the motion, and it was unanimously approved.

2. INFORMATION ITEMS

2.1 President's Report

Dr. Drumm gave his report to the committee.

The Assembly Budget is out and they put in \$100 for the funding formula; other funding for Community Colleges will be there. I am sure we'll have a conference call with SUNY as soon as the Senate budget comes out.

There is \$1.5M for us for the Carnegie Project that Donna (Lapardo) promised she would work on. He did meet with her and Fred (Akshar) about this. Hopefully it will be in the Senate budget. Michael did see it in the Speaker's press release.

We have been going through the Department of Budget (DOB) regarding the unique corporate structure of the Carnegie Tax Credits. The DOB has approved it in principle after months and months of Michael, Jeanette, and others going back and forth to get the DOB comfortable, and SUNY getting DOB comfortable with this unique structure because as you know it is the first time SUNY has ever done this so it is the first time DOB has ever done this with SUNY.

Empire State Development (ESD) was here yesterday to tour the Carnegie building. While we were in the building they asked if we have any other projects downtown. It happens we are in partnership with a piece of property a block away; ESD has a \$6M investment in the Incubator. They took a walk over, and they were very impressed with all of it.

ESD had a public hearing on the New Market Tax Credits last week at the County Legislative Chamber. It was very quiet; Dr. Drumm was the only one who spoke to thank ESD publically for their support for the project. Every time ESD speaks about the project, they speak about it glowingly.

Dr. Drumm requested Michael to speak about the reason why the College is trying to put together a FSA Special Board meeting.

We have two final candidates for the STEM Dean.

2.2 SUNY Broome Budget and Financial Developments

Michael gave his report to the committee.

An update was provided for the first six (6) months of the current (2017-18) fiscal year. The College continues, with the Spring enrollment numbers pretty much finalized, and with only Summer Term remaining at about five percent (5%) of the enrollment, feeling confident that the budget will continue to remain balanced through the rest of the year.

The Carnegie Project continues to be a work in progress. The FSA inclusion in the tax credit structure, in summary, is due to two (2) dynamics that are occurring within this tax structure that is a catch 22. You have the County of Broome that is a governmental unit that can't qualify for tax credits and you have SUNY Broome as a public entity that can't qualify for tax credits. On the other side of the catch 22, in order to be eligible for tax credits, you need to be a for profit. The only way you get tax credits is to file a corporate income tax return that has profit at the bottom line and you want to be able to use the tax credits as a corporate tax deduction to offset profits, for the for profit company (i.e. US Bank,

the credit investor). In order for the structure to be approved by the IRS, which is not being required by the Division of Budget nor SUNY, rather it is being required by the investment bankers (US Bank) and New Market Tax Credit lawyers, the College needs to have a corporate entity; it can either be a for-profit or not-for-profit corporate entity that is going to be the sole member of the tax credit corporate entity. Michael will present more detail at the Board meeting on Thursday because the College has a weekly call with the investment banking group on Thursday morning at 11 a.m. This tax structure we will be finalized this week.

The College is confident that this FSA entity structure will work and comply with IRS rules and regulations. The County is really critical in this revised tax credit structure because the County wants to control the project because the County is disbursing all of the funds into the project except for the tax credit equity, which is what the County does for any SUNY capital project. The County, who was initially the Corporate Member of the tax credit entity, is yielding to FSA as the Corporate Member. FSA is going to be the Corporate Member of the corporate entity where the tax credits are going to flow through. The Corporate Member (FSA) then appoints the County as the 100% Corporate Manager. That way the County as Manager really oversees and controls the project. In a typical membership structure, the Member appoints the Board, amends the By-Laws and does a variety of other super powers, but it really has no day-to-day operational or financial responsibility.

Michael has asked the College's tax counsel (Harris Beach) to provide a more detailed explanation of the structure, the roles and responsibilities, any risks that FSA would take – which are none – and he will have that packet together and provide it to Patti to provide to the Board at tomorrow's Board meeting.

The College needs the FSA Board to approve being a Corporate Member of the tax credit entity and there may be a couple of FSA resolutions that need approval. He believes there is a special FSA Board meeting being scheduled for next week. It is very technical and very complicated but at the end of the day the corporate structure that is necessary include FSA being the Corporate Member in order for the tax credits to be deemed appropriate and eligible within the LLC that is going to hold the tax credits through the seven (7) year compliance period.

This report was submitted to the committee for information.

2.3 Reports for Board Information

2.3.1 SUNY Broome Facilities Update

Dave Ligeikis went over the report with the committee.

Mechanical Building: They met with DASNY on Tuesday, and they provided us with the first cut of the draft of the furniture layout of the building. In particular the atrium/connector area where we are going to try to provide some type of “coffee shop” atmosphere. You can tell by looking at it and the number of students that are going to be walking in that area, it is going to become the focal point of the school. It is right in the center where all their paths are going to cross. We are going to have a good place for them to be. For him, this is one of the more exciting elements of this project is the atrium/connector area.

The other notable campus activity is we finished the repair of the restrooms in the women’s locker room on the student center. These restroom facilities are now usable once again. We are moving on to the shower facilities and the ceilings that need to be repaired there as well. Our staff is going to do that.

Doug Garnar donated a civil war era map which we had framed and mounted. It is over at the east end of Titchener, and it is on the first floor. We lighted it and it is pretty cool; it could be used as an instructional tool.

- 2.3.2** Personnel Report
- 2.3.3** Budget Transfers
- 2.3.4** Grant Approvals
- 2.3.5** Investment Report

These reports were submitted to the committee for information.

Trustee Coffey made a motion to adjourn the meeting, and Trustee Barber seconded the motion, which was unanimously approved. The meeting adjourned at 9:16 a.m.

***The next Finance and Facilities Committee Meeting is scheduled for
Tuesday, April 24, 2018 at 9:00 a.m. in the Wales 107 Conference Room***