

FINANCE COMMITTEE  
BOARD OF TRUSTEES  
MINUTES

Meeting of May 11, 2021

**Finance & Capital Committee members 2020-2021:**

**John DeGrace, Chair**

**John Durso**

**Linda Green**

**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 DeGrace via Zoom meeting at 5:00p.m.

Committee members present:        John DeGrace  
    John Durso  
    Edward Powers  
    Linda Green  
    Wanda Jackson

Committee members absent:        -

Other Trustees in attendance:     George Siberón  
    Donna Tuman  
    Kathy Weiss

Also in attendance:                 President Williams,  
    VP's Izquierdo, Muscarella, Kerrigan, Conzatti. Lausch  
    AVP's Hahn, Friedman  
    General Counsel Haugen  
    Associate General Counsel Brodsky  
    Director Cappello  
    Lisa Hahn

**AGENDA ITEMS**

- 1. Minutes** - Minutes of the April 13, 2021 meeting were approved. Motion was made by Trustee Durso and seconded by Trustee Jackson. Motion carried.
- 2. Pending College Procurement Agreements**  
Resolved that the pending College procurement agreement for Science Interactive in the amount of \$130,000 requested by VP of Academic Affairs Lausch is approved by this committee and will be recommended to the full board for approval.  
Motion was made by Trustee Durso and seconded by Trustee Jackson Motion carried.
- 3. Office of the Comptroller's Report** – presented by VP Izquierdo
  - a. The Office of the Comptroller performed an examination of OTPS (Other than Personal Services) expenditures based on the reports generated by the Banner system for March 2021. All OTPS

expenditures were subjected to selection, and 8 expenditures were selected. The expenditures were audited for appropriateness in accordance with the Code of Rules and Regulations for Community Colleges as promulgated by the State University of New York, proper departmental authorization, accurate departmental coding, evidence of receipt of goods or services and utilization of appropriate purchasing practices based on the amount of purchase and state and local requirements. The 8 expenditures ranged from approximately \$43,000 to \$209,000 and averaged \$81,000. The cumulative value of the 8 expenditures was \$648,000 and represented 44% of this month's total OTPS expenditures which included paper and UniMarket invoices.

- b. There were no personal service expenditures.
- c. The Accounts Receivable (A/R) Aging Report shows we are at approximately 91.8% collection for fiscal 2021. We are in line with previous years, we are doing well with collecting despite no assignments made to collection agencies due to the pandemic. SUNY has mandated collection efforts suspended until further notice..

Trustee Siberón asked if we are in the process of bringing in a new Comptroller? VP Izquierdo responded that we are reorganizing and repurposing existing people to meet the demands of the finance department. Trustee Durso asked if the people are being compensated accordingly. Salaries have been adjusted based on titles.

#### 4. **Budget** – presented by VP Izquierdo

Budget timeline- review and approve the budget today. We are meeting with County Executive tomorrow with a budget presentation and meetings are set with the minority and majority legislatures for next week. On June 14<sup>th</sup> we will bring the budget to the legislative budget committee. On June 28<sup>th</sup> we will present to the full legislature and at that point it should be passed and then to SUNY on June 29<sup>th</sup>.

Revenue assumptions are as follows:

- Enrollments - passed at the last board meeting
- Tuition and fee – no increase already passed
- Student Fee – no increase, we see a flat projection of the current students 2022
- Continued Education – 10% increase
- Commissions – no change (main commission from book store, nothing from food service)
- State Funding – increase of \$50 per FTE to \$2,997 or choice of 98% floor; the 98% floor is more favorable to us by increased revenue of approximately \$3 million.
- Nassau County – no funding change
- Salary increases - based on contractual obligations
- Fringes - 5% increase for health and benefit costs
- Equipment – decrease by 7% and is comparable to fiscal 2019 pre COVID, 2019 was our last normal year
- General Expenses – decreased by 12% comparable to pre COVID
- Contractual – decrease by 8% due to reduction of outside services benefited by building usage optimization
- Utility - consistent with prior year budgets, offsets from return of staff and students, lower expense than pre COVID

- Except for the expense side, this budget has not changed from what we have seen in the past. The revenues are the same as 2021, projected the same as the proposed budget 2022.
- Revenue in lieu of sponsored shares also remains flat, this is mostly the chargebacks to the county.
- Revenue to us expenses – bookstore remains flat and 10% increase for Continuing Education
- Rents – Endo building
- Investment income is constant
- State Aid \$38,422,000 benefiting from the 98% floor
- Property taxes \$52,000,000 same as prior years
- Fund balance use \$12,086,000 - this is the gap that we have. We are using fund balance to balance this budget.
- Salaries \$111,000,000 represents the 2% increases already discussed
- Fringe benefits 5% increase in health care benefits and pensions
- Equipment expected to be \$1.9M this year as people come back
- General Expenses reduced by efficiency of use
- Contractual Expenses – major items are maintenance, housekeeping & groundskeeping, IT Shared services with SUNY software
- Utility costs will be higher that this year but lower than 2019 actual
- Interfund charges – utility plant steam from County this is fixed

Trustee Siberón asked if by using the fund balance to balance the budget if we have the 4% left. Yes, this conforms to our policy.

Trustee Durso asked if Endo building will be used by Westbury School District. VP Muscarella explained that we were notified a month ago that the Westbury School District is not renewing, the building owner’s representative has toured the building with his leasing team and is marketing the building to other parties in the area. We have also contacted half a dozen real estates in commercial real estate and sent the building’s floor plans and they are marketing it as well. Hopefully we will know more in a month.

We do have an offset to that lease as we receive rental aid from the State for that building. We currently receive half the rental aid because we use half the building. If we don’t find anyone to sublease we will get \$400,000 in rental aid which is a \$300,000 loss from the \$700,000 rent.

Trustee Durso asked the square footage. Its about 10,000 square feet.

We use the awards from the CARES, CRRSAA, and ARP to bring up the fund balance.

2021 - \$10,076,000

2022 - \$12,000,000

2023 - \$12,000,000

Fund Balance – 2021 starting \$21,216,000. With a loss of 2022 of \$12,086,00 and using grants of \$12,000,000 we’ll end up with fund balance \$21,130,000 which is 11.1% of prior years’ expenses. This is in line with policy, only because we have the grants.

Resolved that NCC Board of Trustees hereby approves an operating budget for the fiscal year commencing September 1, 2021 in the amount of \$192,154,289. And be it further resolved that the NCC Board of Trustees recommends the adoption of the College Operating Budget by Nassau County Legislature and the Board of Trustees of the State University of NY.

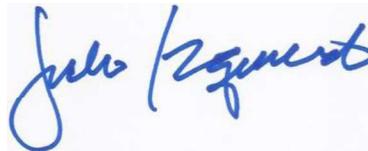
Motion was made by Trustee Green and seconded by Trustee Durso. Motion carried.

**5. Updates** – Presented by VP Izquierdo

- Audit – The Audit is normally completed May 31<sup>st</sup> with a follow up in June. Since there are no major findings, we have agreed to present the completed Audit at the next board meeting. This is a presentation/conversation process and there is no vote and no reason to come back after June. Trustee DeGrace asked if there will be an opportunity for an exit rebuttal. Yes at the June meeting.
- Economic Income Grants – Student portion sent out
- Reached out to the County for FEMA, they will assign a consultant to us.

The meeting adjourned at approximately 5:29 p.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Julio Izquierdo". The signature is written in a cursive style with a large initial "J".

Julio Izquierdo  
Vice President of Finance