

FINANCE COMMITTEE
BOARD OF TRUSTEES
MINUTES

Meeting of June 27, 2017

Finance & Capital Committee members 2016-2017:

Linda Green, Chair

John DeGrace

Wanda Jackson

Edward Powers

The meeting of the Finance Section of the Finance and Capital Committee of the Board of Trustees was called to order by Trustee Green on the eleventh floor of the Administrative Tower at approximately 5:20 p.m.

Finance & Capital
Committee members

Present:

Jorge Gardyn, Ex-Officio
Linda Green, Chair
John DeGrace
Wanda Jackson
Edward Powers

Trustees also
in attendance:

Donna Tuman, appointed ad hoc to the Finance & Capital Committee
Kathy Weiss, Vice Chair, appointed ad hoc to the Finance & Capital Committee
Therese Russell, Student Trustee

Also in attendance:

President Keen
VPs Collins, Conzatti, Muscarella, Reznik
AVP Friedman
Assistant to the President for Governmental & Media Relations Murray
Comptroller Izquierdo
Procurement Director Cappello
Treasurer Hahn

* Chair Gardyn appointed Trustees Tuman, Weiss and Russell ad hoc to the Finance & Capital Committee for the June 27, 2017 meeting.

AGENDA ITEMS

1. Minutes of the Finance Section of the Finance & Capital Committee meeting of May 9, 2017 were presented for approval. VP Reznik advised that for clarification purposes, several changes were made to the May 9, 2017 minutes and are presented for approval. Vice Chair Weiss made a motion, seconded by Chair Gardyn. The minutes were approved.

2. Pending College Procurement Agreement—There were two Pending College Procurement Agreements presented at the June 27, 2017 meeting. Chair Gardyn made a motion, seconded by Trustee Powers. The Pending College Procurement Agreements will be recommended to the full Board of Trustees for approval.

Trustee Jackson asked for additional background information regarding Item A (to hire a consultant firm for a feasibility study to determine the capacity for a community college to support residence halls.) Short discussion followed. One of the reasons to consider the dormitory feasibility study is to evaluate the need of space for international students, athletes and out of state students. An RFP was done that attracted three companies that have done feasibility studies on various college campuses. The selection was narrowed down to two firms who were subsequently interviewed. It was determined that Brailsford & Dunlavey appear to be most qualified. The first step in the feasibility study is to do an in-depth analysis of the need. If NCC proceeds with this project, financing would go through private placement bonds repaid by NCC dormitory revenues (separate from NCC organization); it would not come from tuition revenues, or county or state share. Of the 30 community colleges in NY State, 20 have dormitories. An independent review of the cost of the project will be compared to the feasibility of NCC's ability to utilize dorms to capacity. Once a report becomes available from Brailsford & Dunlavey, it will be shared with the Board of Trustees.

Vice Chair Weiss expressed her concerns: (1) this feasibility study was not discussed by the full BOT, (2) the current budgetary problems at NCC, and (3) she questioned NCC's ability to do this costly project even though dormitories might bring additional enrollment to NCC in the future. Dr. Gardyn advised that this issue was previously discussed when some NCC student athletes needed to be housed at other institutions. NCC needs to do something with enrollment and retention – to try to attract additional students. Further discussion followed. All were in favor of presenting Item A to the full Board of Trustees for approval except Trustee Weiss.

Item B (to hire an individual to provide lobbying services to NCC for advocacy efforts with the New York State Governor, New York State Legislature, the Nassau County Executive and the Nassau County Legislature to improve the education experience for students.) Vice Chair Weiss asked if the lobbyist's services added value for the College. Dr. Gardyn said it is important to have a voice in Albany and that the capital funding is evidence of the effectiveness of the lobbyist. All were in favor of presenting Item B to the full Board of Trustees for approval.

3. Comptroller's Report—April, 2017. Comptroller Izquierdo advised that OTPS disbursements including Personnel Service Contracts were reviewed for the month of April. No issues to report during the review of these documents. Regarding the Accounts Receivable report, NCC is still collecting from the spring semester; we have collected 94.1%.

