

**SUNY BROOME COMMUNITY COLLEGE**  
**Board of Trustees**  
**Finance and Facilities Committee Official Minutes**  
**August 22, 2017 ~ W107 Conference Room, 9:15 a.m.**

**COMMITTEE MEMBERS PRESENT:**

Marc Newman, George Akel, Anthony Paniccia

**SUNY BROOME ADMINISTRATION PRESENT:**

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

***There was not a quorum to start the meeting and Dr. Drumm gave his report to the committee.***

Dr. Drumm introduced Dr. Carol Ross, Vice President for Student Development and Chief Diversity Officer, to the committee.

He reminded the committee that there will be a brief Trustee meeting Thursday followed by a joint meeting with the Foundation Executive Board.

Enrollment continues to look good. We are doing things a little different this year. We had our late/final registration last week two (2) weeks before school starts and we will see how it goes.

The new Chancellor starts after Labor Day; there is no Provost and there are a lot of things on hold at SUNY. The big news at SUNY is they are seriously discussing recommending a new funding formula. There has been a lot of dialogue with a group of presidents and chief business officers who worked on a new funding formula; it is not radically different than what we currently have. There is a lot of discussion right now that something has to be submitted to the legislature by SUNY in November or December. At this point, the consensus is to ask for another year as it is a very complex issue to recommend a new funding formula that we are all reasonably comfortable with. We would assume that if SUNY does that, then the legislature would be okay with that and that they probably wouldn't act in the affirmative on it this year anyway. They may provide a spring deadline, which they have done in the past for things like this; we will see.

These are the big items at the moment, and he will have a couple of other things Thursday night.

Chairperson Newman joined the meeting and called the meeting to order at 9:24 a.m.

## **1. ACTION ITEMS**

### **1.1 RECOMMEND APPROVAL OF PAYROLL CERTIFICATION**

Trustee Akel moved that the Finance and Facilities Committee approves the filing of the College payroll for June and July 2017. Trustee Paniccia seconded the motion, and it was unanimously approved.

### **1.2 RECOMMEND APPROVAL OF PETTY CASH**

Trustee Akel moved that the Finance and Facilities Committee approves the list of petty cash expenditures for June and July 2017 and direct reimbursement for the funds in the amounts designated. Trustee Paniccia seconded the motion, and it was unanimously approved.

### **1.3 RECOMMEND APPROVAL OF ADDITIONAL MUSIC PROGRAM FACILITIES RENOVATIONS GRANT FUNDS**

Trustee Akel moved that the Finance and Facilities Committee on behalf of the Board of Trustees approves the acceptance of the additional music program facilities renovations grant funds in the amount of \$58,833 for the period of February 9, 2017 to February 8, 2018. Trustee Paniccia seconded the motion, and it was unanimously approved.

### **1.4 RECOMMEND APPROVAL TO PREPARE AND SUBMIT AN APPLICATION FOR FEDERAL ASSISTANCE VIA THE FEDERAL APPALACHIAN REGIONAL COMMISSION PROGRAM**

Trustee Akel moved that the Finance and Facilities Committee on behalf of the Board of Trustees approves the college to prepare and submit an application for federal assistance via the Federal Appalachian Regional Commission Program for a funding request up to \$150,000 for the period of September 1, 2018 to August 31, 2019 with a required match of 1:1. Trustee Paniccia seconded the motion, and it was unanimously approved.

### **1.5 RECOMMEND APPROVAL OF LEASE AGREEMENT WITH XEROX FOR THE COPY CENTER**

Trustee Paniccia moved that the Finance and Facilities Committee recommends that the Board of Trustees approves the Copy Center leasing a Xerox Copier D95CP at a cost of \$1,121.55 a month for 60 months (consumable supplies included). Trustee Akel seconded the motion, and it was unanimously approved.

**1.6 RECOMMEND APPROVAL OF ADVERTISING WITH RIGER  
ADVERTISING AGENCY, INC. FOR THE 2017-2018 ACADEMIC YEAR**

Trustee Akel moved that the Finance and Facilities Committee recommends that the Board of Trustees approves advertising with Riger Advertising Agency, Inc. for the 2017-2018 academic year not to exceed \$70,000. Trustee Paniccia seconded the motion, and it was unanimously approved.

**1.7 RECOMMEND APPROVAL OF RESOLUTION FOR A PARTIAL UNPAID  
LEAVE OF ABSENCE FOR COURTNEY O'HAGAN**

Trustee Akel moved that the Finance and Facilities Committee recommends that the Board of Trustees approves the resolution granting a partial unpaid (80%) (FMLA eligible) child rearing leave of absence to Courtney O'Hagen, Associate Professor, in the Psychology & Human Services Department from August 21, 2017 to December 20, 2017. Trustee Paniccia seconded the motion, and it was unanimously approved.

