

SUNY BROOME COMMUNITY COLLEGE
Board of Trustees
Official Finance and Facilities Committee Minutes
October 10, 2018, Wales 107 Conference room

COMMITTEE MEMBERS PRESENT:

Chairperson Anthony Paniccia, George Akel, Orion Barber, Nick Serafini

SUNY BROOME ADMINISTRATION PRESENT:

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

Chairperson Paniccia called the meeting to order at 9:01 a.m.

1. ACTION ITEMS

1.1 RECOMMEND APPROVAL OF PAYROLL CERTIFICATION

Trustee Barber moved that the Finance and Facilities Committee approves the filing of the College payroll for September 2018. 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 on behalf of the Board of Trustees approves the list of petty cash expenditures for September 2018 and direct reimbursement for the funds in the amounts designated. Trustee Akel seconded the motion, and it was unanimously approved.

1.3 RECOMMEND APPROVAL OF ENTREPRENEURIAL ASSISTANT PROGRAM GRANT

Trustee Barber moved that the Finance and Facilities Committee on behalf of the Board of Trustees approves acceptance of the Entrepreneurial Assistant Program Grant for the period of June 1, 2018 to May 31, 2019 in the amount of \$76,442. Empire State Development Corporation (ESDC) funds must be matched 100%, 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 Serafini seconded the motion, and it was unanimously approved.

1.4 Recommend Approval of Write-Offs of Student Account Receivables

Trustee Akel moved that the Finance and Facilities Committee recommends that the Board of Trustees approves the write-offs of uncollectable accounts for receivables in the amount of \$1,119,338.82 which are now two-years old. Trustee Barber seconded the motion, and it was unanimously approved.

1.5 Recommend Approval to Purchase a Shimadzu Rad Speed Pro System from Alpha Medical Equipment of NY, Inc.

Trustee Akel moved that the Finance and Facilities Committee recommends that the Board of Trustees approves the purchase a Shimadzu Rad Speed Pro System (\$114,950.00) with five (5) years full warranty (\$57,800.00) from Alpha Medical Equipment of NY, Inc. for a total amount of \$172,750. Trustee Barber seconded the motion, and it was unanimously approved.

1.6 Recommend Approval of Resolution for the President's Evaluation and Compensation

Trustee Serafini moved that the Finance and Facilities Committee recommends that the Board of Trustees approves the 1.96% salary increase for the President establishing a salary of \$231,149.00 and a contribution of \$7,500 to the President's deferred compensation account. The Presidents contract shall be extended to June 30, 2023. All other benefits stipulated in the employment agreement to continue as previously established. 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.

Enrollment continues to slightly and steadily improve as we collect our concurrent enrollment, Fast Forward. That area continues to be a bright spot for us with schools interested in offering more classes and more schools interested in offering classes. The person who is in there is temporary and it is being searched. We will get a great person in there because it is such an important area for us and the community but we do continue to get added interest there each year.

The Calice grand opening is Tuesday, October 16th at 10 a.m. We will have a tent in case of bad weather and we have the connector in case mother nature does not smile. We have quite a batting record when it comes to our grand openings and ground breakings so hopefully that will hold. We are going to have quite a cast of VIPs here for the event and hopefully we will see most of the Board there. If you want to see the building before the grand opening since it will be kind of a crazy day, let Patti know and we'll arrange a tour for you so you can see it beforehand.

A lot of interest from the food people because of our food science lab; brewers and distillers are very excited as we are going to be doing some educational training for them.

We have a hockey event at the arena tonight and this is not the annual foundation recognition event. It is a student celebration and it is on his calendar. He'll let you know on Thursday how it went. He is looking forward to it. It is a new get together with our professional hockey team.

He will give the rest of his report at the Board meeting on Thursday.

Trustee Serafini asked what happened to the casino class and all the equipment? Dr. Drumm said it is being used every day, multiple times a day. Trustee Serafini asked how many students go in? Dr. Drumm responded last year we had about 300 a week going through there but he is not sure what the numbers are this semester but he can check on that and let them know Thursday.

Trustee Serafini said that he received faulty information because he thought there was hardly any students involved. Dr. Drumm responded that there are not any students currently in the old program. We just got permission for the new program from the State Education Department (SED) and he can update you on the specifics of that. It is Lodging and Casino Management since most casinos have hotels; it encompasses events and casino and hotel management and all of that. Hospitality and culinary are separated out. There was further discussion on this topic with the committee.

2.2 SUNY Broome Budget and Financial Developments

Michael gave his report to the Committee.

Last fiscal year (2017-18) closed August 31, 2018 and we are still scrubbing the numbers. The College is required to submit to SUNY the annual report at the end of this month. Our preliminary figures reflect a slight surplus for the year of about a one percent (1%) margin. We are very pleased with the preliminary numbers because that number could increase modestly by another one percent (1%) based on our conservative forecast at this point.