4. Donation—First National Bank of Long Island. Trustee Jackson made a motion, seconded by Trustee Powers. All were in favor of presenting to the full Board of Trustees for approval.

5. Donation—Swimwear Anywear Inc. Trustee Jackson made a motion, seconded by Trustee Powers. All were in favor of presenting to the full Board of Trustees for approval.

6. Resolution—Minimum Wage Increase. Trustee Jackson made a motion, seconded by Trustee Powers. All were in favor of presenting to the full Board of Trustees for approval.

7. Discussion—Fiscal Year 2018 Budget Status. Dr. Keen commented that NCC had a very good session with the County Legislature on June 19, 2017. The members had questions which showed that legislators had interest in the College, and ultimately voted unanimously for the Fiscal Year 2018 budget.

VP Reznik spoke of one budget assumption—the refinancing and extending the NCCFT retirement bond. The original term for repayment was four years; the first principal payment is due October, 2017. The original principal amount was \$2.1 million; however, NCC negotiated and received approval from the County Executive Office and received a new schedule to extend the payment to a 10-year period, which will bring the October 2017 principal payment down to \$500,000 (a difference of \$1.6 million). NCC administration also met with NIFA and

discussed the extension of the bond which will benefit students and give a stronger position for meeting with Middle States in the fall of 2017. Preliminarily, it appears that the NIFA Board is in favor of the extension.

NCC is still negotiating with the Westbury School District regarding the sublease of the North Annex Building. The District is very interested in pursuing this further, and NCC is working with attorneys to finalize the sublease agreement. This agreement will have to be approved by the New York State Education Department for the district to enter into contract. NCC will also continue to hold classes in North Annex during weekends and at night allowing us to receive a partial reimbursement from SUNY – up to 50% of reimbursement in addition to rent payments from the Westbury School District for the next two years.

8. Discussion—NCC and NCC Foundation Grants Summary. Dr. Keen advised that he received questions from Board members regarding grants. Grant funding allows NCC to extend what we do into areas where we would not have funding from the operating budget. Some programs are based on campus, and some extend services out to the community – for example, to schools in Long Island districts. VP Reznik distributed to Board members a memo summarizing NCC and NCC Foundation Grants in Progress.

VP Reznik advised that NCC receives grants from federal, state and private sources. The average annual amount of grant revenue received from federal, state and private grants is about \$3.9 million. Some grants expire, some are given for one-year, some cover multiple years, and some may be renewed or expire. Total active grants from all sources awarded to NCC is approximately \$18.3 million, of which \$10.3 million remain available as of June 20, 2017.

Included in the total number are grants maintained by the NCC Foundation: two federal and two state grants totaling \$10 million. Total indirect costs received from federal sources (reimbursement to offset College overhead expenses) were \$127,000 and estimated \$235,000 for 2016 and 2017 respectively. These amounts are calculated on the total expenditures of the grant. Of the 2017 amounts, \$164,000 will be received by the Foundation.

The College Comptroller's office is responsible to ensure compliance with federal requirements (A-133) and accuracy for financial reporting for all NCC and NCC Foundation federal grants.

Some grants periodically terminate. Of those that are scheduled to terminate, applications have already been issued and the amount of the possible grant revenue process concludes in 2017. Total grants to be renewed equals about \$2.6 million.

9. Discussion—NCC Insurance Policies. VP Reznik wanted to address concerns that were expressed from Board members about insurance coverage. The question was raised if NCC should continue with the current D & O policies and if we have sufficient/or excessive insurance coverage. NCC had an independent study performed in May 2016 by Towers Watson. They reviewed all insurance policies purchased by NCC and recommended that NCC maintains at least the current level of D & O insurance policy. The D & O policies that will be effective as of August 1, 2017 will have no reduction in the level of coverage.

The meeting adjourned at 5:55 p.m.

Respectfully submitted,

Inna Reznik
Vice President Finance