**1.8 RECOMMEND APPROVAL OF RESOLUTION AMENDING THE 2017-2018  
BCC TUITION AND FEES RESOLUTION NO. 1466**

Trustee Paniccia moved that the Finance and Facilities Committee recommends that the Board of Trustees approves the resolution amending the 2017-2018 BCC Tuition and Fees Resolution No. 1466. Trustee Akel seconded the motion, and it was unanimously approved.

**2. INFORMATION ITEMS**

**2.1 President's Report**

Dr. Drumm gave his report to the committee at the beginning of the meeting.

**2.2 SUNY Broome Budget and Financial Developments**

This report was submitted to the committee for information.

Michael reviewed the 2016-17 budget forecast with the committee. We continue to forecast a balanced budget. We have a higher degree of confidence with less than a week left in the fiscal year, and are forecasting not having to use the \$380,000 budgeted for fund balance.

We are still about a half a million below the budgeted levels for revenues, and we've increased the forecast for the payroll costs by an additional \$200,000. The payroll amount budgeted was only a 1.4% increase compared to 2015-16 actual, primarily due to only 2% was budgeted each year for the salary and wage for a two-year period instead of 3% each year. That 2% difference, 4% instead of 6%, against \$31 million payroll amount was about a \$600,000 to \$700,000 negative payroll variance that was a challenge to reduce during the course of the past year.

In summary, we are very pleased with a forecasted balanced 2016-17 budget given we had a combined \$1.5 million budget deficit we had to address at the beginning of the year. Revenues were overstated initially by about \$500,000 we had \$400,000 of budgeted fund balance not to use and on the expense side payroll was over by about \$600,000 to \$700,000. I just want to commend the staff; everybody really was very helpful in trying to achieve a balanced budget and not use fund balance for this year.

Trustee Akel commented: Congratulations great job to everyone – truly.

Trustee Paniccia asked about two months ago Orion brought up about the FSA and moving the salaries into the budget. Seeing that the projection may be a couple hundred thousand over and we are not using fund balance, that issue FSA salary seems to have been dropped off the table. In speaking to several of the board members there was consensus with the board to move those dollars out of the FSA and back into the budget where it is supposed to be. Is that issue going to be ever brought up again or how are we going to address that issue.

Dr. Drumm responded that we are not paying the Executive Director's stipend out of FSA at this point for the coming year. Trustee Paniccia said that there was a bunch of salaries not just the Executive Director's. Dr. Drumm said that the other big one was coaches' salaries but there is needed flexibility in these transient part-time positions under FSA. There was further discussion on this topic with the committee.

## **2.3 Reports for Board Information**

### **2.3.1 SUNY Broome Facilities Update**

Mr. Sullivan provided an update on the Carnegie Project. We are currently proceeding on two paths: Plan A which is the culinary project, and Plan B, which includes a number of alternative programs located at Carnegie. We anticipate presenting to the Board's September or October meeting a recommendation.

We continue to proceed, in good faith, with the culinary project at Carnegie which the Board had recommended at the June meeting, in order to allow management an opportunity to proceed and conclude on their efforts to vet the information and the numbers, and pursue additional funding necessary for the culinary project at Carnegie.

National Park Service has approved the Carnegie culinary project with two (2) conditions which are described in the monthly Facilities Update – fairly minor – we will be able to address them to NPS's specifications. That will entail yet another 30-day review process by SHPO and another 30-day review process by NPS. The part 2 application amendment has been submitted and the clock has started with SHPO. In order to accommodate the NPS approval, we have had to go back to the City Planning Commission for the new addition expansion and also to CAUD. Those activities as well as some further geotechnical activities have occurred or will occur by the end of August.

Assemblywoman Lupardo, who is a strong proponent of the Carnegie culinary project, has reached out to Empire State Development (ESD) to seek additional funding, which resulted in a number of meetings, submission of supplemental information to ESD relative to the additional project costs inclusive of: (1) NPS requirements, (2) New Market Tax Credit (NMTTC) FF&E increase, and (3) the soft costs financing costs for NMTTC and HTC. ESD staff has presented to their Advisory Committee our request for supplemental funding of about \$3.2 million, and we expect feedback from ESD by the end of this week.

The last major piece to bridge the funding gap for the \$20 million Carnegie culinary project would be supplemental funding of at least \$1.5 million by SUNY. SUNY initially funded Carnegie at \$5 million which requires match. The combination of the federal side of Historic Tax Credits (\$1.7M), the New Market Tax Credits (\$1.8M), and the County's (\$3M) support, we are in an over match situation. We have \$6.5 million of match and only \$5 million of SUNY funding. We have submitted a request to SUNY for additional funding, based on the estimated match numbers and the project costs of \$20 million. The estimated amount of additional SUNY funding is between \$1.5M and \$2.0M, based on the final Historic Tax Credit calculations, driven by final construction costs established after bids are awarded.

In April, SUNY indicated that they would be supportive of the additional funding request pending SUNY and NYS Division of Budget's approval of the financing structure of the project. We are continuing our efforts, with the assistance of tax counsel and ESD to review the corporate financing structures and flow of funds necessary for a historic tax credit financing and a new market tax credit financing.

