

SUNY BROOME COMMUNITY COLLEGE
Board of Trustees
Official Finance and Facilities Committee Minutes
September 18, 2018, Wales 107 Conference room

COMMITTEE MEMBERS PRESENT:

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

SUNY BROOME ADMINISTRATION PRESENT:

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

Chairperson Paniccia called the meeting to order at 10:00 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 July and August 2018. Trustee Serafini seconded the motion, and it was unanimously approved.

1.2 RECOMMEND APPROVAL OF PETTY CASH

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

1.3 RECOMMEND APPROVAL OF BID 2018-21 TO PURCHASE AN BIODEX MULTI-JOINT SYSTEM PRO ALONG WITH ATTACHMENTS, WORK SIMULATION AND MOBILITY ASSIST DEVICE

Trustee Coffey moved that the Finance and Facilities Committee recommends that the Board of Trustees approves the purchase a Biodex Multi-Joint System-Pro from Biodex Medical Supply, Inc. for \$59,955. Trustee Barber seconded the motion, and it was unanimously approved.

1.4 RECOMMEND APPROVAL OF BID 2018-20 FOR THE AUDIO VISUAL SYSTEM FROM SENSORY TECHNOLOGIES AT THE CARNEGIE CULINARY DOWNTOWN BUILDING

Trustee Akel moved that the Finance and Facilities Committee recommends that the Board of Trustees approves awarding Bid 2018-20 for the Audio Visual System at the Carnegie Culinary Downtown Building for the Carnegie Downtown Campus Project to Sensory Technologies in the amount of \$198,958. Trustee Coffey seconded the motion, and it was unanimously approved.

1.5 RECOMMEND APPROVAL TO PURCHASE AUDIO VISUAL HARDWARE FROM THE NY OGS PC67450 EXTRON CONTRACT FROM SENSORY TECHNOLOGIES FOR THE CARNEGIE CULINARY DOWNTOWN BUILDING

Trustee Coffey moved that the Finance and Facilities Committee recommends that the Board of Trustees approves the purchase of Audio Visual Hardware from the NY OGS PC67450 Extron Contract at the Carnegie Culinary Downtown Building for the Carnegie Downtown Campus Project to Sensory Technologies in the amount of \$125,572.58. 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.

He and a few other people from campus attended the new SUNY Chancellor's Inauguration last Thursday and Friday. It was very nicely done. He has to confirm something that the Chancellor commented on in her inauguration speech which was at FIT. He thinks she said 90% of the new jobs created in New York over the past year required a bachelor's degree or higher. That was a startling figure – new jobs – it doesn't mean all the jobs that are open; just new jobs created. He is going to look into this as he had not heard that before – which would be unique to New York. Nationally 60% of the new jobs created in this new economy are supposed to require something less than a bachelor's degree. It could just be the nature of what's grown in the new jobs created in New York over the last year versus all those that are sitting open that aren't really new jobs and there are plenty of those.

A new Provost just started and it will be interesting to see what new policies come out of SUNY over the next couple of years. It has been fairly quiet since we got a new Chancellor. There certainly are things in the hopper that will put more pressure on community colleges on top of students transferring, Excelsior scholarships and concurrent enrollment and all the policies that have changed over the last few years which aren't bad in themselves but have not been helpful to community college's really at all.

The big thing we are dealing with is working through to balance the budget in light of the decrease in enrollment. He has only spoken to one president whose enrollment is slightly up this fall and they are actually in a growing region of the state – actually Long Island. Those he has heard from are down even more than we are; it is the nature of the economy; the Excelsior scholarship; early transfer to senior institutions – trends none of which are bad for students but don't favor community colleges, and not just in New York but across the nation. Coupled with our dramatic reduction in our teenage population in the area we are facing; we are going to be looking at headwinds for at least the next few years which are going to require some continued restructuring as we go forward. We are going to have to be prepared for that just based on all these local and national trends that impact us and we don't have much opportunity to impact any other direction other than finding new markets or raising tuition substantially. Finding new markets outside of our region since our core market locally is either working or in the process of shrinking by 25%, just the realities that we face. Michael will talk more about the budget in a moment.

The other big news which I mentioned in a general way last year when we began to look for a successor to Francis is we are going to be experiencing a number of retirements this year; a number of high profile retirements.

