

FINANCE COMMITTEE
BOARD OF TRUSTEES
MINUTES

Meeting of May 10, 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 5:15 p.m.

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

Also in attendance: Interim President Dolan
 Executive VP Saunders
 VPs Conzatti, Muscarella, Reznik
 AVPs Friedman-C, Friedman-S
 Acting General Counsel/Government & Media Relations Murray
 Comptroller Izquierdo
 Treasurer Hahn
 CIO Lawless
 Procurement Director Cappello

AGENDA ITEMS

1. Minutes of the Finance Section of the Finance and Capital Committee meeting of April 12, 2016 were presented for approval. Trustee Jackson made the motion seconded by Trustee Green. The April minutes were approved.
2. Pending College Procurement Agreement—VP Reznik provided an overview of the difference between the typical Procurement agreements presented for Board approval and the food service contract agreement presented in the May package. VP Reznik advised that usually procurement agreements are expense contracts. The food service agreement is a revenue agreement that will provide an inflow of cash for NCC of up to \$1.5 million; this capital investment of \$1.5 million will be amortized through the life of the contract. A net payment schedule has been provided on page two of the agreement. Typical payments range from \$225,000 to \$310,000 a year. Trustee Jackson made a motion, seconded by Trustee Green. The Procurement Agreement will be presented to the full Board of Trustees for approval.
3. Comptroller's Report of Expenditures—March, 2016. Comptroller Izquierdo advised that expenditures and OTPS (Other than Personnel Services) and Personal Service Contracts were reviewed with no exceptions. Short discussion followed regarding the Accounts Receivable Report. NCC is still collecting for the spring semester; total amount collected is approximately \$2 million. Vice Chair Weiss remarked about the amount still in arrears from summer 2015.
4. Travel Requests—VP Reznik advised that there is an amended travel agenda as an additional travel request was added. There were four (4) travel requests in the amount of \$11,647.00 to be presented at the May 10, 2016 Finance & Capital Committee meeting. Trustee Jackson made a motion, seconded by Trustee Green. All Trustees were in favor of the travel.

5. FY 2017 Budget – 9/1/2016 to 8/31/2017. Interim President Dolan gave a small overview of the budget before VP Reznik began her presentation.

He thanked VP Reznik and her entire staff for all the hard work that they have done on the budget. He also thanked the Cabinet for their hard work as well. The FY 2017 budget has been on the Finance Agenda since December; all have worked very hard to prepare a budget that found the right balance while at the same time not deplete services. Finance had to work with the following scenario NCC confronted with:

- 5% decrease in enrollment
- Small increase from NYS for FTEs, and
- No increase from Nassau County – eighth year in a row.

All this resulted in about a \$10 million gap, between revenue and expenses, and therefore, it is recommended that to balance this budget, a \$334 increase in tuition plus a \$60 increase in fees (total of \$394) is needed, and therefore, presented for Board approval. There are also 24 individuals on temporary lines who have been advised that their position would end on June of 2016. In February a letter was sent to them advising them of their situation. 16 of the 24 temporary lines have been preserved. The NCCFT is currently working to restore the 8 remaining temporary lines.

The budget contains \$350,000 in administrative reductions and many cuts in OTPS. This proposed budget requires Board approval, Nassau County legislature approval and SUNY Board approval.

VP Reznik advised that the Fiscal Year 2017 budget (line by line) is posted on the NCC website. This budget contains the following major assumptions:

- Decrease in OTPS
- Increase in fringe benefits
- Increase in cost of health insurance (7.8%) – will cost us \$1.5 million – the rate will be finalized in November.
- Debt service schedule is based on renegotiated schedule. A fully executed memo has been completed between NCC and Nassau County which reduced the debt service of 2017 and the timing of payments to Nassau County. Payments will now be paid in 2018. NCC will face additional two (2) principal payments in 2020. Short discussion followed.

Regarding revenues: the 2017 budget figures are based on a 5% decrease in enrollment. Combined student tuition rate and fees result in \$167 increase per semester which results in full time tuition rate of \$4,868 per year or \$2,434 per semester. This budget anticipates the increase in the technology fees. Currently our technology fees are \$40 per semester, which is the lowest in the industry. For example, Suffolk County Community College technology fees are \$80 this year and FY 2017 it is proposed to increase to \$125 per semester. NCC will be considerably less. Music fees will also increase but it only affects 30 to 40 students per semester – a small percentage of NCC students. Short discussion followed regarding the music fees for the community colleges in our area.

Revenue received from other counties whose students attend NCC is impacted by 5% enrollment drop. State Aid increase of \$100 annually; no increase in Nassau County property tax (this is the eighth year); no budgeted use of Fund Balance; all for a total of approximately \$211 million.

The FY 2017 budget incorporates a \$2 million decrease in total operating expenses. This is the second consecutive year that there is a decrease in the budget. NCC is approximately \$5 million lower in expenses than the 2015 expenses. The proposed FY 2017 Budget is \$211,672,134.

Short discussion followed regarding Fund Balance. In the last fiscal year Fund Balance was \$8.7 million which is slightly above 4%. This year Fund Balance is below 4%; therefore, Board members will need to pass a resolution to adopt the FY 2017 budget. VP Reznik advised that according to guidance, Fund Balance should be between 5 & 15%.

Short discussion followed regarding the debt service schedule. Trustee Weiss expressed concern that to balance FY 2017 the schedule had to be postponed to FY 2018.

Trustee Tuman read the resolution for the FY 2017 budget. Trustee Jackson made a motion, seconded by Trustee Green. There was no discussion. All were in favor to present the FY 2017 budget to the full Board of Trustees for approval.

6. Tuition and Fee Schedule 2016 – 2017. VP Reznik advised the tuition and fee schedule is tied to the FY 2017 budget. The main message in this budget is that enrollment is down. Between the loss of enrollment and the increase due to contractual obligations, NCC needs to increase tuition & fees by an annual increase of \$334 a year in full-time tuition and a \$14 increase in part-time tuition. Technology fees will increase to \$70 for full-time students per semester and \$25 for part-time students per semester.

Trustee Tuman read the resolution. Trustee Jackson made a motion, seconded by Trustee Green. There was no discussion. All were in favor to present the Tuition and Fee Schedule 2016 – 2017 to the full Board of Trustees for approval.

The meeting adjourned at 6:00 p.m.

Respectfully submitted,

Inna Reznik
Vice President Finance