We expect the external auditors to commence in a couple of weeks and they should complete their work towards the end of the year. They will present the 2017-18 audited financial statements either in January or February of 2019 to the Board.

We are a little over a month into this fiscal year (2018-19) and we are also forecasting a balanced budget. We had budgeted an enrollment decline of about two percent (2%) and we are experiencing an enrollment decline of about six percent (6%). If you take six percent (6%) against about \$50 million of variable revenue, (the budget is about \$57 million, but sponsor share of \$7.5 million does not change due to enrollment), took six percent (6%) of that, that would be a \$3 million dollar hit to the budget. We factored about a two percent (2%) decline or one third (1/3) of that \$3 million, so \$1 million we factored into the budget. We have a \$2 million delta that we had to address which we have and it is described in the narrative. Through negotiation with the faculty association, there were mechanisms by which if enrollment declines the number of classes that are offered during the semester also

decline in some proportional manner. The College, with a lot of collaboration with the deans and the chairs of the departments, did reduce sections by about 150 for the fall and that yielded about \$500K of payroll savings and about \$100K in benefits, totaling about \$600K. We set aside about \$1.5 million in the contractual area even prior to loading the budgets to all the departments. Most of that funding is for capital repairs and renovations and some level of discretionary campus initiatives funding.

We will see how the rest of the Fall semester plays out and we will have to go through this section management exercise again for the Spring. We have very good forecasting tools for student enrollment in Spring, 2019 as it ramps up during the months of December and January. We'll be able to take pre-emptive actions to ensure a balanced budget prior to the Spring semester starting at the end of January.

We have a high degree of confidence that we will manage the budget this year and our objective is to have a balanced budget and try to achieve a ballpark one percent (1%) margin. We are trying to get fund balance up to about that median target of ten percent (10%). The SUNY and Middle State's benchmark range is five (5%) to fifteen percent (15%). A few years ago we were right around five and a half percent (5½%). With the \$600K estimated surplus for 2017-18, fund balance is at about seven and a half percent (7½%) to eight percent (8%). If we have one more solid year, we might get pretty close to the ten percent (10%).

Trustee Paniccia asked with the \$600k surplus do you know how you are prorating that – how much toward fund balance, how much toward discretionary, how much toward this years' budget or is that up to you to decide what to do with it? Michael responded that this all goes right to the balance sheet. The College has no discretion to use any of that money. We would have to come back to the Board and ask for it to be appropriated. He said the College's position would be to continue to try to accumulate and increase the fund balance amount. Just to give you an idea, the additional \$600K this will give us an undesignated fund balance of a little over \$4 million. There was further discussion about the fund balance.

Trustee Akel congratulated everyone on the 2017-2018 budget.

This report was submitted to the committee for information.

2.3 Reports for Board Information

2.3.1 SUNY Broome Facilities Update

David gave his report to the Committee.

As Dr. Drumm said we have the grand opening for Calice on Tuesday at 10 a.m. There is a minor punch list of items that still need to be completed. For those of you who haven't noticed, we are in the process of putting new furniture that was purchased as a part of that contract around the exterior of

Calice in a certain number of locations. It is really pretty good looking stuff, and it is already being used – that is a good thing.

Carnegie continues to move ahead. You can see all of the items I have listed here. As he told you a couple of weeks ago, he is in the process of putting together a scope change for some of the foundation work. He said Anthony was concerned about the extent of that, but he can tell you that it is probably in the \$70K +/- range. If it is more than that, it is only a few thousand more than that, so it is not a real significant increase but it is significant enough that it needs to come before the Change Order subcommittee to this committee.

Some of the other notable on campus construction activities that are either completed or ongoing. We just finished the refurbishing of the main entrance to the library. We put a new floor in there over the weekend. We will follow that up with some painting and new carpet runners. It is a really good look. It is a tile floor that gives the appearance of stone and it really, really looks good. He knows Robin Petrus (LRC Director) is very happy about that.

All the other construction activities that we had on the list have all been completed. The only one that has not is the loading dock in the campus services. We are waiting for the materials for that before we can get that going.

Trustee Paniccia asked on the Carnegie building when they were doing the auger cast piles, any concern from Security Mutual or HH&K on vibration? Dave responded no, actually they haven't received any complaints at all. However, because of the proximity of the backside of the new addition to Security Mutual, we are going to have to sit down and talk to them about potential impact on that first strip of parking they have there. We are in the process of putting a letter together to them to let them know what that impact may be – temporary – but during construction we may have to borrow some of their parking spaces while we do that work.

- 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 Akel made a motion to adjourn the meeting, and Trustee Barber seconded the motion, which was unanimously approved. The meeting adjourned at 9:26 a.m.

The next Finance and Facilities Committee Meeting is scheduled for December 11, 2018 at 9:00 a.m. in the Wales 107 Conference Room