The SUNY lawyers and their capital finance team and SUNY Broome's Finance team and tax counsel have continued to have dialogue. Empire State Development continues to have a significant financial interest – more funding in Carnegie culinary than SUNY. ESD has committed \$2.2 million REDC funding, another \$1.85 million in New Market Tax Credits, plus the \$3.2 million supplemental funding recently requested, totaling \$7.25 million. ESD has reached out to SUNY to facilitate SUNY's understanding of the financing of the project and also the need for this financing to conclude expeditiously, because ESD's new market tax allocation for future years is at risk based on optimizing in a timely manner the use of ESD's current federal allocation.

We expect accelerated discussions during the next 30 days between the College, ESD, SUNY and Assemblywoman Lupardo, both in terms of obtaining sufficient sources of funds and getting the financing structures approved by both SUNY and the New York State Division of Budget.

We would anticipate either at the September Board meeting, and not later than the October Board meeting, that we'll know whether the Culinary Carnegie Project has sufficient funding and an approved financing structure in place.

Trustee Paniccia asked Michael if he could break down those dollars again.

Michael responded the County started with \$3M; currently SUNY at \$5M; we have REDC at \$2.2M for a total of \$10.2 million. That is where we started this project. The ESD request is for an additional \$3.2 million; SUNY request is for at least an additional \$1.5 million; NMTCs is at \$1.85 million and historic tax credits at \$3.0 million. The total is approximately \$19.8M. Trustee Paniccia asked of that which ones have to be used if it is a culinary school? The New Market Tax Credits and Historic Tax Credits or just New Market?

Michael responded that New Market is probably a split because based on the allocation they gave us, ESD was flexible in terms of what we could include as operating assets. Independent of probably what programs we put in Carnegie, we have included in the NMTC allocation of \$5.5M a lot of IT infrastructure. We've also included some FF&E for a couple of vehicles, inclusive of shuttle service. The major piece that is funded by NMTC is the culinary equipment, some of which was enhanced a little, but is not the primary driver. In the original Carnegie culinary budget, there was about \$3.0 million for FF&E, including culinary equipment. We could break out the culinary part of NMTC funding, ballpark, out of the \$5.5 million of gross NMTC funding, about \$2.5 million was for culinary equipment.

In September we'll provide you, as was requested, an estimated sources and uses document for Plan B, which will be non-culinary programs at Culinary. The estimated cost for Plan B at Carnegie is in the neighborhood of \$13-\$14 million. Trustee Paniccia asked if there is a Plan C that can have culinary that gets it back to the budget that was approved by the Board. Michael responded no.

Dr. Drumm stated that we would have to drop off the historic money and then we would have a net loss of \$2 million and it is not enough money to do culinary in a historic facility without that federal money.

Trustee Paniccia said he understands that he just didn't know if there was any value engineering looked at to see if you could put the culinary but get it back toward the budget that was approved by the Board.

There was further discussion regarding the Carnegie project. Chairperson Newman asked if when we do meet in September to discuss this, could we have a special meeting? It was agreed to set up a special meeting or meetings if necessary.

- 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.

- 2.4** Draft of Board of Trustee and Finance and Facilities Committee Meetings for 2017-2018
- 2.5** Subcommittee for change orders per Policy 1.7 Purchasing

Michael explained that the Board passed this revised change order policy in 2015, and we have not had a need for a subcommittee of three (3) board members to review change orders that are either 10% or over \$25,000 as in the second paragraph of the policy.

Michael presented the change order policy document as an information item, but stated it would be important for the Committee to consider, if the three (3) Board members present at today's meetings who have expertise in the capital project arena, are willing to serve on this change order subcommittee of three (3) members, especially as the renovation of the Mechanical Building proceeds.

We would anticipate the need for the subcommittee to review any change orders in a timely way, and our recommendation is to identify the three (3) members and then agree on a process – which most likely would be the College emailing to the subcommittee information regarding the change order request, and then subcommittee members responding via email, either questions/need for additional information and/or approval/disapproval. A conference call with subcommittee members and the College could also be scheduled if deemed necessary.

After a discussion, it was agreed that the subcommittee would consist of Trustees George Akel, Marc Newman, and Anthony Paniccia. It was also agreed to change the policy to review only change orders over \$25,000 and remove the portion of the policy “*or 10% of the original contract awarded – whichever is less,*” in the first sentence of the second (2<sup>nd</sup>) paragraph. This policy amendment was motioned by Trustee Akel and seconded by Trustee Paniccia.

**Trustee Akel made a motion to adjourn the meeting, and Trustee Paniccia seconded the motion, which was unanimously approved. The meeting adjourned at 10:18 a.m.**

***The next Finance and Facilities Committee Meeting is tentatively scheduled for Tuesday, September 12, 2017 at 8:00 a.m. in the Wales 107 Conference Room***