2.2 SUNY Broome Budget and Financial Developments

Michael gave his report to the Committee.

Budget and Finance's tentative forecast is a balanced budget for last year (2017-18) which concluded about two weeks ago, as of August 31st. We are required to submit the 2017-18 annual report to SUNY by October 31st, and the team is closing out the fiscal year, finalizing the accruals, etc. Based on preliminary information we have, we feel highly confident that we will have a balanced budget.

Relative to this years' (2018-19) budget, the College's draft enrollment numbers reflect about a 6.75% decline in enrollment, and when you calculate that against the total variable revenue of about \$50 million budget; given sponsor share is not impacted by enrollment, but the rest of the revenues are, the fiscal impact is about a \$3.5 million revenue loss figure that we are needing to reduce spending by. At the current time, we have set aside funding that is in alignment with \$3.5 million. With 85% of our cost structure now being payroll and benefits, we were able to successfully reduce a fairly significant number of course sections offered during the Fall 2018 semester, in alignment with reduced enrollments, so we would expect payroll and benefits reduced in the neighborhood of \$1.5 million. Additionally, what we have set aside is a couple of million dollars out of the non-personnel category, until such time as we have a better handle on enrollment relative to the Spring 2019 semester. He thinks the College has prudently, with only two (2) weeks into the budget, has set aside spending to be in alignment with what to expect and forecast the revenues to be for this coming fiscal year. He can answer any questions any one has.

Trustee Serafini asked with the decrease in enrollment, we are going add substantial expenses at Carnegie. Have you planned for that? Michael responded that based on developing the capital side of the Carnegie project, we certainly have a ballpark understanding relative to what those incremental costs are going to be both on the operating side as well as what he would consider a fairly significant increase in safety and security and most likely some refinements to how we transport students above and beyond what currently exists.

Trustee Serafini asked what did he think that number would be and Michael said he is anticipating somewhere in the range between a quarter of a million and a half a million dollars; against the \$58 million total operating budget, certainly a material amount of money but it is something at this point he thinks the College can manage. Everything is relative within the context of whether there is further enrollment decline next year at the 7% decline level of this year, which would create formidable challenges for the College prospectively. We are already starting to formulate the framework for next years' budget (2019-20) and will present it here in March and it is certainly one of several factors that we are currently working on.

Trustee Akel asked there are no operating costs for 2018-19 for Carnegie right? Michael responded there is and we will have pre-opening costs, and critical to the Carnegie opening is marketing the culinary and hospitality programs. Trustee Akel asked beyond what we do for the College itself? Michael said yes. He thinks above and beyond the broad marketing the College does, there are niche areas which are marketed depending on feedback by the academic areas and even areas that we need to shore up. We have issued an RFP specifically for marketing and advertising for culinary and hospitality, and we have that included in this year's budget. We are going to, assuming we proceed with the College's public safety staff, our staff would have a presence downtown. In order to have those individuals hired by January 2020, we will need to have them go through the Police Academy in the Spring of 2019. We will have some of these costs; approximately three (3) police officers is what he has initially discussed with Public Safety leadership. We will have some prorated costs with the need to hire them. There will be some pre-opening Carnegie costs related to the project we have factored into this year's 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.

He wanted to highlight the grand opening of Calice which is scheduled for Tuesday, October 16th at 10:00 a.m. You will all receive that invitation.

Work at Carnegie continues and the report shows what has been ongoing. The change order subcommittee group will receive an email from him soon with respect to the foundation work that we need to do because some of the inconsistencies that were found with the existing foundation when it was excavated and the condition of the existing foundation. He does not want to say how much that is at this point, but he will send an email to the subcommittee and fully outline this.

The last item on the report is Other Notable Projects that we have ongoing and in particular refurbishing of the main entrance to the Library, the Circulation Area. We are going to put a new floor in there along with new paint and carpet runners. A few other projects that are not on the list will be the transfer of the photography lab from the basement of Old Science to the new Calice building in the basement – which is a much better situation for them. Also the creation of a music rehearsal room in Campus Services. Now that we have gotten all of the staff and faculty out of Old Science and back into Calice, we will be able to move ahead with this project.

- 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 Barber made a motion to adjourn the meeting, and Trustee Akel seconded the motion, which was unanimously approved. The meeting adjourned at 10:20 a.m.

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

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