

FINANCE COMMITTEE
BOARD OF TRUSTEES
MINUTES

Meeting of February 9, 2016

The meeting of the Finance Section of the Finance and Capital Committee of the Board of Trustees was called to order by Chair Gardyn on the eleventh floor of the Administrative Tower at approximately 6:15 p.m.

Trustees Present: Jorge Gardyn, Chair
 Kathy Weiss, Vice Chair
 John DeGrace
 Arnold Drucker
 Linda Green
 Wanda Jackson
 Edward Powers
 Donna Tuman
 Jennifer Borzym, Student Trustee

Also in attendance: Interim President Dolan
 Executive VP Saunders
 VPs Conzatti, Muscarella, Reznik
 AVP Friedman-C.
 Acting General Counsel/Government & Media Relations Murray
 Comptroller Izquierdo
 Treasurer Hahn
 CIO Lawless
 Marketing Communications Director Steger
 Furmanroth Advertising Agency

*Chair Gardyn appointed Vice Chair Weiss and Trustee Powers ad hoc to the Finance and Capital Committee for the February 9, 2016 meeting.

*Interim President Dolan introduced the representatives from Furmanroth Advertising Agency. Furmanroth followed with a PowerPoint presentation.

AGENDA ITEMS

6. Discussion—Advertising Agency Presentation (Furmonroth). An overview of the agency was given by Ernie Roth/President & CEO, Jacki Friedman/Senior VP/Director of Account Services and Mark Lenz/Senior Group Account Supervisor. Furmanroth consists of three departments: account managers (where to position clients), creative in-house department, and media department (to plan and research). Jackie Friedman added that Furmanroth identifies their market, understands techniques and uses this knowledge to target their audience whether it is high school students, community leaders, or adult learners. Short discussion led by Mark Lenz followed regarding the change in advertising to the under 25 generation; how this generation interfaces with social media and the different avenues that are now required to reach them. Furmanroth will begin with a strategic plan for NCC and will keep track and make changes where necessary. Some of Furmanroth's clients include Seton Hall University (18 years) and Fordham University (9 years), Stew Leonard's, Krazy Glue, The Bronx Zoo and some

Not-For-Profit accounts. Previous campaign strategies were also shared with the Board of Trustees. Board members requested a copy of the Power Point presentation.

1. Minutes of the Finance Section of the Finance and Capital Committee meeting of January 12, 2016 were presented for approval. Vice Chair Weiss made the motion seconded by Trustee Green. The January minutes were approved.
2. Pending College Procurement Agreement—There were no Pending College Procurement Agreements to be presented at the February 9, 2016 Finance & Capital Committee meeting.
3. Comptroller's Report of Expenditures—December, 2015. Comptroller Izquierdo advised that expenditures and OTPS were reviewed with no discrepancies. The Accounts Receivable report includes receivables for the spring 2016 semester; NCC has collected \$26 million of the \$39 million of spring 2016 billings on current receivables. Vice Chair Weiss asked if this is a typical amount. VP Reznik advised that this report includes 10 days of the spring semester; the amount is typical. Comptroller Izquierdo advised that NCC continues to collect old receivables.
4. Travel Requests—There are two (2) travel requests in the amount of \$3,706.00 to be presented for approval. Trustee Tuman asked for a motion to approve the travel. Trustee Jackson made a motion, seconded by Vice Chair Weiss. The travel was approved.
5. Discussion—2016 Projected Operating Results. VP Reznik stated that NCC is moving into budget season and in May the budget for 2017 will be presented to the Board of Trustees for approval. Once approved, the budget will be presented to the County Legislature for their approval.

VP Reznik gave a PowerPoint presentation summary of the 2016 Projected Operating Results which is based on the first five months of operation. The summary does not include the actual adjunct payroll information (adjuncts were hired to backfill the retired full time professor positions). Since adjuncts are paid on a different schedule than the full time professors, this report contains estimated salary numbers based on an educated guess. Actual numbers will be provided throughout the budget process.

Page 2 of the Operating Results represents NCC expenses. Salary/Fringe Benefits represents the largest expense. The unfavorable variance of approximately \$200,000 was explained on page 3. The number of full-time faculty retirements exceeded the amount NCC budgeted. Unbudgeted savings from NCCFT and CSEA retirements total \$3.5 million; however, unbudgeted costs will be approximately \$3.7 million resulting in the net unbudgeted expense of \$200,000. The unbudgeted savings also included a voluntary separation incentive for CSEA members (not a retirement) involving 12 CSEA members for a total savings of approximately \$800,000. In August/September, NCC representatives asked the County to bond the termination pay as was done in the past; however, at this point, only September retirements were final. The total of NCCFT January retirements was not known at that time. The actual cost is higher than what was estimated and approved for bonding, and NCC will pay out of pocket for the additional cost of full-time faculty retirements.

Another item is the Safer Grant; we were not budgeted for the grant. The deficit currently projected at \$700,000 will be absorbed by NCC if the County will not fund this. Last year NCC absorbed approximately \$400,000.

Regarding revenues—unfortunately, about \$2.4 million under what was budgeted due to low enrollment. NCC budgeted for a 2% decrease; however there is a 4.7% enrollment drop (4.11% decrease in the fall, 14.15% decrease in winter, and 6.10% drop in spring).

Projected Fund Balance – As of 8/31/2015, Fund Balance was \$8.6 million. The projected Fund Balance as of 8/31/2016 will be \$5.4 million, which is slightly above 2.5% of the 2016 operating budget. Short discussion followed. A resolution will need to be passed should Fund Balance fall below 4%.

VP Reznik advised that the SUNY Chancellor presented a proposal to law makers in Albany for the 2017 budget recommending a \$285 increase per FTE for community colleges. If this materializes, it will be a great contribution for budget purposes. The governor's initial budget has a \$0 increase to community colleges.

The meeting adjourned at approximately 6:45 p.m.

Respectfully submitted,

Inna Reznik
Vice President Finance